



Annual Budget

2023-24

Acknowledgement of Country

Bass Coast Shire Council acknowledge the Bunurong as the Traditional Owners and Custodians of the lands and waters, and pays respect to their Elders past, present and emerging, for they hold the memories, the traditions, the culture and Lore.

Bass Coast Shire Council celebrates the opportunity to embrace and empower the Aboriginal and/or Torres Strait Island Communities in their diversity.

Bass Coast Shire Council will create opportunities for future recognition and respectful partnerships that will honour the Traditional Owners and Custodians, and Aboriginal and/or Torres Strait Islander Peoples.

Diversity and Inclusion

Bass Coast Shire Council is committed to providing communications and engagement that is welcoming, safe, accessible and inclusive for our community including First Nations, Culturally and Linguistically Diverse (CALD), Lesbian, Gay Bisexual, Transgender, Queer, Intersex and Asexual (LGBTQIA+) peoples, people with disability and of all ages.



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Executive summary

Council has prepared the Budget for 2023/24 which is aligned to the Long Term Financial Plan and seeks to :

- Maintain affordable and stable revenue sources
- Present a balanced budget
- Manage capital efficiently
- Maintain, enhance and expand its asset base to meet the needs of our growing community

The Budget provides the authorisation for the ongoing provision for a range of core Council services. This will be provided within the rate cap increase of 3.5% mandated by the State Government, with no reductions to the scope or standard of services that are provided to the community.

The Budget includes a Strategic Resource Plan, providing a four year financial outlook for the Council including Funding Impact Statement, Balance Sheet and Capital Works Statement. Projections for several Financial Indicators including indicators set by the Victorian Auditor-General's Office (VAGO) and Local Government Victoria (LGV) have also been included in the Budget. The forward indicators confirm that Bass Coast's financial position will remain sound with ongoing operating surpluses and investment in capital expenditure. The Budget projects an operating surplus of \$5.2 million for 2023/24 and a balanced Funding Statement position. An adjusted



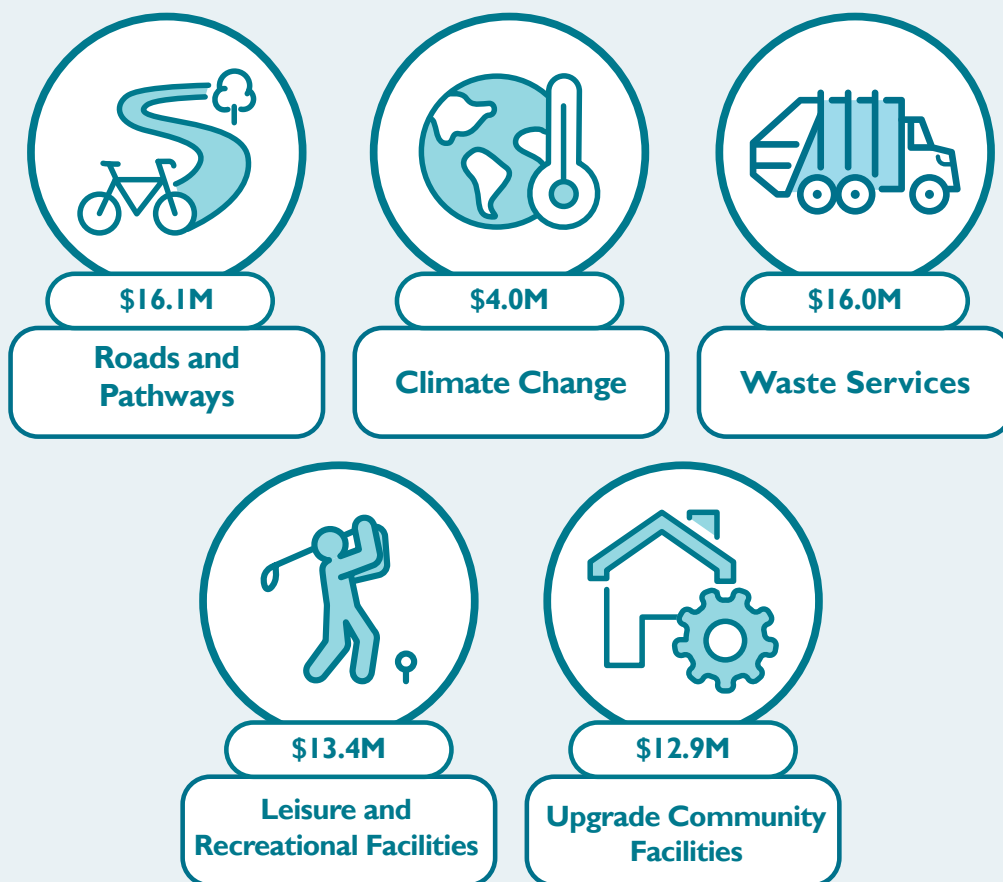
underlying deficit of \$0.4 million is attributable to \$600,000 of landfill rehabilitation works that are funded from Council's discretionary landfill rehabilitation reserve.

The Budget contains a capital program of \$29.4 million, which will provide the community with several public realm improvements, upgraded infrastructure and recreational facilities. Council has responded to economic headwinds through continually seeking efficiencies from the way in which Council operates, maintaining Council assets and the early retirement of debt.

Council will continue to advocate State and Commonwealth government for financial support for the delivery of major intergenerational capital projects over the coming years.

Council declared a Climate Emergency in 2019. In response to this, funding has been provided in the Budget for the Climate Change Action Plan enabling a climate resilient community. The Climate Change Action Plan contains funding in the Capital Budget for new infrastructure such as Building Energy upgrades. In addition, the Operating Budget provides funding for climate change action grants and education.

I. Budget Highlights





2023/24 Budget Snapshot:

- \$106.8 million total budget to deliver for a community, including:
- \$75.7 million operating budget to support Council services
- \$29.4 million Capital Works Program which funds community infrastructure from roads to sports fields
- \$1.6 million Debt Servicing and all within a 3.5% average general rate increase in line with the State Government rate cap

2023/24 Budget Highlights:

\$16.1 million to improve Bass Coast's road and path network, including:

- Berrys Beach Road, Ventnor \$1.1m
- Wonthaggi-Inverloch Overland Trail \$500,000
- Corinella Pathway \$300,000

\$4.0 million on Climate Change Actions, including:

- Protecting our natural environment \$2.3m
- Building Energy Upgrades \$100,000

\$16.0 million on our Waste Services, including:

- Waste Services \$14.7m
- Landfill Rehabilitation \$600,000

\$13.4 million on our Leisure and Recreational facilities, including:

- Art Centre Services at WUCAC and Cowes Cultural and Community Centre \$2.2m
- Playground works \$900,000
- Kilcunda Bass Football Club Pavilion \$500,000

\$12.9 million to upgrade community facilities, including:

- Cowes Activity Centre Plan \$700,000
- Replacement of various toilet facilities \$700,000
- Inverloch Hub works \$600,000

2. Strategic Objectives

The Budget has been developed in line with the key objectives contained within the Council Plan 2021- 2025. The Council Plan 2021-2025 is a four-year strategic document.

The major initiatives provided for in this Budget that support the Council Plan 2021-2025 objectives

Strategic Objective 1: Protecting our natural environment

1. Design and implement a dedicated perpetual environment fund for accelerating habitat restoration on public and private land.
2. Develop and maintain a Significant Tree Register to protect distinctive trees integral to the environment, culture and heritage of Bass Coast.

Strategic Objective 2: Healthy Community

3. Deliver a dynamic arts program at WUCAC and the new Cultural and Community Centre including the 'opening' of the new venue.
4. Develop a Mountain Bike/BMX/Pump Strategy to guide the development of tracks in Bass Coast.
5. Implement 24/7 cat containment including community engagement, regulation and enforcement plans.
6. Develop a Dog Park Strategy.
7. Advocate for kindergarten expansion in Bass Coast to cater for expanding population.

Strategic Objective 3: Our Places

8. Finish construction of the new Cultural and Community Centre.
9. Develop detailed design for the Wonthaggi Streetscapes Master Plan.
10. Develop detailed designs for the Cowes Streetscapes Master Plan.
11. Adopt and implement the Wonthaggi North East Precinct Structure Plan.
12. Continue the development of a Town Plan for San Remo including Structure Plan and Town Centre guidelines.
13. Develop a Public Art Plan to provide a clear outline of the Council's approach to public art in the municipality.
14. Implement the Tracks and Trails Delivery Plan for 2023/24.

Strategic Objective 4: Growing our Economy

- 15. Develop the Farmer Resilience Program, focusing on commercial and business sustainability and mental health.
- 16. Implement a strategic approach to international, national and local events to drive economic growth and community benefit.

Strategic Objective 5: Sustainable Development

- 17. Review the Open Space Asset Management Plan to ensure assets are well maintained.
- 18. Review the Road Asset Management Plan to ensure assets are well maintained.
- 19. Continue development of the Bass Coast Industrial Land Strategy.
- 20. Finalise the Housing Strategy and Neighbourhood Character Study.
- 21. Develop an Integrated Transport Strategy to support coordinated and linked transport modes across Bass Coast.

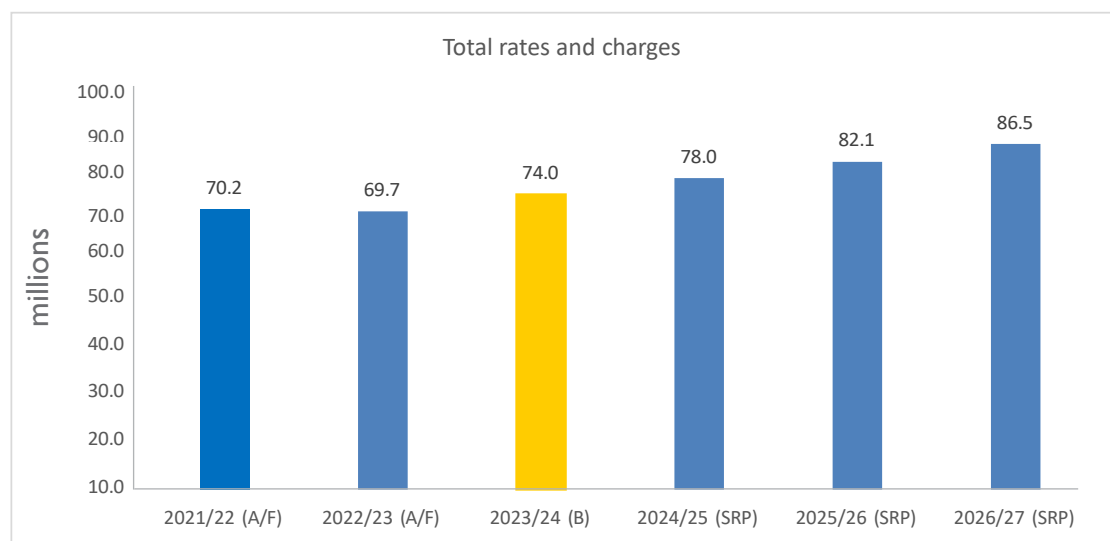
Strategic Objective 6: Leading for our Community

- 22. Implement the Communications and Engagement Strategy and Plan including the establishment of a regular e-newsletter.
- 23. Support implementation of the Climate Change Action Plan through the delivery of Electric Vehicle (EV) charging infrastructure and the purchase of EV's for Council's fleet.
- 24. Continue the delivery of the Business Transformation program.
- 25. Support gender equity in the community through the delivery of the Free from Violence Program.

3. Summary of financial position

Council has prepared a Budget for the 2023/24 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rates and charges, operating result, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

3.1 Total rates and charges



The total rates and charges of \$73.986 million for the 2023/24 year are in line with prior year projections.

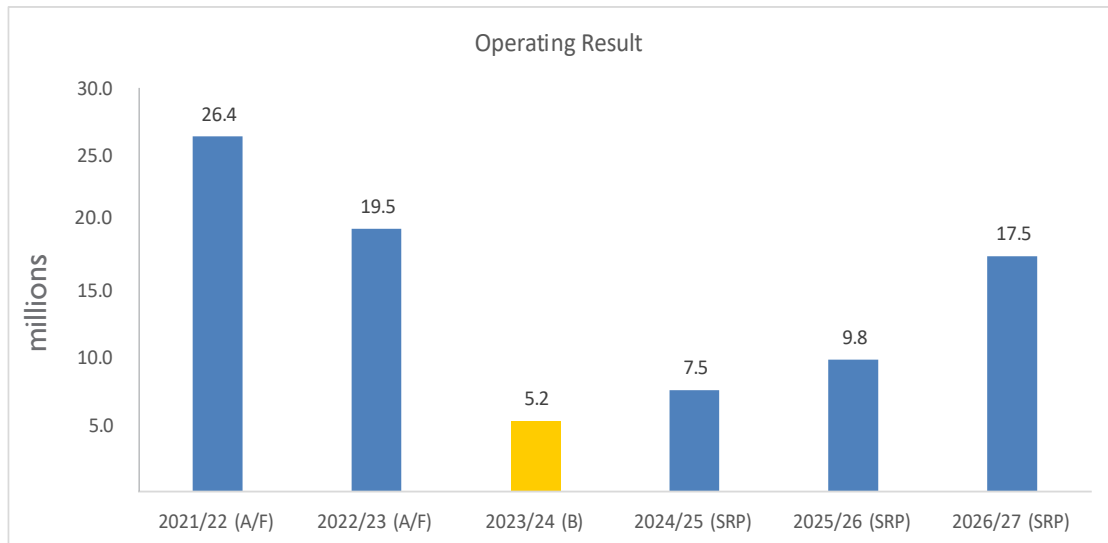
Rate revenue for 2023/24 year is expected to be \$56.939 million. The year on year increase includes a 1.2% growth in the number of properties within the municipality combined with an average rate increase of 3.5% in line with the Rate Cap as mandated by the State Government.

Garbage revenue for 2023/24 is expected to be \$16.277 million. Council utilises a waste recovery model, that sets the Garbage charge at a level that covers the cost of providing the waste services across the municipality. The standard Garbage charge will increase by \$58.75 to \$550.83 in 2023/24.

The balance of \$0.77 million includes supplementary rates and interest.

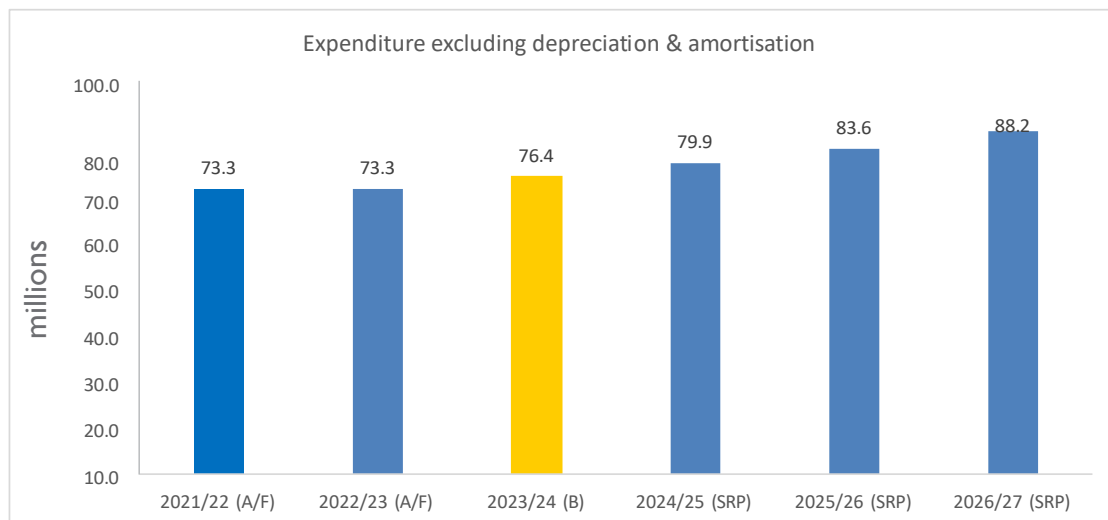
Refer also to Section 8 and Appendix 2 for further information on rates and charges.

3.2 Operating result



The operating surplus in the 2023/24 year is projected to be \$5.221 million. The elevated 2021/22 result reflects the receipt of \$13.987 million in developer contributed assets. Council's current forecast and projected future years surplus is due to \$18.792 million in budgeted capital grant funding which is linked to the development of major intergenerational capital projects

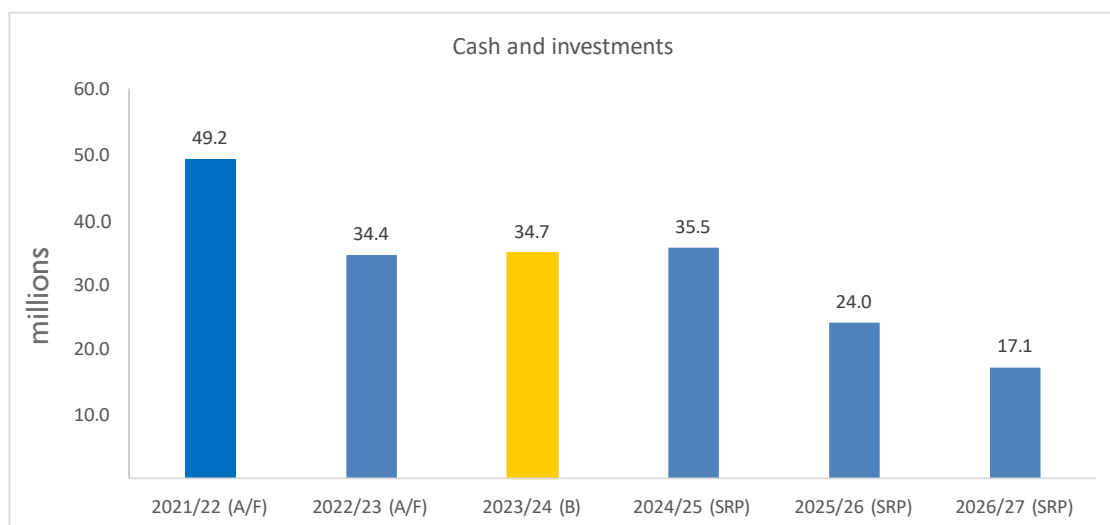
3.3 Expenditure excluding depreciation & amortisation



Expenditure excluding depreciation and amortisation for the 2023/24 year is expected to be \$76.426 million. Operating expenses are expected to be impacted by inflationary pressures (elevated CPI, wages increases tied to EBA and increases in compulsory superannuation) as well as service level expectations of a growing municipality.



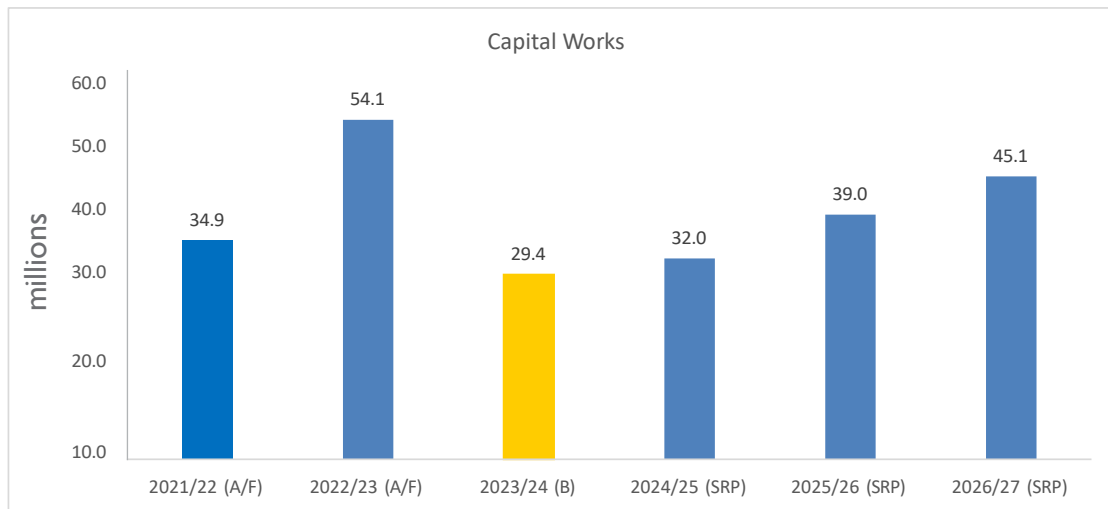
3.4 Cash and investments



Cash and investments are expected to be \$34.692 million as at 30 June 2023. Cash and investments are expected to reduce particularly over years 3 and 4 of the SRP to \$17.069 million as at 30 June 2027. This is due to the utilisation of discretionary reserves as a capital works funding source.

Refer to Appendix I for the Statement of Cash Flow and Appendix 3 for the detailed capital works program.

3.5 Capital works



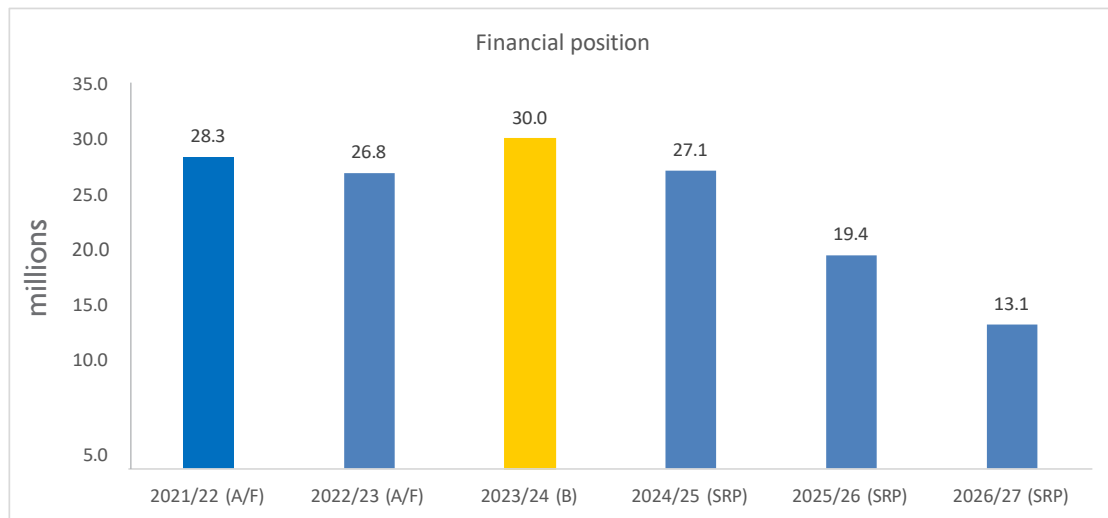
The capital works program for the 2023/24 year is expected to be \$29.411 million.

The 2023/24 program includes a continued investment in the renewal of Council assets including \$0.9 million on playspaces and \$4.0 million on Buildings and Open Space throughout the municipality.

The program is funded by capital grants of \$3.428 million, borrowings of \$2.374 million and the remainder from Council cash. The capital expenditure program has been rigorously prioritised based on price escalations linked to the supply of construction materials and expertise.

Refer to Appendix 1 for the Statement of Capital Works and Appendix 3 for the detailed capital works program.

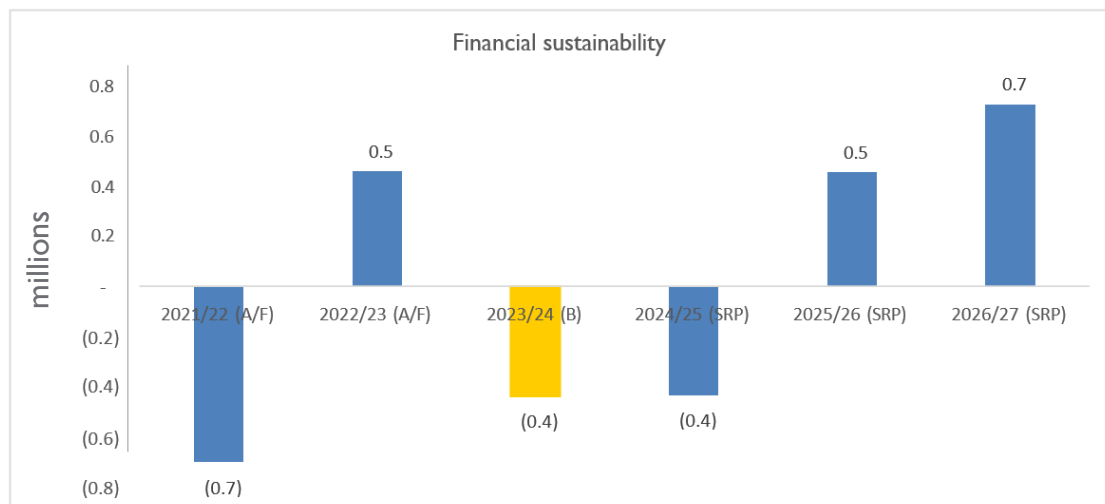
3.6 Financial position



Council's working capital position is expected to reduce over the term of the SRP from a net \$29.973 million in 2023/24 to \$13.107 million by June 2027. This result remains within VAGO's low risk rating and confirms that Council's financial position will remain sound with a stable working capital ratio greater than 1.0.

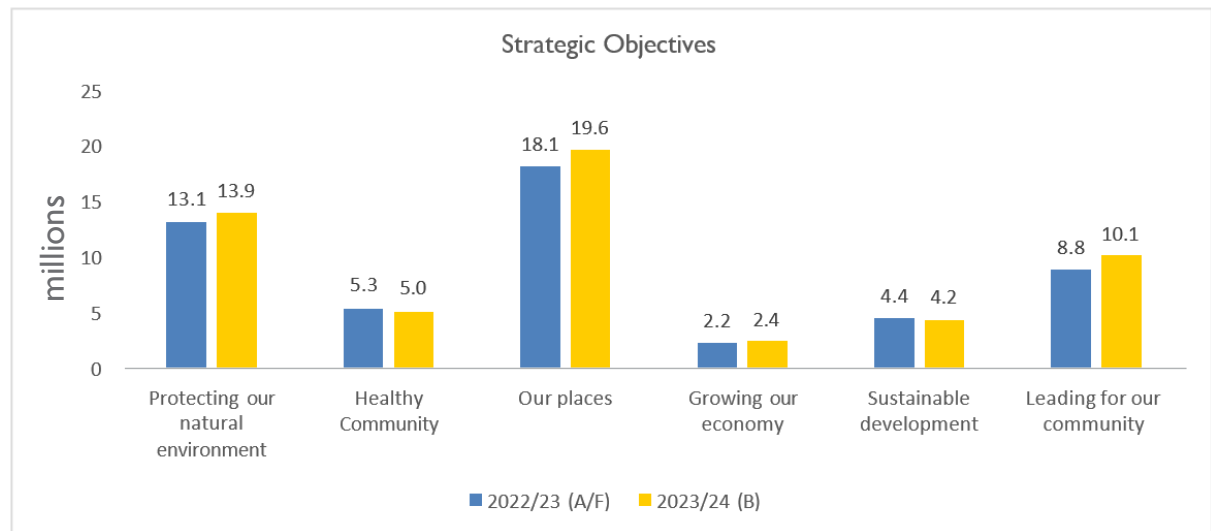
Refer to Appendix I for the Balance Sheet.

3.7 Financial sustainability



Council's projected adjusted underlying results range from a deficit of \$0.4 million in 2023/24 to a surplus of \$0.7 million in 2026/27. Delivery of future surpluses will consolidate Council's plan for a prudent long term financial framework while highlighting the need for future Capital grants to support the new capital projects within the SRP.

3.8 Strategic objectives



The Budget includes a range of services and initiatives to be funded that will contribute to the achievement of the strategic objectives specified in the Council Plan. The above graph shows the level of funding allocated in the Budget compared to 2023/24 Forecast at Quarter 3.

The services that contribute to these objectives are set out in Section 6.

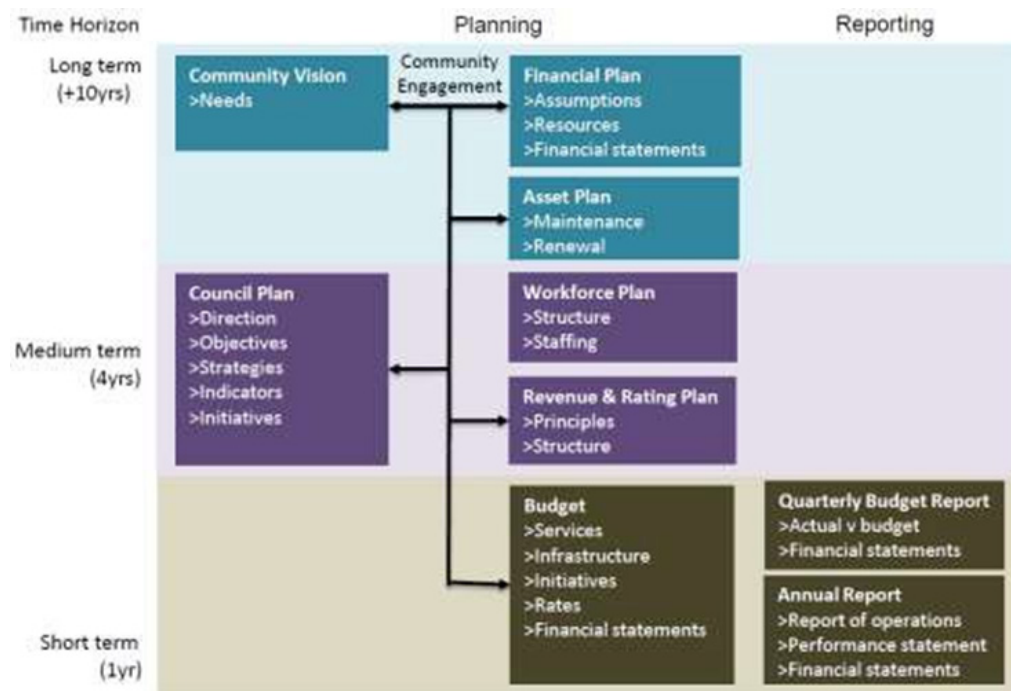
Overview

4. Link to the Integrated Planning and Reporting Framework

This section describes how the Budget links to the achievement of the Community Vision and Council Plan within an overall integrated planning and reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term (Community Vision and Financial Plan), medium term (Council Plan, Workforce Plan, and Revenue and Rating Plan) and short term (Budget) and then holding itself accountable (Annual Report).

4.1 Planning and accountability framework

The Budget is a rolling four-year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The diagram below depicts the integrated planning and reporting framework that applies to local government in Victoria. At each stage of the integrated planning and reporting framework there are opportunities for community and stakeholder input. This is important to ensure transparency and accountability to both residents and ratepayers.



The timing of each component of the integrated planning and reporting framework is critical to the successful achievement of the planned outcomes.

4.2 Key planning considerations

Service level planning

Although councils have a legal obligation to provide some services or source these through external providers such as animal management, local roads, food safety and statutory planning, most council services are not legally mandated, including some services closely associated with councils, such as libraries, building permits and sporting facilities. Further, over time, the needs and expectations of communities can change. Therefore, councils need to have robust processes for service planning and review to ensure all services continue to provide value for money and are in line with community expectations. In doing so, councils should engage with communities to determine how to prioritise resources and balance service provision against other responsibilities such as asset maintenance and capital works. Community consultation needs to be in line with a Council's adopted Community Engagement Policy and Public Transparency Policy.

4.3 Our purpose

Community Vision

Bass Coast is a vibrant community within an easy two hours commuting distance from Melbourne. The region is a combination of unspoilt coastline and picturesque rural hinterland. A popular holiday destination, our quaint rural villages, bustling holiday towns, rolling hills and world-renowned surf breaks provide a breathtaking getaway for over three million visitors each year. We live proudly on Bunurong Country and build on learnings from our First Peoples and their knowledge. We coexist in harmony with our environment and are prepared for future challenges and changes. We are the people of the Bass Coast. Experience our cultures and history and contribute to our story.

Our values

Bass Coast Shire Council has a clear strength in the bond and affinity between its Council officers, the community and employees. Employees support the community leadership and governance role of Councilors and work together to achieve the commitments of the Council Plan. Having all Bass Coast Shire Council employees practice the following organisational values enhances the quality of this partnership:

- Excellence
- Passion
- Integrity
- Imagination
- Courage



4.4 Strategic objectives

Council delivers services and major initiatives under 46 major service categories. Each contributes to the achievement of one of the six Strategic Objectives as set out in the Council Plan 2021-25. The following table lists the six Strategic Objectives as described in the Council Plan. Further detail of services is provided in Section 6.

Strategic Objective		Description
1.	Protecting our Natural Environment	Building resilience and protecting and enhancing our natural assets
2.	Healthy Community	An inclusive community that embraces its lifestyle and supports health and wellbeing
3.	Our Places	Strengthening the connection between people and the public places they share
4.	Growing our Economy	Progressing opportunities for visitation economy and business growth in harmony with our natural environment and sustainable values
5.	Sustainable Development	Prepare for growth while ensuring the intrinsic values and character of Bass Coast are retained
6.	Leading for our Community	Demonstrating leadership through good governance, transparency and accountability.

5. Budget Influences

This section sets out the key budget influences arising from the internal and external environment within which the Council operates.

5.1 Snapshot of Bass Coast Shire Council

The people of Bass Coast acknowledge the traditional owners of this land, the Bunurong people who maintained a beautiful combination of unspoilt coastline and picturesque rural hinterland. We live in respectful harmony with our environment, a popular holiday destination with vibrant townships rich with culture and distinct character. Our world-renowned surf breaks and Penguin Parade provide a breathtaking getaway for over three million visitors each year.

Currently one of the fastest growing areas in regional Victoria, Bass Coast's population is spread among the substantial and important regional centres of Wonthaggi, Cowes, Inverloch, San Remo and Grantville as well as numerous smaller townships. It has a thriving and diverse economy that supports agribusiness and service industries. Bass Coast is an ideal place to raise a family in a friendly regional community that embraces true country values.

Population

The total population of Bass Coast Shire is estimated to be 40,641 people according to the Estimated Resident Population from the Australian Bureau of Statistics. Since the previous year, the population has grown by 4.56%.

Reflecting the appeal of the Shire as a holiday and retirement destination, a substantial number of ratepayers reside outside the Shire.

Tourism

From surfing and cycling to wining and dining, Bass Coast offers over 180 kilometres of spectacular coastline, beautiful wilderness areas and scenic rolling hills. During peak season the population grows to around 80,000. Bass Coast welcomes more than 3 million (overnight and daytrip) visitors every year.

Ageing population

According to the Estimated Resident Population from the Australian Bureau of Statistics as at 2021, the municipality has a significant ageing resident population with 38% of residents aged over 60. This is higher than regional Victoria where those aged over 60 is approximately 29% of the population.

There is a prevalence of second homes ownership within the Shire. Almost 10% of the Australian population has access to a second home, mostly within driving distance of their primary residence, these can be used for a variety of purposes, such as holidaying, investment or retirement.

Housing

Over the next 15 years it is estimated that Bass Coast will need to provide for an additional 10,000 homes to accommodate the changing housing needs of our growing population. Our attractive townships, coastal villages and rural hamlets make Bass Coast one of the most desirable places to live, work and visit. Council will continue to focus growth on Wonthaggi while allowing some infield development in Inverloch, Cowes, San Remo and Grantville. This is based on the principle of linking good access to jobs, services and infrastructure with housing supply.

5.2 External Influences

The preparation of this Budget is influenced by the following external factors:

- The Victorian State Government has set the 2023/24 rate cap at 3.5%. This is 0.5% lower than the Essential Services Commission recommendation of a 4.0% increase.
- The Consumer Price Index (CPI) rose 7.0% over the twelve months to March 2023, driven by higher prices for food, fuel and new dwelling construction. Services annual inflation of 5.5% is the highest it's been since 2008.
- Inflation continues to erode the real value of wages, with annual inflation running At 7.0% while nominal wage only grew by 3.7% for the twelve months to March 2023.
- The pandemic and other global shocks have materially impacted the delivery of infrastructure projects due to disrupted supply chains impacting the availability and cost of materials as well as skills and labour access issues.
- Interest rates have risen quickly during 2022/23 with projections for these to peak by the middle of 2023.
- Australians are travelling domestically in greater numbers due to risk of sudden COVID-19 disease outbreaks internationally.
- While the influx of over 3 million visitors contributes to the tourism and hospitality sector, Council generates a comparatively insignificant income from non-residents and in contrast, contributes significantly to the investment in tourism and infrastructure.
- Population growth will continue to be an important driver of economic growth and demand for housing.
- Cost shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time funding provided to local governments has not kept pace with service cost growth.

5.3 Budget principles

In response to these influences, guidelines were prepared and distributed to all Council officers with budget responsibilities. The guidelines set out the key budget principles upon which the officers were to prepare their budgets. The principles included:

- Grants to be based on confirmed funding levels.
- New revenue sources to be identified where possible.
- Service levels to be maintained with the aim to use fewer resources with an emphasis on innovation and efficiency.
- Salaries and wage increases are linked to the current Enterprise Agreement.
- Employer Superannuation Guarantee Contributions increased to 11% with effect from 1 July 2023.
- New initiatives or employee proposals to be justified through a business case.
- Targeted a 0% increase in non-CPI linked expenses.
- Operating revenues and expenses arising from completed capital projects to be included.

5.4 Addressing the Climate Change Emergency

Bass Coast has declared a climate emergency and developed a *Climate Change Action Plan 2020-30* recognising the role of both the Council and the community in our collective response to reduce our emissions, build community resilience against the local impacts of climate change and ultimately reverse the impacts of global warming. Council has committed funding in the Budget for several projects that will support its objective of having zero net emissions by 2030 and ensuring a climate resilient community. Details of projects that are aligned to the actions within the Climate Change Action Plan are:

- Continuation of the sector leading waste collection system which includes the use of an organics bin for the disposal of household food waste. This initiative has enabled Bass Coast to divert more than three quarters of its waste from landfill, which is a sector leading outcome.
- Constructing the Cowes Cultural and Community Centre to Passivhaus standards, making it the most environmentally significant building in the region.
- Delivering public electric vehicle fast-charging stations across the shire, in Grantville, Newhaven, Wonthaggi, and Inverloch
- Delivering Council fleet electric vehicle charging stations, to support the uptake of electric vehicles within Council.
- Continuing to deliver up to \$40,000 in funding for climate action projects per year through the community grants program.

- Updating Bass Coast's Environmentally Sustainable Design (ESD) Policy, aligning Council's building and infrastructure projects with its net zero by 2030 target, and training staff responsible for implementation.
- Delivering a climate resilience toolkit and campaign, that supports emissions reduction and adaptation across Bass Coast.
- Continuing to upgrade the energy efficiency and solar coverage at Council facilities, by acting on recommendations from energy audits across our sites.
- Continuing to deliver the Biolinks program, that provides significant carbon drawdown and habitat enhancement outcomes.
- Improving the pedestrian friendly aspects of our townships through the Footpaths Gaps program.
- Providing the agricultural sector with a land management rebate that supports active land management practices of farmers to eradicate noxious plants and weeds, mitigate soil erosion and reduce the impact of wildlife on land.
- Delivering the Urban Forest Strategy, and key actions to support it, including a Significant Tree Register.
- Delivering significant coastal erosion management, including detailed monitoring and grant funded projects.

5.5 Long term strategies

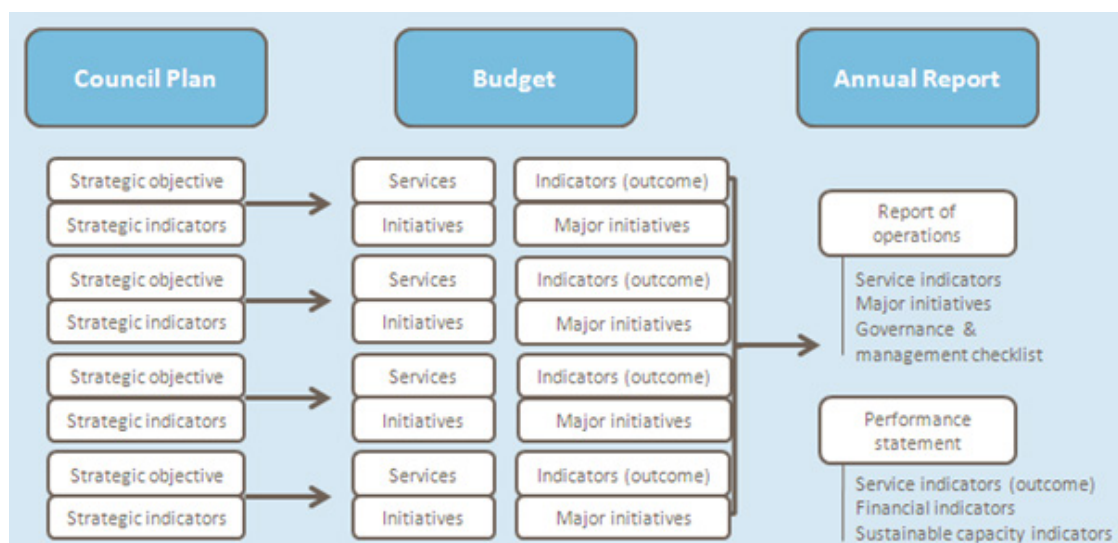
The Budget includes consideration of a number of long term strategies including the Long Term Financial Plan and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2023/24 to 2026/27 (Section 7), Rating Strategy (Section 8) and Other Strategies (Sections 9 and 10) including borrowings and infrastructure.



Services Provided by Council

6. Services and service performance indicators

This section provides a description of the services and major initiatives to be funded in the Budget for the 2023/24 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes several initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify major initiatives and service performance outcome indicators in the Budget and report against them in the Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below



Source: Department of Jobs, Precincts and Regions

6.1 Strategic Objective 1: Protecting our Natural Environment

To achieve our objective of Protecting our Natural Environment, we will work together to care for our land and coast, sharing our knowledge and skills. Through prudent planning and development, we live in balance with our natural environment. The services, major initiatives and service performance indicators for each business area are described below.

Services

Service areas	Description of services provided	Income Expenditure Surplus/ (deficit) \$'000
Coastal & Bushland Management	This service manages coast and bushland reserves to ensure safe use and enjoyment by the community and conservation of biodiversity.	5 870 (865)
Climate Change & Sustainability	This service helps to maintain and improve the local natural environment by complying with environmental regulations, mitigating and adapting to the effects of climate change, providing environmental education for staff and the community, and recording and reporting on the organisations greenhouse emissions and water use.	- 739 (739)
Waste Services	This service provides the effective management of Council's waste services including the contracted collection of domestic, smaller commercial, public place garbage and recycling and domestic hard waste. This service monitors and investigates reports of illegally dumped rubbish and litter including issuing compliance notices and infringements, and aims to reduce waste to landfill in accordance with the State Government's "Towards Zero Waste" strategy through waste and recycling education programs.	3,860 14,778 (10,918)
Protecting our natural environment Management	This service is responsible for managing the activities to deliver the protecting the natural environment strategic objective.	- 197 (197)
Land & Catchment	This service is responsible for managing Council's coast and bushland reserves to ensure safe use and enjoyment by the community and conservation of biodiversity.	21 1,242 (1,221)

Major Initiatives

1. Design and implement a dedicated perpetual environment fund for accelerating habitat restoration on public and private land.
2. Develop and maintain a Significant Tree Register to protect distinctive trees integral to the environment, culture and heritage of Bass Coast.

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Target or desired trend
Percentage of commercial waste diverted from landfill	Increase
Percentage of Council energy use from renewable sources	Increase
Percentage of net vegetation cover	Increase
Percentage of Council sustainable procurement	Increase

Performance Indicators	Measures
Waste diversion	- Kerbside collection waste diverted from landfill*

* Refer to table at section 6.7 for information on the calculation of Service Performance Outcome Indicators

6.2 Strategic Objective 2: Healthy Community

To achieve our objective of Healthy Community, we will continue to have culturally appropriate and safe services and facilities that encourage wellbeing and ensure everyone has a roof over their heads. The services, major initiatives and service performance indicators for each business area are described below.

Service areas	Description of services provided	Income Expenditure Surplus/ (deficit) \$'000
Environmental Health	This service provides Environmental Health services such as immunisation programs and monitoring compliance with health regulations to the community and businesses to promote health and wellbeing.	374 692 (318)
Community Safety	This service assists the organisation to ensure Council and the municipality is in a state of preparedness to fulfil its responsibilities in Emergency Management. The service also implements Council's responsibilities under legislation including the Domestic Animals Act and Council's Local Laws, to promote community safety and promulgate harmonious community relationships.	1,796 2,240 (444)

Recreation & Culture	This service supports, encourages and develops leisure projects, programs and services, along with a range of recreational facilities including an aquatic centre, fully equipped Gymnasiums and an extensive range of recreational programs.	6 2,045 (2,039)
Community Resilience	This service has the responsibility to frame and respond to the challenges of social inclusion that present to Council. This service provides and gives support to community development, community planning, community grants, youth and social planning, rural access and Inter Council Aboriginal Consultative Committee.	94 2,279 (2,185)

Major Initiatives

3. Deliver a dynamic arts program at WUCAC and the new Cultural and Community Centre including the 'Opening' of the new venue.
4. Develop a Mountain Bike/BMX/Pump Strategy to guide the development of tracks in Bass Coast.
5. Implement 24/7 cat containment including community engagement, regulation and enforcement plans.
6. Develop a Dog Park Strategy.
7. Advocate for kindergarten expansion in Bass Coast to cater for expanding population.

Council Plan Strategic Indicators	Target or desired trend
Achievement of the Healthy Communities Plan	100%
Achievement of the Access, Equity and Inclusion Plan	100%
Rate of domestic violence within Bass Coast	Decrease
Number of new social and affordable housing facilitated within Bass Coast	Increase

Performance Indicators	Measures
Food Safety – Health and Safety	Critical and major non-compliance notifications*
Aquatic facilities	Utilisation of aquatic facilities*
Animal management	Animal management prosecutions*

* Refer to table at section 6.7 for information on the calculation of Service Performance Outcome Indicators

6.3 Strategic Objective 3: Our Places

To achieve our objective of Our Places, we will continue to strengthen the connection between people and the public places they share. The services, major initiatives and service performance indicators for each business area are described below.

Service areas	Description of services provided	Income Expenditure Surplus/ (deficit) \$'000
Our Places Management	This service is responsible for managing the infrastructure activities to deliver the our places strategic objective.	- 3,256 (3,256)
Asset Management	This service plans for the preservation, protection and expansion of existing and future infrastructure assets for their maximum possible design life and minimum ongoing life-cycle cost, while responding to the community's changing needs and expectations. This service also provides advice to Planning Approvals and Strategic Planning on new developments across Bass Coast.	106 1,515 (1,409)
Civil Construction & Design	This service undertakes design, tendering, contract management and supervision of various works within Council's capital works program to ensure delivery to a quality standard, to scope, on time and on budget.	- 805 (805)
Building Maintenance	This service maintains Council buildings in accordance with the building asset management plan.	42 438 (396)
Plant	This service provides plant and vehicle management services to the infrastructure maintenance department.	- 3,535 (3,535)
Roads	This service maintains Council's roads and road related infrastructure.	1,849 5,145 (3,296)
Parks	This service maintains open spaces including parks, gardens, reserves, foreshores and sporting ovals.	11 5,146 (5,135)
Arts Culture & Heritage	Support and offer a diverse range of facilities and opportunities for participation in a vibrant and active cultural sector. The service is responsible for the operation of the Wonthaggi Union Community Arts Centre and the Cowes Cultural and Community Centre, as well as a library service that caters for the needs of residents.	664 2,213 (1,549)
Major Projects	This service leads feasibility studies, master planning, and the effective design, and delivery of transformational projects. Manages the design and development of urban design, open space projects and provides sustainable recreation planning, strategy and policy development.	- 199 (199)

Major Initiatives

8. Finish construction of the new Cultural and Community Centre.
9. Develop detailed design for the Wonthaggi Streetscapes Master Plan.
10. Develop detailed designs for the Cowes Streetscapes Master Plan.
11. Adopt and implement the Wonthaggi North East Precinct Structure Plan.
12. Continue the development of a Town Plan for San Remo including Structure Plan and Town Centre guidelines.
13. Develop a Public Art Plan to provide a clear outline of the Council's approach to public art in the municipality.
14. Implement the Tracks and Trails Delivery Plan for 2023/24.

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Target or desired trend
Percentage delivery of Council's Capital Works Program on time	Increase
Percentage delivery of Council's Capital Works Program on budget	Increase
Council investment in arts and culture	Increase
Council investment in sport and recreation	Increase

** Refer to table at section 6.7 for information on the calculation of Service Performance Outcome Indicators*

6.4 Strategic Objective 4: Growing our Economy

To achieve our objective of Growing our Economy, we will continue to progress opportunities for visitation economy and business growth in harmony with our natural environment and sustainable values. The services, major initiatives and service performance indicators for each business area are described below.

Service areas	Description of services provided	Income Expenditure Surplus/ (deficit) \$'000
Growing Our Economy Management	This service is responsible for managing the activities to deliver the growing our economy strategic objective.	- 700 (700)
Investment & Events Attraction	This service supports local business operators to build their skills and run more efficient business operations leading to increased investment and employment opportunities.	14 511 (497)
Visitor Economy & Events	This service assists with tourism development for the region, through destination marketing and brand development and the facilitation of the region's events, and coordinates Council involvement in event activities in the Shire.	109 1,283 (1,174)

Major Initiatives

15. Develop the Farmer Resilience Program, focusing on commercial and business sustainability and mental health.
16. Implement a strategic approach to international, national and local events to drive economic growth and community benefit.

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Target or desired trend
Percentage change in Economic Output	Increase
Percentage change in Gross Regional Product	Increase
Percentage change in employment rates	Increase
Number of businesses	Increase
Central Business District vacancy rates	Decrease
Percentage change in inbound investment	Increase

6.5 Strategic Objective 5: Sustainable Development

Service areas	Description of services provided	Income Expenditure Surplus/ (deficit) \$'000
Planning & Character Management	This service is responsible for managing the sustainable development and growth activities that develop the character of the municipality. In addition this service enforces the Bass Coast Planning Scheme including the management and investigation of complaints, liaison and negotiation to achieve positive outcomes after breaches have occurred and the legal activities associated with Planning Enforcement.	- 576 (576)
Building Services	This service is responsible for the assessment and determination of building applications, conducting building inspections, advising residents on building-related matters and implementing pool safety and essential safety audits.	426 615 (189)
Development Services	This service manages subdivision design and construction, and is responsible for ensuring engineering requirements of planning applications are adequately considered and controlled.	650 1,289 (639)
Statutory Planning	This service provides assessment of planning permit applications against the various requirements of the Bass Coast Planning Scheme and the Planning and Environment Act to ensure that development across the Shire is appropriately planned and controlled.	958 2,157 (1,199)
Strategic Planning	This service maintains the Bass Coast Planning Scheme by development and delivery of key Strategic Planning projects and policies, and the assessment of planning scheme amendments. This service also plans for recreation facilities and services to meet the current and future needs of the community.	- 948 (948)
Growth Areas	This service assesses planning permit applications within the Wonthaggi North East Growth Area against the requirements of the Bass Coast Planning Scheme and the Planning and Environment Act to ensure that development is adequately considered and appropriately controlled.	- 697 (697)

Major Initiatives

17. Review the Open Space Asset Management Plan to ensure assets are well maintained.
18. Review the Road Asset Management Plan to ensure assets are well maintained.
19. Continue development of the Bass Coast Industrial Land Strategy.
20. Finalise the Housing Strategy and Neighbourhood Character Study.
21. Develop an Integrated Transport Strategy to support coordinated and linked transport modes across Bass Coast.

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Target or desired trend
Completion of Planning Scheme Review	Deliver
Number of VCAT decisions that did not set aside Council's decision	Decrease
Percentage of VCAT decisions that did not set aside Council's decision	Decrease
Percentage of planning applications decided within required timeframes	Increase
Average statutory days taken to determine planning applications	Decrease

Service	Measures
Decision making	Planning decisions upheld at VCAT*

* Refer to table at section 6.7 for information on the calculation of Service Performance Outcome Indicators

6.6 Strategic Objective 6: Leading for our Community

Service areas	Description of services provided	Income Expenditure Surplus/ (deficit) \$'000
Mayor, Council & Chief Executive Office	This advocacy item includes the activities related to the Mayor, Councillors, Chief Executive and associated support.	- 1,309 (1,309)
Advocacy	Coordinate Council's advocacy for positive outcomes for our community	- 200 (200)
Governance Management	This service is responsible for managing the activities to deliver the leading for our community strategic objective.	- 1,547 (1,547)
Finance	This service provides responsive and reliable financial services and reporting to enable the organisation to make effective and timely decisions; ensures the organisation meets its financial legislative and statutory compliance obligations; and accurately accounts for and reports on the activities of Council.	7,530 66 7,464
Procurement & Fleet	This service provides contract management support services, coordinates the tender process, prepares tender and quote documentation; monitors officer obligations under the Competition and Consumer Act and monitors spending with suppliers to ensure legislative compliance; maintains and administers procurement systems; and provides fleet management services (including services for plant management).	- 250 (250)
Revenue	This service is responsible for raising and collecting ratepayer revenue and special charges; maintaining property data including street and property addressing; providing valuation services, including revaluation of all properties in the municipality every two years and supplementary valuations as required.	191 1,048 (857)
Communications	This service informs staff and community on key Council issues; provides professional advice on consultation and engagement within Council; and assists and educates Council staff on effective and professional communication with the community and stakeholders in order to raise the profile of Council and protect Council's image.	- 636 (636)
Engagement	This service facilitates innovative engagement practices that will further enhance access and inclusion, strengthen relationships, be efficient and effective, and helps to inform Council decisions.	9 452 (443)

Service areas	Description of services provided	Income Expenditure Surplus/ (deficit) \$'000
Corporate Planning, Performance & Reporting	This services provides an oversight to Council's Corporate Planning and Business Planning and improvement processes that integrate with risk management and insurance; ensures Council has the appropriate process, authorisations and delegations in order to make transparent and accountable decisions and oversees Council's Service Review Program.	2 1,775 (1,773)
Property	This service manages Council's property portfolio including Crown Land where Council is the appointed Committee of Management, and support and compliance to Committees of Management and the Wonthaggi and San Remo Cemetery Trusts.	1,023 831 192
Customer & Visitor Experience	This service provides frontline customer service to our customers and ratepayers to provide services and to enable contact with Council staff about services provided by Council. Responsible for visitor services through the operation of Visitor Information Centres and provides management of the Inverloch Community Hub.	275 2,273 (1,998)
Corporate Information	This service assists the organisation to ensure records are captured efficiently and accurately; digitises physical records into a compliant electronic format; and conducts staff training and inductions in Information Management Awareness, Information Privacy, Freedom of Information and Confidentiality.	- 734 (734)
Information Technology	This service provides, supports and maintains reliable and cost effective communications and computing systems, facilities and infrastructure to Council staff enabling them to deliver services in a smart, productive and efficient way.	- 4,836 (4,836)
Business Transformation	To support and drive a culture of effectiveness and efficiency improvement across the organisation focusing on excellence in culture, systems and processes.	- 317 (317)
Talent Management	Delivers workforce planning and recruitment and human resources information and reporting.	59 492 (433)
Employee Experience	Provides leadership, advice, programs and support to the whole organisation in the areas of OHS, WorkCover, health and wellbeing, payroll, leadership and organisation culture, and learning and development and payment of salaries and wages to Council employees.	210 1,439 (1,229)
Asset Management Systems	This service protects the value of Council's assets through effective asset management systems and processes to deliver the best outcome for the community.	- 390 (390)

Sustainable Transport & Movement	This service ensures the safe and efficient movement of all transport modes within the municipality.	- 557 (557)
Geographic Information Systems (GIS)	This service provides Geographic Information Systems for Council including the management of software architecture and tools to enable strategic planning across the organisation.	1 263 (262)

Major Initiatives

22. Implement the Communications and Engagement Strategy and Plan including the establishment of a regular e-newsletter.
23. Support implementation of the Climate Change Action Plan through the delivery of Electric Vehicle (EV) charging infrastructure and the purchase of EV's for Council's fleet.
24. Continue the delivery of the Business Transformation program.
25. Support gender equity in the community through the delivery of the Free from Violence Program.

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Target or desired trend
Achievement of Climate Change Action Plan	100%
Council emissions	Decrease
Community satisfaction with Council decisions	Increase
Transparency of Council decision making (Number of decisions made in closed Council)	Maintain
Development and delivery of the Reconciliation Action Plan	100%
Financial viability of Council having regard to Victorian Auditor General's office financial sustainability indicators	Within desirable limits
Deliver efficiencies through innovation and continuous improvement	Increase

Performance Indicators	Measures
Satisfaction	Satisfaction with Council decisions*

* Refer to table at section 6.7 for information on the calculation of Service Performance Outcome Indicators

6.7 Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Governance	Consultation and engagement	Satisfaction with community consultation and engagement. (Community satisfaction rating out of 100 with the consultation and engagement efforts of Council)	Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement
Statutory planning	Service Standard	Planning applications decided within required timeframes (percentage of regular and VicSmart planning application decisions made within legislated timeframes)	$\frac{\text{[Number of planning application decisions made within 60 days for regular permits and 10 days for VicSmart permits]}}{\text{[Number of planning application decisions made]}} \times 100$
Roads	Condition	Sealed local roads below the intervention level (percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)	$\frac{\text{[Number of kilometres of sealed local roads below the renewal intervention level set by Council]}}{\text{[Kilometres of sealed local roads]}} \times 100$
Libraries	Participation	Library membership (Percentage of the population that are registered library members)	$\frac{\text{[Number of active library members]}}{\text{[municipal population]}} \times 100$
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill. (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	$\frac{\text{[Weight of recyclables and green organics collected from kerbside bins]}}{\text{[Weight of garbage, recyclables and green organics collected from kerbside bins]}} \times 100$
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities. (Number of visits to aquatic facilities per head of municipal population)	$\frac{\text{[Number of visits to aquatic facilities]}}{\text{[Municipal population]}}$
Animal Management	Health and safety	Animal management prosecutions. (Percentage of animal management prosecutions which are successful)	$\frac{\text{[Number of successful animal management prosecutions]}}{\text{[Total number of animal management prosecutions]}}$
Food safety	Health and safety	Critical and major non-compliance notifications. (Percentage of critical and major non-compliance notifications that are followed up by Council)	$\frac{\text{[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up]}}{\text{[Number of critical non-compliance notifications and major non-compliance notifications about food premises]}} \times 100$

6.8 Performance Statement

Any service performance indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 98 of the Act and included in the 2023/24 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in Section 7.3) and sustainable capacity, which are not included in this Budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The Major Initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

6.9 Reconciliation with budgeted operating result

Strategic Objectives	Surplus/(Deficit) \$'000	Expenditure \$'000	Revenue \$'000
Protecting our natural environment	(13,940)	17,826	3,886
Healthy community	(4,986)	7,256	2,270
Our places	(19,580)	22,252	2,672
Growing our economy	(2,371)	2,494	123
Sustainable development	(4,248)	6,282	2,034
Leading for our community	(10,115)	19,415	9,300
Total	(55,240)	75,525	20,285

Expenses added in:	
Depreciation & Amortisation	19,200
Borrowing Costs	879
Finance costs - leases	28
Surplus/(Deficit) before funding sources	(75,347)
Funding sources added in:	
Rates & charges	73,986
Capital Grants	3,428
Capital Contributions	3,154
Total funding sources	80,568
Operating surplus/(deficit) for the year	5,221

Long Term Strategies

7. Strategic Resource Plan (SRP)

7.1 Plan development

The Act requires a Strategic Resource Plan (SRP) to be prepared describing both financial and non-financial resources (including human resources) for at least the next four financial years to achieve the strategic objectives in the Council Plan. In preparing the SRP, Council must take into account all other plans and strategies in regard to services and initiatives which commit financial and non-financial resources for the period of the SRP.

Council has prepared a SRP for the four years 2023/24 to 2026/27 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP is closely aligned to the financial settings in the Long Term Financial Plan.

The key objective, which underlines the development of the SRP, is financial sustainability in the medium to long term, while still achieving Council's strategic objectives as specified in the Council Plan.

The key financial objectives, which underpin the SRP, are:

- Ensure expenditure growth is lower than the overall inflation rate (CPI)
- Maintain a viable cash position, ensuring financial sustainability in the long term
- Achieve underlying operating surpluses
- Maintain debt levels within prudential guidelines
- Pursue grant funding for strategic capital projects from state and federal government
- Responsible rate increases that will see Council continue to be low rating, but meet community asset renewal needs.

In preparing the SRP, Council has also been mindful of the need to comply with the following Principles of Sound Financial Management as contained in the Act:

- Prudently manage financial risks relating to debt, assets and liabilities
- Provide reasonable stability in the level of rates
- Consider the financial effects of Council decisions on future generations
- Provide full, accurate and timely disclosure of financial information.

To ensure that there is clear alignment between the annual cycle and the longer term financial strategies of Council, the Annual Budget and the Strategic Resource Plan are prepared as the one plan. As such, the following financial and non-financial statements constitute both the annual budget and the Strategic Resource Plan. This annual review process ensures that there is clear alignment between both short and longer term plans.

7.2 Financial Resources

The following table summarises the projected key financial results for the next four years as set out in the SRP for years 2023/24 to 2026/27.

		Budget	Projections		
	Forecast 2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000
Surplus/(deficit) for the year	20,013	5,221	7,527	9,801	17,472
Adjusted underlying result	455	(438)	(433)	451	722
Cash and investments balance	34,400	34,692	35,495	23,956	17,069
Cash flows from operations	32,773	29,480	31,944	35,337	45,158
Capital works expenditure	54,074	29,411	31,991	38,958	45,063



7.3 Financial performance indicators

The following tables highlight Council's current and projected performance across a selection of targeted service and financial performance indicators. These indicators provide a useful analysis of Council's intentions and performance and should be interpreted in the context of the organisation's objectives.

The targeted performance indicators below are the prescribed performance indicators contained in Schedule 4 of the *Local Government (Planning and Reporting) Regulations 2020*. Results against these indicators and targets will be reported in Council's Performance Statement included in the Annual Report.

Targeted performance indicators - Service

Indicator	Measure	Notes	Actual 2021/22	Forecast 2022/23	Target 2023/24	Target Projections			Trend
						2024/25	2025/26	2026/27	
Governance Satisfaction with community consultation and engagement	Community satisfaction rating out of 100 with the consultation and engagement efforts of Council	1	51	51	51	51	51	51	+/- o
Roads Sealed local roads below the intervention level	Number of kms of sealed local roads below the renewal intervention level set by Council / Kms of sealed local roads	2	96%	96%	96%	96%	96%	96%	o
Statutory planning Planning applications decided within the relevant required time	Number of planning application decisions made within the relevant required time / Number of decisions made	3	74%	74%	74%	74%	74%	74%	o
Waste management Kerbside collection waste diverted from landfill	Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins	4	73%	73%	73%	73%	73%	73%	o

Targeted performance indicators - Financial

Indicator	Measure	Notes	Actual 2021/22	Forecast 2022/23	Target 2023/24	Target Projections			Trend
						2024/25	2025/26	2026/27	
Liquidity Working Capital	Current assets / current liabilities	5	148%	164%	180%	165%	150%	134%	-
Obligations Asset renewal	Asset renewal and upgrade expense / Asset depreciation	6	138%	133%	118%	82%	103%	132%	+
Stability Rates concentration	Rate revenue / adjusted underlying revenue	7	80.8%	82.4%	84.4%	84.5%	84.1%	83.8%	o
Efficiency Expenditure level	Total expenses / no. of property assessments	8	\$2,731	\$2,719	\$2,821	\$2,968	\$3,111	\$3,276	+

7.4 Financial performance indicators

The following table highlights Council's current and projected performance across a range of key financial performance indicators. These indicators provide a useful analysis of Council's financial position and performance and should be interpreted in the context of the organisation's objectives.

The financial performance indicators below are the prescribed financial performance indicators contained in Part 3 of Schedule 3 of the *Local Government (Planning and Reporting) Regulations 2020*. Results against these indicators will be reported in Council's Performance Statement included in the Annual Report.

Key to Forecast Trend

- + Forecasts improvement in Council's financial performance/financial position indicator
- Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

Indicator	Measure	Notes	Actual 2021/22	Forecast 2022/23	Target 2023/24	Target Projections			Trend
						2024/25	2025/26	2026/27	
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	9	(0.8%)	0.5%	(0.5%)	(0.4%)	0.4%	0.7%	+
Liquidity									
Unrestricted cash	Unrestricted cash / current liabilities	10	51.6%	82.7%	93.9%	85.7%	62.5%	43.7%	-
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	11	24.7%	33.5%	36.6%	40.9%	35.3%	31.9%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		18.4%	18.5%	2.2%	2.7%	6.4%	3.0%	o
Non-current liabilities / own source revenue	Non-current liabilities / own source revenue		21.2%	38.0%	44.84%	43.1%	40.9%	39.4%	-
Stability									
Rates effort	Rate revenue / CIV of rateable properties in the municipality	12	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	o
Efficiency									
Revenue level	General rates and municipal charges / no. of property assessments	13	\$2,014.78	\$2,045.62	\$2,159.75	\$2,278.15	\$2,399.18	\$2,530.43	+

Notes to indicators

1. Satisfaction with community consultation and engagement

Council is not aware of any circumstances which would materially impact the result over the next four years.

2. Sealed local roads below the intervention level

Council is not aware of any circumstances which would materially impact the result over the next four years.

3. Planning applications decided within the relevant required time

Council is not aware of any circumstances which would materially impact the result over the next four years.

4. Kerbside collection waste diverted from landfill

Council is not aware of any circumstances which would materially impact the result over the next four years.

5. Working Capital

This decrease is due to utilisation of council's cash reserves on large multi-year capital projects.

6. Asset renewal

Council utilises an Asset Management Plan to outline renewal and upgrade strategies for optimum efficiencies levels.

7. Rates concentration

As a large regional shire, Council generates less own-source revenue, such as user fees and fines, and relies more on grant funding than metropolitan councils.

8. Expenditure level

As a large regional shire, Council has a low population density, resulting in larger service delivery and asset management costs.

9. Adjusted underlying result

The capacity of Council to generate sufficient own-source revenue to fund operating expenditure is limited by the rate cap environment with costs expected to increase at a greater rate than the rate cap.

10. Unrestricted Cash

Unrestricted cash will decrease relative to current liabilities over the term of the projections due to the investment in capital works.

11. Debt compared to rates

Council has made a decision to reduce debt levels in 2022/23, this will assist Council to remain financially sustainable as revenue generated is used to provide services rather than service debt.

12. Rates effort

Council's rates effort is expected to remain consistent over the term of the projections.

13. Revenue level

Council's dependency on rate revenue is linked to the expected rate cap over the term of the projections.

Rating Strategy

8. Rating information

This section contains information on Council's past and projected rating levels along with Council's rating structure and the impact of changes in property valuations.

8.1 Rating context

Rates and charges are required by the Act and the Regulations to be disclosed in Council's budget.

The Local Government Act 2020 requires Council to prepare a Revenue and Rating Plan. This is a four year plan that establishes the revenue raising framework within which the Council proposes to work.

In developing the Budget, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the financial planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2023/24 the FGRS cap has been set at 3.5%. The cap applies to general rates and is calculated on the basis of Council's average rates and charges.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the community.

To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate will increase by 3.5% in line with the rate cap.

8.2 Current and proposed rates and charges

The following table sets out current and future proposed increases in revenue from total rates and charges and is based on the forecast financial position of Council as at 30 June 2023. Please note that the total rates and charges increase includes expected growth within the municipality during these periods. The average rate increase per assessment is anticipated to be in accordance with the projected rate cap.

Year	Rate Cap Increase %	Garbage Charge Increase %	Total Rates and charges \$'000	Total Rates & Charges Increase %
2022/23	1.75%	(1.8%)	69,677	-0.5%
2023/24	3.50%	11.9%	73,986	5.8%
2024/25	2.50%	3.00%	77,994	5.1%
2025/26	2.25%	3.50%	82,921	5.9%
2026/27	2.25%	3.50%	88,324	6.1%

8.3 Rating Structure

Council proposes to apply various rates:

a. Developed Land rate

The Developed Land rate being any land that does not have the characteristics of Farm Land or Vacant Land and on which a building is erected and is lawfully used for residential, commercial or industrial purposes and designed for permanent occupation. The objective of this differential rate is to ensure that such land makes an equitable financial contribution toward the cost of carrying out the functions of Council.

b. Farm Land rate

The Farm rate currently set at 80% of the Developed Land rate is based on the definition of a farm within the *Valuation of Land Act 1960*. The *Valuation of Land Act 1960* definition of Farm Land for valuation purposes requires that farm properties are at least 2 hectares and be:

- i. primarily used for agricultural production (grazing, dairying, pig farming, poultry farming, pig farming, fish farming, tree farming, bee keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind); and
- ii. used by a business which has a significant or substantial commercial purpose, seeks to make a profit on a continuous or repetitive basis or has a reasonable prospect of making a profit from the agricultural activities being undertaken.

c. Vacant Land rate

The vacant land differential rate applies to all vacant land in the Shire (except for Farm Land) and is set at 150% of the developed land rate on the basis that Council will encourage development of vacant land and therefore generate economic development within the Shire.

d. Cultural and Recreational Land rate

Council also applies a Cultural and Recreational Land rate (set at 60% of the Developed Land rate). Under the *Cultural and Recreational Lands Act 1963*, provision is made for Council to grant a rating concession to any “recreational lands” which meet the test of being “rateable land” under the Act. This concession is given to cultural and recreational organisations that provide general community benefits as part of their activities.

e. Waste Charge

Council currently applies a service charge for the collection and disposal of refuse on urban properties and providing waste services for the municipality (street litter bins, transfer station and recycling facilities). Council retains the objective of setting the service charge for waste at a level that fully recovers the cost of the waste services, including providing for the cost of rehabilitation and remediation of the Council’s Landfill once it reaches the end of its useful life.

For more information on the rates and garbage charge see Appendix 2

8.4 Consideration of Ministerial Guidelines for Differential Rates

The Bass Coast Shire Council rating structure comprises three differential rates (developed land, vacant land and farm). These rates are structured in accordance with the requirements of Section 161 ‘Differential Rates’ of the *Local Government Act 1989*, and the *Ministerial Guidelines for Differential Rating 2013*.

As part of the review of its rating structure, Council has considered a detailed Rating information and discussion paper. This paper considered the State Government’s *Developing a Rating Strategy: A Guide for Councils*. This has helped Council to properly consider the matters included in the Guidelines. In particular:

- a. Council believes that the use of differential rates will contribute to the equitable and efficient carrying out of its functions. Council is of the view that equity is achieved through the distribution of rates between rateable properties by the application of current and accurate property valuations. Council undertakes regular property valuations as required by the Act and to the standards set out by the Valuer-General. Equity can also be achieved by the classification of properties into homogenous property categories. Council has identified these categories in its rating structure set out above. Equity therefore can be achieved by the treatment of like properties, in other words, that similar rates are paid by similar properties. Council achieves this by a combination of accurate valuations and homogenous property classification. Council also believes that the rating structure can be administered efficiently as it is a relatively simple structure which has been in place for some time.

- b. In specifying the objective of each differential rate, Council has had regard to good practice taxation principles and its assessment against each differential rate objective and determination. It has done this by considering the taxation principles based upon the capacity to pay principle, the benefit principle and the wealth taxation principle.

The capacity to pay principle looks at the issue of the relativity of rates paid by the major categories of property. However, the most vexed issue related to capacity to pay is assessing it across different categories of property. Council is of the view that differential rates based upon the capacity to pay principle will not deal practically with the situations of all individuals, businesses and households who pay rates.

The benefit principle looks at whether there should be a link in the amount of rates paid and the benefit received by ratepayers. A common complaint levelled at Council is that “the rates I pay have no correlation with the services I consume or the benefits I receive”. This argument is based on the benefit principle (the opposite of the wealth tax principle) that argues there should be a nexus between the consumption of services or benefit and the rate burden.

However, any assessment of the relative benefits received by various categories of property owners raises many practical difficulties, in particular, trying to trace quantifiable consumption/benefits to particular types of property or geographic locations and attributing varying levels of access by ratepayers to services that are universally available. Any in-depth analysis of this issue could also be quite costly and impact on efficiency. Any such analysis could reduce to arguments of what services are consumed by town versus rural, businesses versus residences, and town versus town. The exercise is not clear cut – for example it might be argued that rural ratepayers derive less benefit from street cleaning than their town counterparts but the reverse argument may be put with respect to the costs of maintaining rural roads. For these reasons, Council does not believe that setting differential rates based upon the benefit principle is practical, equitable and efficient.

The wealth tax principle implies that the rates paid are dependent upon the value of a ratepayer’s real property and have no correlation to the individual ratepayer’s consumption of services or the perceived benefits derived by individual ratepayers from the expenditures funded from rates.

Council is limited to property taxes with which to tax wealth. Wealth can be defined as the total value reflected in property and investments and income directed to day-to-day living. Local government is limited to taxing one component of wealth – real property. Council rates tax the stored “wealth” or unrealised capital gains inherent in land and buildings.

- c. Council has done modelling in order to understand the impact of the rating decision on those rated differentially and the consequential impact upon the broader municipality.

In specifying the objectives of the differential rates in this Budget, Council has had regard to the strategic objectives set out in the Council Plan to ensure that its objectives for differential rates accord with the strategic objectives set out in the Council Plan.

8.4 General revaluation of properties

The *Valuation of Land Act 1960* is the principal legislation for the determination of property valuations. Under the *Valuation of Land Act 1960*, the Victorian Valuer-General conducts property valuations annually. Bass Coast Shire Council applies a Capital Improved Valuation (CIV) to all properties within the municipality to take into account the full developed value of the property. This basis of valuation takes into account the total market value of the land including buildings and other improvements. Council has chosen not to make any changes to the existing rate differential.

Summary of other strategies

9. Borrowings

In developing the Strategic Resource Plan (SRP) (see Section 7), borrowings were identified as an important funding source for the capital works programs. The principles in the Long Term Financial Plan are in place to responsibly guide the use of borrowings with a focus on borrowing only for new intergenerational projects. The use of borrowings will be subject to outstanding debt remaining below 60% of rates revenue.

Council proposes accelerating its debt reduction through the early repayment of \$3.7 million of its \$11.7 million interim loan facility in June 2023. This will be funded through its discretionary reserves and will support ongoing financial efficiency savings of \$40,000 per annum. In the 2023/24 financial year, Council proposes to raise \$4.574 million in new borrowings to fund its capital works program of \$2.374 million and \$2.2 million to fund the deferred Cowes Public Realm Improvements project that will be delivered following the completion of the Cowes Cultural and Community Centre. This will increase total projected borrowings to \$26.766 million at 30 June 2024. The following table sets out future borrowings, based on the forecast financial position of Council as of 30 June 2023.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2022/23	9,100	3,862	(599)	22,947
2023/24	4,574	755	907	26,766
2024/25	5,850	993	1,105	31,623
2025/26	1,000	3,926	1,327	28,697
2026/27	-	1,371	1,219	27,327

9.1 Statement of borrowings

	Forecast 2022/23 \$'000	Budget 2023/24 \$'000
Total amount borrowed as at 30 June of the prior year	17,709	22,947
Total amount proposed to be borrowed	9,100	4,574
Total amount projected to be redeemed	(3,862)	(755)
Total amount of borrowings as at 30 June	22,947	26,766

10. Infrastructure

The Council has developed an Asset Management Policy and Asset Management Strategy Improvement Plan which provides the framework for the review or preparation of asset management plans for all infrastructure asset groups. These Asset Management Plans set out the capital expenditure requirements of Council for the next 10 years by class of asset and are a key input to the Long Term Financial Plan. The Plans predict infrastructure consumption, renewal needs, and consider infrastructure needs to meet future community service expectations. The key aspects of the Asset Planning process are as follows:

- Long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and Annual Budget processes;
- Service plans for all service areas that rely on assets or infrastructure;
- Listing of all known capital projects within the service plans, prioritised to ensure service outcomes;
- Transparent process for prioritisation of capital projects on the basis of evaluation criteria;
- Methodology for allocating annual funding to different classes of capital projects;
- Business Case template for officers to document capital project submissions; and
- Asset performance monitoring and reporting.

A key objective of the Asset Management Improvement Plan is to maintain or renew Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset renewal then Council's investment in those assets will reduce, along with the capacity to deliver services to the community. At the same time, maintenance costs will increase placing greater pressure on rate revenue.

A measure of Council's performance in respect to infrastructure management is the asset renewal indicator. This index measures the amount of funds spent on asset renewal and upgrade compared to depreciation. A value of 100% or greater is considered an aspirational target.

	Budget	Projections		
Indicator	2023/24	2024/25	2025/26	2026/27
Asset renewal expenditure (\$'000)	16,249	14,277	13,946	14,557
Asset upgrade expenditure (\$'000)	5,678	2,146	7,955	14,936
Depreciation (\$'000)	18,602	20,089	21,229	22,310
Asset renewal	118%	82%	103%	132%

The following table summarises Council's forward outlook on capital expenditure including funding sources for the next four years.



Year	Total Capital Program \$'000	Summary of funding sources			
		Grants \$'000	Contributions \$'000	Borrowing \$'000	Council cash \$'000
2022/23	54,074	18,792	1,690	9,100	24,492
2023/24	29,411	3,428	3,154	4,574	18,255
2024/25	31,991	8,824	60	5,850	17,257
2025/26	38,958	10,224	50	1,000	27,684
2026/27	45,063	9,974	7,700	-	27,389

In addition to using cash generated from its annual operations, borrowings and external contributions such as government grants, Council has cash or investment reserves that are also used to fund a variety of capital projects. These reserves are 'discretionary' reserves. Statutory reserves relate to cash and investments held by Council that must be expended on a specific purpose as directed by legislation or a funding body, and include contributions to car parking, drainage and public resort and recreation. Discretionary reserves relate to the appropriation of prior year surpluses by Council for specific purposes. As they are discretionary, they can be expended at Council's discretion even though they may be earmarked for a specific purpose.



Appendix I - Financial Statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The Budget information for the year 2022/23 has been supplemented with projections to 2026/27.

This section includes financial statements in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

II Comprehensive Income Statement

For the four years ending June 2027

	Notes	Forecast 2022/23	Budget	Projections		
		\$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000
Income / Revenue						
Rates and charges	19.2	69,677	73,986	77,994	82,921	88,324
Statutory fees and fines	18.1	3,431	4,081	4,309	4,494	4,687
User fees	18.2	4,943	5,647	5,980	6,281	6,487
Grants - operating	18.3	9,073	8,247	8,394	8,646	8,862
Grants - capital	18.3	18,792	3,428	8,824	10,224	9,974
Contributions - monetary	18.4	1,831	3,219	388	387	8,046
Net gain (or loss) on disposal of property, infrastructure, plant and equipment		507	-	-	-	-
Other income	18.5	2,825	2,245	2,272	2,296	2,158
Total income / revenue		111,079	100,853	108,159	115,248	128,536
Expenses						
Employee costs	18.6	33,532	35,910	36,944	38,811	40,575
Materials and services	18.7	35,333	35,622	39,091	41,402	44,290
Depreciation	18.8	17,292	18,602	20,089	21,229	22,310
Amortisation - intangible assets		219	302	308	314	321
Amortisation - right of use assets		276	302	299	301	268
Bad and doubtful debts - allowance for impairment losses		12	10	10	10	10
Borrowing costs		576	879	1,085	1,316	1,206
Finance costs - leases		23	28	20	11	13
Other expenses	18.9	3,803	3,977	2,786	2,053	2,072
Total expenses		91,066	95,632	100,632	105,447	111,064
Surplus/(deficit) for the year		20,013	5,221	7,527	9,801	17,472
Other comprehensive income						
Items that will not be reclassified to surplus or deficit in future periods						
Net asset revaluation increment / (decrement)		-	-	-	-	-
Total comprehensive result		20,013	5,221	7,527	9,801	17,472

I2 Balance Sheet

For the four years ending June 2027

	Notes	Forecast 2022/23	Budget	Projections		
		\$'000	2023/24 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000
Assets						
Cash and cash equivalents		34,400	34,692	35,495	23,956	17,069
Trade and other receivables		10,661	8,669	9,325	9,980	11,164
Other financial assets		22,806	22,806	22,806	22,806	22,806
Inventories		57	57	57	57	57
Other assets		1,096	1,096	1,096	1,096	1,096
Total current assets		69,020	67,320	68,778	57,895	52,192
Non-current assets						
Property, infrastructure, plant & equipment		900,458	910,767	922,169	939,448	961,846
Right-of-use assets		1,028	760	484	196	1,451
Landfill rehabilitation intangible asset		2,451	2,149	1,940	2,686	3,525
Total non-current assets		903,937	913,676	924,594	942,330	966,822
Total assets		972,957	980,996	993,372	1,000,225	1,019,014
Liabilities						
Current liabilities						
Trade and other payables		7,131	6,481	6,787	7,085	7,492
Trust funds and deposits		5,981	6,101	6,223	6,347	6,474
Unearned Income		16,334	16,334	16,334	16,334	16,334
Provisions		8,013	7,161	8,109	7,158	7,155
Interest-bearing liabilities	9.1	4,400	971	3,922	1,371	1,424
Lease liabilities	18.11	312	299	309	209	206
Total current liabilities		42,171	37,347	41,684	38,503	39,085
Non-current liabilities						
Provisions		11,611	12,256	11,152	11,960	12,870
Interest-bearing liabilities	9.1	18,547	25,795	27,701	27,327	25,903
Lease liabilities	18.11	742	491	201	-	1,250
Total non-current liabilities		30,900	38,542	39,054	39,287	40,022
Total liabilities		73,071	75,889	80,739	77,790	79,107
Net assets		899,886	905,107	912,634	922,435	939,907
Equity						
Accumulated surplus		339,920	346,103	352,344	372,248	395,704
Reserves		559,966	559,004	560,290	550,187	544,203
Total equity		899,886	905,107	912,634	922,435	939,907

13 Statement of Changes in Equity

For the four years ending June 2027

	Notes	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2023 Forecast					
Balance at beginning of the financial year		879,873	310,194	522,732	46,947
Surplus/(deficit) for the year		20,013	20,013	-	-
Net asset revaluation increment/ (decrement)		-	-	-	-
Transfers to other reserves		-	(3,517)	-	3,517
Transfers from other reserves		-	13,230	-	(13,230)
Balance at end of the financial year		899,886	339,920	522,732	37,234
2024 Budget					
Balance at beginning of the financial year		899,886	339,920	522,732	37,234
Surplus/(deficit) for the year		5,221	5,221	-	-
Net asset revaluation increment/ (decrement)		-	-	-	-
Transfers to other reserves		-	(1,456)	-	1,456
Transfers from other reserves		-	170	-	(170)
Balance at end of the financial year		905,107	343,855	522,732	38,520
2025					
Balance at beginning of the financial year		905,107	343,855	522,732	38,520
Surplus/(deficit) for the year		7,527	7,527	-	-
Net asset revaluation increment/ (decrement)		-	-	-	-
Transfers to other reserves		-	(1,574)	-	1,574
Transfers from other reserves		-	10,728	-	(10,728)
Balance at end of the financial year		912,634	360,535	522,732	29,367

2026					
Balance at beginning of the financial year		912,634	360,535	522,732	29,367
Surplus/(deficit) for the year		9,801	9,801	-	-
Net asset revaluation increment/ (decrement)		-	-	-	-
Transfers to other reserves		-	(1,364)	-	1,364
Transfers from other reserves		-	7,329	-	(7,329)
Balance at end of the financial year		922,435	376,302	522,732	23,402
2027					
Balance at beginning of the financial year		922,435	376,302	522,732	23,402
Surplus/(deficit) for the year		17,472	17,472	-	-
Net asset revaluation increment/ (decrement)		-	-	-	-
Transfers to other reserves		-	(3,297)	-	3,297
Transfers from other reserves		-	915	-	(915)
Balance at end of the financial year		939,907	391,391	522,732	25,784



I4 Statement of Cash Flows

For the four years ending June 2027

	Notes	Forecast 2022/23	Budget	Projections		
		\$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities						
Rates and charges		72,765	75,759	77,595	81,709	86,130
Statutory fees and fines		3,434	4,202	4,290	4,478	4,670
User fees		6,009	6,342	6,544	6,881	7,116
Grants - operating		8,342	8,451	8,379	8,624	8,843
Grants - capital		10,985	3,512	8,379	10,108	9,993
Contributions - monetary		1,560	65	328	337	346
Interest received		1,785	1,520	1,525	1,532	1,377
Trust funds and deposits taken		176	120	122	124	127
Other receipts		2,094	4,104	1,156	1,764	9,840
Net GST refund / payment		5,426	5,333	6,151	6,885	7,710
Employee costs		(33,727)	(36,205)	(36,851)	(38,657)	(40,430)
Materials and services		(39,897)	(39,397)	(39,990)	(42,315)	(42,817)
Other payments		(6,179)	(4,326)	(5,684)	(6,134)	(7,749)
Net cash provided by operating activities		32,773	29,480	31,944	35,337	45,158
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment		(54,074)	(32,352)	(35,140)	(42,804)	(49,569)
Proceeds from sale of property, infrastructure, plant and equipment		831	550	550	495	391
Net cash used in investing activities		(53,243)	(31,802)	(34,590)	(42,309)	(49,179)
Cash flows from financing activities						
Finance costs		(599)	(879)	(1,085)	(1,316)	(1,206)
Proceeds from borrowings		18,602	4,574	5,850	1,000	-
Repayment of borrowings		(12,063)	(755)	(993)	(3,926)	(1,371)
Interest paid - lease liability		-	(28)	(20)	(11)	(13)
Repayment of lease liabilities		(284)	(298)	(304)	(314)	(277)
Net cash provided by/(used in) financing activities		5,656	2,614	3,449	(4,567)	(2,866)
Net increase/(decrease) in cash & cash equivalents		(14,814)	292	802	(11,539)	(6,887)
Cash and cash equivalents at beginning of year		49,214	34,400	34,692	35,495	23,956
Cash and cash equivalents at end of year		34,400	34,692	35,495	23,956	17,069

I5 Statement of Capital Works

For the four years ending June 2027

	Notes	Forecast 2022/23	Budget	Projections		
		\$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000
Property						
Land		-	-	500	500	-
Land improvements		12,256	3,957	10,213	11,951	7,271
Total land		12,256	3,957	10,713	12,451	7,271
Buildings		26,362	8,895	8,270	6,525	12,183
Total buildings		26,362	8,895	8,270	6,525	12,183
Total property		38,618	12,852	18,983	18,976	19,454
Plant and equipment						
Plant, machinery and equipment		2,346	1,853	1,550	1,890	1,480
Computers and telecommunications		908	827	655	655	655
Other infrastructure		56	50	50	50	50
Total plant and equipment		3,310	2,730	2,255	2,595	2,185
Infrastructure						
Roads		7,561	6,724	4,159	8,342	15,477
Bridges		125	1,732	702	2,006	1,112
Footpaths and cycleways		2,751	2,963	4,412	4,155	2,257
Drainage		602	1,117	1,180	1,324	1,518
Waste management		1,107	1,293	300	1,560	3,060
Total infrastructure		12,146	13,829	10,753	17,387	23,424
Total capital works expenditure	21.1	54,074	29,411	31,991	38,958	45,063
Represented by:						
New asset expenditure		8,854	7,111	14,343	15,672	14,085
Asset renewal expenditure		13,923	16,249	14,277	13,946	14,557
Asset expansion expenditure		22,240	373	1,225	1,385	1,485
Asset upgrade expenditure		9,057	5,678	2,146	7,955	14,936
Total capital works expenditure	21.1	54,074	29,411	31,991	38,958	45,063
Funding sources represented by:						
Grants		18,792	3,428	8,824	10,224	9,974
Contributions		1,690	3,154	60	50	7,700
Council cash		24,492	18,255	17,257	27,684	27,389
Borrowings		9,100	4,574	5,850	1,000	-
Total capital works expenditure	21.1	54,074	29,411	31,991	38,958	45,063

I6 Funding Impact Statement

For the four years ending June 2027

	Notes	Forecast 2022/23	Budget	Projections		
		\$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000
Revenue						
Rates and charges		69,677	73,986	77,994	82,094	86,540
Statutory fees and fines		3,431	4,101	4,309	4,494	4,687
User fees		4,943	5,627	5,980	6,281	6,487
Grants - operating		9,073	8,247	8,394	8,646	8,862
Contributions - monetary		141	65	328	337	346
Interest revenue		1,782	1,520	1,525	1,532	1,377
Other income		1,043	725	747	1,591	2,565
Total revenue		90,090	94,271	99,275	104,975	110,862
Proceeds						
Sale of assets		831	500	500	450	355
Total proceeds		831	500	500	450	355
Expenses						
Employee costs		(33,532)	(35,910)	(36,944)	(38,811)	(40,575)
Materials and services		(35,517)	(37,559)	(39,606)	(41,512)	(44,400)
Borrowing costs		(576)	(907)	(1,105)	(1,327)	(1,219)
Other expenses		(4,271)	(2,348)	(2,584)	(2,267)	(2,248)
Total expenses		(73,896)	(76,724)	(80,239)	(83,916)	(88,442)
Reserve fund movements						
Transfers from/(to) reserves		9,713	963	(1,286)	10,103	5,984
Net reserve movements		9,713	963	(1,286)	10,103	5,984
Capital expenditure and income						
Grants - capital		18,792	3,428	8,824	10,224	9,974
Contributions - monetary		1,690	3,154	60	50	7,700
Repayment of borrowings		(12,063)	(755)	(993)	(3,926)	(1,371)
New loans		18,602	4,574	5,850	1,000	-
Capital works		(54,074)	(29,411)	(31,991)	(38,958)	(45,063)
Net capital works and income		(27,053)	(19,010)	(18,250)	(31,610)	(28,760)
Surplus/(deficit)		(315)	-	-	-	-

17 Statement of Human Resources

17.1 Human Resources by Division

For the four years ending 30 June 2027

	Forecast 2022/23	Budget	Projections		
	\$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000
Employee expenditure					
Employee costs - operating	33,532	35,910	36,944	38,811	40,575
Employee costs - capital	1,779	2,078	2,138	2,246	2,348
Total employee expenditure	35,311	37,988	39,082	41,056	42,922
Employee numbers	FTE	FTE	FTE	FTE	FTE
Employees	341.0	345.2	347.2	352.7	358.7
Total employee numbers	341.0	345.2	347.2	352.7	358.7

A summary of human resources expenditure categorised according to the organisational structure of Council is included below:

Division	Comprises				
	Budget	Permanent		Casual \$'000	Temporary \$'000
	2023/24 \$'000	Full Time \$'000	Part Time \$'000		
Chief Executive Office	482	482	-	-	-
Business Transformation	7,866	6,459	1,213	-	194
Partnerships, Economy & Culture	5,712	3,839	1,386	357	130
Place Making	10,582	9,313	1,129	61	79
Resilient Communities	13,126	10,761	2,004	286	74
Total permanent employee expenditure	37,767	30,854	5,732	705	477
Other employee related expenditure	221				
Capitalised labour costs	(2,078)				
Total expenditure	35,910				

A summary of the number of full time equivalent (FTE) Council employees in relation to the above expenditure is included below:

Division	Comprises				
	Budget	Permanent			
	2023/24	Full Time	Part Time	Casual	Temporary
Chief Executive Office	2	2	-	-	-
Business Transformation	69	54	12	-	3
Partnerships, Economy & Culture	52	34	17	-	1
Place Making	86	75	10	-	1
Resilient Communities	136	113	23	1	-
Total staff	345	278	62	1	5

17.2 Human Resources by Gender

The Council has developed a Summary of Planned Human Resources Expenditure For the four years ending 30 June 2027

	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000
Chief Executive Office				
Permanent - Full time	482	499	526	550
Female	482	499	526	550
Total Chief Executive Office	482	499	526	550
Business Transformation				
Permanent - Full time	6,459	6,697	7,048	7,370
Female	3,905	4,049	4,260	4,455
Male	1,794	1,860	1,957	2,047
Vacant positions	761	789	830	868
Permanent - Part time	1,213	1,257	1,323	1,383
Female	1,145	1,187	1,249	1,306
Male	68	70	74	77
Total Business Transformation	7,672	7,955	8,371	8,753
Partnerships, Economy & Culture				
Permanent - Full time	3,839	3,980	4,189	4,380
Female	2,438	2,528	2,660	2,781
Male	1,032	1,070	1,126	1,178
Vacant positions	369	383	403	421
Permanent - Part time	1,386	1,437	1,512	1,581
Female	928	962	1,012	1,059
Male	125	129	136	142
Vacant positions	334	346	364	381
Total Partnerships, Economy & Culture	5,225	5,418	5,701	5,961
Place Making				
Permanent - Full time	9,313	9,657	10,162	10,626
Female	2,925	3,033	3,191	3,337
Male	6,091	6,316	6,646	6,950
Vacant positions	297	308	324	339
Permanent - Part time	1,129	1,171	1,232	1,288
Female	881	914	961	1,005
Male	163	170	178	187
Vacant positions	84	88	92	96
Total Place Making	10,442	10,828	11,394	11,914

Resilient Communities				
Permanent - Full time	10,761	11,159	11,742	12,279
Female	2,211	2,292	2,412	2,523
Male	7,685	7,969	8,385	8,768
Vacant positions	866	898	945	988
Permanent - Part time	2,004	2,078	2,187	2,287
Female	1,029	1,067	1,122	1,174
Male	720	746	785	821
Vacant positions	256	265	279	292
Total Resilient Communities	12,765	13,237	13,929	14,565
Casuals, temporary and other expenditure	1,403	1,145	1,137	1,179
Capitalised labour costs	(2,078)	(2,138)	(2,246)	(2,348)
Total employee expenditure	35,910	36,944	38,811	40,575

	2023/24 FTE	2024/25 FTE	2025/26 FTE	2026/27 FTE
Chief Executive Office				
Permanent - Full time	2.0	2.0	2.0	2.0
Female	2.0	2.0	2.0	2.0
Total Chief Executive Office	2.0	2.0	2.0	2.0
Business Transformation				
Permanent - Full time	54.0	55.0	56.0	57.0
Female	35.0	35.0	35.0	35.0
Male	12.0	12.0	12.0	12.0
Vacant positions	7.0	8.0	9.0	10.0
Permanent - Part time	12.3	12.3	12.3	12.3
Female	11.7	11.7	11.7	11.7
Male	0.6	0.6	0.6	0.6
Total Business Transformation	66.2	67.2	68.2	69.2
Partnerships, Economy & Culture				
Permanent - Full time	34.0	35.0	36.0	37.0
Female	23.0	23.0	23.0	23.0
Male	8.0	8.0	8.0	8.0
Vacant positions	3.0	4.0	5.0	6.0
Permanent - Part time	16.9	16.9	16.9	16.9
Female	11.8	11.8	11.8	11.8
Male	1.4	1.4	1.4	1.4
Vacant positions	3.8	3.8	3.8	3.8
Total Partnerships, Economy & Culture	50.9	51.9	52.9	53.9
Place Making				
Permanent - Full time	75.0	77.0	79.0	81.0
Female	25.0	25.0	25.0	25.0
Male	47.0	47.0	47.0	47.0
Vacant positions	3.0	5.0	7.0	9.0
Permanent - Part time	10.2	10.2	10.2	10.2
Female	8.2	8.2	8.2	8.2
Male	1.4	1.4	1.4	1.4
Vacant positions	0.6	0.6	0.6	0.6
Total Place Making	85.2	87.2	89.2	91.2
Resilient Communities				

Permanent - Full time	113.0	115.0	117.0	119.0
Female	20.0	20.0	20.0	20.0
Male	85.0	85.0	85.0	85.0
Vacant positions	8.0	10.0	12.0	14.0
Permanent - Part time	22.8	22.8	22.8	22.8
Female	11.1	11.1	11.1	11.1
Male	9.1	9.1	9.1	9.1
Vacant positions	2.5	2.5	2.5	2.5
Total Resilient Communities	135.8	137.8	139.8	141.8
Casuals, temporary and other expenditure	5.1	1.1	0.6	0.6
Capitalised labour costs	(18)	(18)	(18)	(18)
Total employee expenditure	345.2	347.2	352.7	358.7

*this does not have any impact on total employee numbers

18 Notes to the financial statements

18.1 Statutory fees and fines

	Forecast 2022/23 \$'000	Budget 2023/24 \$'000	Change \$'000	Change %
Infringements and costs	299	672	373	124.7%
Town planning fees	638	615	(23)	(3.6%)
Land information certificates	61	75	14	23.0%
Permits	2,433	2,719	286	11.8%
Total statutory fees and fines	3,431	4,081	650	18.9%

18.2 User Fees

	Forecast 2022/23 \$'000	Budget 2023/24 \$'000	Change \$'000	Change %
Aged and health services	11	8	(3)	(27.3%)
Leisure centre and recreation	941	981	40	4.3%
Waste management services	3,383	3,634	251	7.4%
Other fees and charges	608	1,024	416	68.4%
Total user fees	4,943	5,647	704	14.2%

18.3 Grants

	Forecast 2022/23 \$'000	Budget 2023/24 \$'000	Change \$'000	Change %
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	18,856	10,641	(8,215)	(43.6%)
State funded grants	9,009	1,034	(7,975)	(88.5%)
Total grants received	27,865	11,675	(16,190)	(58.1%)
(a) Operating Grants				
Recurrent - Commonwealth Government				
Financial Assistance Grants	7,536	7,762	226	3.0%
Community Development	40	20	(20)	(50.0%)
Recurrent - State Government				
Community health	19	29	10	52.6%
Environment	85	62	(23)	(27.1%)
Community safety	183	72	(111)	(60.7%)
Total recurrent grants	7,863	8,028	165	2.1%
Non-recurrent - Commonwealth Government				
Environment	90	-	(90)	(100.0%)
Other	68	44	(24)	(35.3%)
Non-recurrent - State Government				
Environment	58	-	(58)	(100.0%)
Waste management	20	-	(20)	(100.0%)
Recreation	222	155	(67)	(30.2%)
Other	752	21	(731)	(97.2%)
Total non-recurrent grants	1,210	220	(990)	(81.8%)
Total operating grants	9,073	8,247	(826)	(9.1%)
(b) Capital Grants				
Recurrent - Commonwealth Government				
Roads to recovery	924	924	-	0.0%
Total recurrent grants	924	924	-	0.0%
Non-recurrent - Commonwealth Government				
Roads	2,231	1,891	(340)	(15.2%)
Other	7,967	-	(7,967)	(100.0%)
Non-recurrent - State Government				
Buildings	1,479	-	(1,479)	(100.0%)
Open space	4,341	517	(3,824)	(88.1%)
Waste management	273	-	(273)	(100.0%)
Recreation	462	50	(412)	100.0%
Other	1,115	47	(1,068)	(95.8%)
Total non-recurrent grants	17,868	2,504	(15,364)	(86.0%)
Total capital grants	18,792	3,428	(15,364)	(81.8%)
Total Grants	27,865	11,675	(16,190)	(58.1%)

18.4 Contributions

Contributions	Forecast 2022/23 \$'000	Budget 2023/24 \$'000	Change \$'000	Change %
Monetary	1,831	3,219	1,388	75.8%
Total contributions	1,831	3,219	1,388	75.8%

18.5 Other income

Other Income	Forecast 2022/23 \$'000	Budget 2023/24 \$'000	Change \$'000	Change %
Interest	1,782	1,520	(262)	(14.7%)
Dividends	3	3	-	0.0%
Other rent	262	196	(66)	(25.3%)
Other	778	527	(251)	(32.3%)
Total other income	2,825	2,245	(580)	(20.5%)

18.6 Employee Costs

Employee Costs	Forecast 2022/23 \$'000	Budget 2023/24 \$'000	Change \$'000	Change %
Wages and salaries	25,980	27,789	1,809	7.0%
Annual leave	2,657	2,966	309	11.6%
Long service leave	738	819	81	11.0%
WorkCover	516	435	(81)	(15.7%)
Superannuation	3,444	3,680	236	6.8%
Fringe benefits tax	197	221	24	12.2%
Total employee costs	33,532	35,910	2,378	7.1%

I 8.7 Materials and services

Employee Costs	Forecast 2022/23 \$'000	Budget 2023/24 \$'000	Change \$'000	Change %
Contractor payments	10,316	9,631	(685)	(6.6%)
Building maintenance	59	124	65	109.8%
General maintenance	2,297	2,349	52	2.3%
Utilities	881	923	42	4.8%
Office administration	280	339	59	21.2%
Information technology	2,816	2,379	(437)	(15.5%)
Insurance	803	1,050	247	30.8%
Consultants	3,110	2,779	(331)	(10.6%)
Banking and financing Fees	185	116	(69)	(37.3%)
Subscriptions and memberships	249	286	37	14.7%
Advertising	188	242	54	28.6%
Cost of goods sold	86	167	81	94.2%
Consumables	1,187	1,187	(0)	(0.0%)
Legal and debt recovery	902	511	(391)	(43.3%)
Employee development and recruitment	841	859	18	2.1%
Waste management	8,318	9,679	1,361	16.4%
Communications	386	345	(41)	(10.6%)
Other	463	614	151	32.7%
Library services	1,946	2,014	68	3.5%
Property leases	20	27	7	36.4%
Total materials and services	35,333	35,622	289	0.8%

I 8.8 Depreciation

	Forecast 2022/23 \$'000	Budget 2023/24 \$'000	Change \$'000	Change %
Property	3,780	4,361	581	15.4%
Plant & equipment	1,343	1,455	112	8.3%
Infrastructure	12,169	12,786	617	5.1%
Total depreciation	17,292	18,602	1,310	7.6%

18.9 Other expenses

	Forecast 2022/23 \$'000	Budget 2023/24 \$'000	Change \$'000	Change %
Auditors' remuneration - VAGO	21	75	54	257.1%
Auditors' remuneration - Internal	53	52	(1)	(1.4%)
Councilors' allowances	360	375	15	4.0%
Land management rebate	620	713	93	15.0%
Fire services levy	88	95	7	8.0%
Landfill levy	1,208	1,300	92	7.6%
Contributions to other organisations	1,410	1,327	(83)	(5.9%)
Refund of unexpended grants	2	-	(2)	(100.0%)
Stamp duty	31	40	9	29.7%
Fee waiver	10	-	(10)	(100.0%)
Total other expenses	3,803	3,977	174	4.6%

18.10 Statement of Investment Reserves

	Forecast 2022/23	Budget	Projections		
	\$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000
Art in Public Places	118	118	118	118	118
Future Sustainability Fund	350	350	350	350	350
Landfill rehabilitation reserve	2,203	1,603	1,603	1,603	1,603
LGFV sinking fund	2,118	2,384	2,650	-	-
Resort & Recreation Interest Reserve	610	180	10	-	-
Skate park	261	261	261	161	161
Strategic works	7,354	7,156	8,346	4,003	1,341
Unallocated surplus	6,322	6,322	6,322	3,322	-
VGC grant received in advance	5,859	5,859	5,859	5,859	5,859
Wonthaggi North East Acquisitions Reserve	1,000	1,000	1,000	1,000	1,000
Total Reserves	26,195	25,233	26,519	16,416	10,432

Reserves are in essence a reflection of surpluses from prior years that Council has set aside to allocate for some future activity. These reserves are not necessarily supported by matching cash investments – funding for future obligations may be provided in Council's Balance Sheet (e.g. Landfill Rehabilitation) or in its long term financial plan which is continually reviewed (e.g. LGFV Sinking Fund). The name of each reserve and the purpose of each reserve (why Council has the reserve) is provided below.

Reserve	Description/purpose
Art in Public Places	In accordance with council resolution, funds are specifically allocated for art in public places and where the funds have not been utilised in any given year; the balance is placed into reserve.
Future Sustainability Fund	This reserve contains funding towards specific future expenditures and where they aid in the future financial sustainability of the Bass Coast Shire.
Landfill Rehabilitation	This reserve contains funds set aside to rehabilitate Council's old landfill sites. The principle being that as the landfill sites are consumed the users contribute sufficient funds to ensure the full life cycle rehabilitation is complete in the future.
LGFV Sinking Fund	This reserve contains the funds required to repay the LGFV Bonds when and as they come due.
Resort & Recreation	This reserve contains open space contributions from developers. It is a statutory reserve established under the <i>Subdivision Act 1988</i>
Skate Park	This reserve contains funds set aside for future skate park works as determined by the skate park strategy. The funds provided for in this reserve arise from a prior Council decision to allocate contract savings to reserve.
Strategic Works	This reserve contains funds set aside for future works that have yet to be clearly identified. This reserve exists to support future opportunities.
Unallocated Surplus	This reserve contains any unallocated funds available for Council use.
VGC grant received in advance	Victorian Grant Commission funding in relation to the next financial year paid in advance.
Wonthaggi North East Developer Contributions	To capture funds provided by developers for future specific projects in accordance with planning agreements.

18.11 Leases

As a result of the introduction of AASB 16 Leases, right-of-use assets and lease liabilities have been recognised as outlined in the table below.

	Forecast 2022/23	Budget	Change	
	\$'000	2023/24 \$'000	\$'000	%
Right-of-use assets				
Land and buildings	993	750	(243)	(24.5%)
Plant and equipment	35	10	(25)	(71.4%)
Total right-of-use assets	1,028	760	(268)	(26.1%)
Lease liabilities				
Current lease Liabilities				
Land and buildings	287	289	2	0.7%
Plant and equipment	25	10	(15)	(60.0%)
Total current lease liabilities	312	299	(13)	(4.2%)
Non-current lease liabilities				
Land and buildings	732	491	(241)	(32.9%)
Plant and equipment	10	-	(10)	(100.0%)
Total non-current lease liabilities	742	491	(251)	(132.9%)
Total lease liabilities	1,054	790	(264)	(25.0%)

Where the interest rate applicable to a lease is not expressed in the lease agreement, Council applies the average incremental borrowing rate in the calculation of lease liabilities. The current incremental borrowing rate is 4.8%.

18.11 Proposal to Lease Council Land

This section presents a summary of Council's proposals to lease land to external parties in the 2023/24 financial year. Council hereby gives public notice of its intention to lease the property pursuant to Section 115 of the *Local Government Act 2020* and Council's Community Engagement Policy.

Road Reserve between Roydon Road and Wyndam Avenue, Cowes:

Subject to approval Council will commence procedures to lease for a period of 10 years or more.

Road Reserve between Ivor Street and Back lane Henry Street, North Wonthaggi:

Subject to approval Council will commence procedures to lease for a period of 10 years or more.

242-246 White Road, Wonthaggi:

Site currently operates as an early learning centre. Subject to approval Council will enter into a lease for a period of 10 years or more.

Appendix 2 - Rates and charges

19 Rates and charges

19.1 Fair Go Rates System Compliance

Bass Coast Shire Council is required to comply with the State Government's Fair Go Rates System (FGRS). The table below details the Budget assumptions consistent with the requirements of the Fair Go Rates System:

	2022/23	2023/24
Total rates	\$53,295,341	\$55,014,579
Number of rateable properties	33,492	33,900
Base average rate	\$1,591	\$1,623
Maximum rate increase (set by Government)	1.75%	3.50%
Capped average rate	\$1,619	\$1,680
Maximum general rates	\$54,228,009	\$56,940,089
Budget general rates	\$54,224,897	\$56,938,877
Budgeted supplementary rates	\$800,000	\$685,000
Budgeted total rates	\$55,024,897	\$57,623,877

19.2 Reconciliation of total rates and charges

The reconciliation of the total rates and charges to the Comprehensive Income Statement is as follows:

	Forecast 2022/23 \$'000	Budget 2023/24 \$'000	Change \$'000	Change %
General rates*	54,226	56,939	2,713	5.0%
Waste management charge	14,286	16,277	1,991	13.9%
Supplementary rates and rate adjustments	814	685	(129)	(15.8%)
Interest on rates and charges	317	52	(265)	(83.6%)
Revenue in lieu of rates	34	33	(1)	(2.9%)
Total rates and charges	69,677	73,986	4,309	6.2%

*These items are subject to the rate cap established under the FGRS

19.3 Rate in the dollar to be levied as general rates

The amount that Council intends to raise by rates and charges and the differential rate declared are levied under Section 94 of the Act:

General rate for rateable properties	2022/23 Cents/\$ CIV	2023/24 Cents/ \$ CIV	Change %
Residential	0.00209680	0.00203420	(3.0%)
Farm	0.00167740	0.00162730	(3.0%)
Commercial	0.00209680	0.00203420	(3.0%)
Industrial	0.00209680	0.00203420	(3.0%)
Vacant Land	0.00314520	0.00305130	(3.0%)
Recreational	0.00125810	0.00122050	(3.0%)

These rate calculations are subject to change following the finalisation of the valuation by the Valuer General Victoria.

19.4 Estimated total amount to be raised by general rates

The estimated total amount to be raised by general rates in relation to each type or class of land, and the estimated total amount to be raised by general rates, compared with the previous financial year:

Type or class of land	2022/23 \$'000	2023/24 \$'000	Change \$'000	Change %
Residential	44,662	46,492	1,830	4.1%
Farm	2,936	3,482	546	18.6%
Commercial	1,684	1,771	87	5.2%
Industrial	448	473	25	5.7%
Vacant Land	4,463	4,687	224	5.0%
Recreational	33	34	1	3.9%
Total amount to be raised by general rates	54,225	56,939	2,714	5.0%

19.5 Number of assessments

The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year:

Type or class of land	2022/23 Number	2023/24 Number	Change Number	Change %
Residential	28,197	28,799	602	2.1%
Farm	991	994	3	0.3%
Commercial	894	895	1	0.1%
Industrial	423	434	11	2.6%
Vacant Land	2,967	2,758	(209)	(7.0%)
Recreational	20	20	-	0.0%
Total number of assessments	33,492	33,900	408	1.2%

19.6 Basis of valuation

The basis of valuation to be used is the Capital Improved Value (CIV).

19.7 Estimated total value of land

Type or class of land	2022/23 \$'000	2023/24 \$'000	Change \$'000	Change %
Residential	21,299,868	22,854,960	1,555,092	7.3%
Farm	1,750,315	2,140,030	389,715	22.3%
Commercial	803,023	870,775	67,752	8.4%
Industrial	213,487	232,508	19,022	8.9%
Vacant Land	1,419,056	1,536,046	116,990	8.2%
Recreational	26,010	27,540	1,530	5.9%
Total value of land	25,511,759	27,661,859	2,150,100	8.4%

19.8 Rate or unit amount to be levied

The description of any fixed component of the rates is levied under Section 94 of the Act:

Type of Charge	2022/23 \$	2023/24 \$	Change \$	Change %
Garbage charge	492.08	550.83	58.75	11.9%
- 240 Litre organics				
- 240 litre recycle				
- 120 litre landfill				
Additional recycle bin - annual charge	102.04	114.00	11.96	11.7%
Additional organics bin - annual charge	128.94	144.00	15.06	11.7%
Additional 120 litre landfill bin - annual charge	128.42	143.00	14.58	11.4%
Additional 240 litre landfill bin - annual charge	226.84	253.00	26.16	11.5%
Upsized landfill bin (120 litre to 240 litre) - annual charge	98.41	110.17	11.76	11.9%

19.9 Estimated total amount to be raised

The estimated total amount to be raised by each type of service rate or charge, and the estimated total amount to be raised by service rates and charges, compared with the previous financial year:

Type of Charge	2022/23 \$	2023/24 \$	Change \$	Change %
Garbage	14,651,270	16,276,678	1,625,408	11.1%

19.10 Estimated total amount to be raised by supplementary charges

The estimated total amount to be raised by supplementary charges compared with the previous financial year:

Type of Charge	2022/23 \$	2023/24 \$	Change \$	Change %
Supplementary rates	700,000	600,000	(100,000)	(14.3%)
Supplementary garbage charges	100,000	85,000	(15,000)	(15.0%)

19.11 Estimated total amount to be raised by all rates and charges

The estimated total amount to be raised by all rates and charges compared with the previous financial year:

Type of Charge	2022/23 \$	2023/24 \$	Change \$	Change %
General Rates	54,224,897	56,938,877	2,713,980	5.0%
Waste management charge	14,651,270	16,276,678	1,625,408	11.1%
Supplementary rates	800,000	685,000	(115,000)	(14.4%)
Revenue in lieu of rates	34,000	33,000	(1,000)	(2.9%)
Total rates and charges	69,710,167	73,933,555	4,223,388	6.1%

Revenue in lieu of rates comprises charges under the *Electricity Industries Act 2000* s94(4).



19.12 Any significant changes that may affect the estimated amounts to be raised by rates and charges

There are no known significant changes which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:

- The making of supplementary valuations
- The variation of returned levels of value (e.g. valuation appeals)
- Changes in use of land such that rateable land becomes non-rateable land and vice versa
- Changes in use of land such that residential land becomes business land and vice versa.

20. Differential rates

20.1 Rates to be levied

Council has applied the differential rates system in calculating the general rate percentage in the dollar of CIV for rateable properties in Bass Coast.

The objective of differential rating is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- Construction and maintenance of infrastructure assets
- Development and provision of health and community services
- Provision of general Council operations and support services.

The level of the differential rates is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

Council has considered the '*Ministerial Guidelines for Differential Rating*' issued by the Minister for Local Government. These guidelines seek to ensure that when using differential rating Council consider the following:

- Council rates are a tax and hence good practice taxation principles should be applied in determining the application of differential rates
- Ensure that differential rating categories have regard to the strategic objectives set out in the Council Plan
- How the use of the differential rating contributes to the equitable and efficient carrying out of Council's functions compared to the use of a uniform rate.

20.2 Rates to be levied

The rate and amount of rates payable in relation to land in each category of differential are:

- A general rate of 0.20342% (0.20342 cents in the dollar) of CIV for all rateable residential, commercial and industrial properties
- A general rate of 0.16273% (0.16273 cents in the dollar) of CIV for all rateable farm properties
- A general rate of 0.30513% (0.30513 cents in the dollar) of CIV for all rateable vacant land from all categories
- A general rate of 0.12205% (0.12205 cents in the dollar) of CIV for all rateable recreational and cultural properties.

Each differential rate will be determined by multiplying the Capital Improved Value of rateable land (categorised by the characteristics described below) by the relevant rate in the dollar as listed above.

Details of the types of classes of land which are subject to each differential rate and the uses of each differential rate are set out below.

20.3 Residential land

Residential land is any land excluding vacant land, which is:

- Not zoned for farming, commercial, industrial or recreational uses and
- Is not developed with public housing.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The geographic location of the land within this differential rate is where it is located within the municipal district, without reference to ward boundaries.

The use of the land within this differential rate, in the case of improved land, is any use of land. The characteristics of planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to vacant land. The classification of land which is improved will be determined by the occupation of that land, and have reference to the planning scheme zoning.

The types of buildings on the land within this differential rate are all buildings already on the land or which will be constructed prior to the expiry of the 2023/24 financial year.

20.4 Commercial land

Commercial land is any land which is:

- Occupied for the principal purpose of carrying out the manufacture, production of, or trade in, goods or service
- Not zoned for residential, farm, industrial, public housing or recreational uses.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above with the additional basis of contributing towards economic development and tourism.

The geographic location of the land within this differential rate is wherever it is located within the municipal district, without reference to ward boundaries.

The use of the land within this differential rate, in the case of improved land, is any use of land. The characteristics of planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to vacant land. The classification of land which is improved will be determined by the occupation of that land, and have reference to the planning scheme zoning.

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2023/24 financial year.

20.5 Industrial land

Industrial land is any land which is:

- Primarily used for industrial purposes and is zoned for that use and
- Does not have the characteristics of residential, farm, commercial, vacant public housing or recreational land.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above with the additional basis of contributing towards economic development.

The geographic location of the land within this differential rate is wherever it is located within the municipal district, without reference to ward boundaries.

The use of the land within this differential rate, in the case of improved land, is any use of land. The characteristics of planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to vacant land. The classification of land which is improved will be determined by the occupation of that land, and have reference to the planning scheme zoning.

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2023/24 financial year.

20.6 Farm land

Farm land is any land which is:

- Defined as “farm land” in Section 2 of the *Valuation of Land Act 1960*; and
- Zoned to allow for the land to be used for rural and/or farming purposes; and
- May contain buildings used as a residence and for farming purposes, and also comprises land with no buildings.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above with the additional basis that such properties provide broader environmental benefits to the wider community through activities such as removal of noxious weeds, retention of native vegetation and undertake management of water quality and riparian zones on waterways and in recognition of the visual amenity and resulting economic benefits to the wider community.

The geographic location of the land within this differential rate is wherever it is located within the municipal district, without reference to ward boundaries.

The characteristics of planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to vacant land. The classification of land which is improved will be determined by the occupation of that land, and have reference to the planning scheme zoning.

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2023/24 financial year.

20.7 Vacant land

Vacant land is any land which is:

- Considered vacant in that it has no buildings or dwellings constructed on it prior to the expiry of the 2022/23 financial year and
- May include land zoned as residential, commercial, industrial or rural residential.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above with the additional basis of promoting responsible land management through appropriate maintenance and development of the land and ensuring that the foregone community and economic development resulting from under utilisation of land is minimised.

The geographic location of the land within this differential rate is wherever it is located within the municipal district, without reference to ward boundaries.

The characteristics of planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to vacant land. The classification of land which is improved will be determined by the occupation of that land, and have reference to the planning scheme zoning.

20.8 Recreational land

Recreational Land is any land that has the characteristics of 'recreational lands' as defined by section 2 of the *Cultural and Recreational Lands Act 1963*.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above with the additional basis that the land and facilities contribute towards the enjoyment of residents of and visitors to the municipal district.

The geographic location of the land within this differential rate is wherever it is located within the municipal district, without reference to ward boundaries.

The characteristics of planning scheme zoning are applicable to the determination of vacant land which will be subject to the rate applicable to vacant land. The classification of land which is improved will be determined by the occupation of that land, and have reference to the planning scheme zoning.

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2023/24 financial year.



Appendix 3 - Capital Works Program

21 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2023/24 year, classified by expenditure type and funding source. Works are also disclosed as current budget or carried forward from prior year.

21.1 Capital Works Program Summary

	Forecast 2022/23 \$'000	Budget 2023/24 \$'000	Change \$'000	%
Property	38,618	12,852	(25,766)	(66.72%)
Plant & equipment	3,310	2,730	(580)	(17.52%)
Infrastructure	12,146	13,829	1,683	13.86%
Total capital works program	54,074	29,411	(24,663)	(45.61%)

		Asset expenditure types					Summary of Funding Sources			
	Project Cost	New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000	
Property	12,852	3,102	5,160	4,590	-	567	2,190	9,495	600	
Plant & equipment	2,730	548	2,182	-	-	-	200	2,530	-	
Infrastructure	13,829	3,461	8,907	1,088	373	2,861	140	9,055	1,774	
Total capital works program	29,411	7,111	16,249	5,678	373	3,428	2,530	21,080	2,374	

21.2 Detailed list of Capital Works

Capital Projects	Asset expenditure types					Summary of funding sources			
	Project Cost	New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Buildings									
Buildings & Open Space renewal program	3,995	-	3,645	350	-	-	1,340	2,655	-
Minor Projects	917	493	-	424	-	-	500	107	-
Pavilion Upgrades	500	500	-	-	-	-	-	810	-
Capital Advancement	3,483	-	983	2,500	-	-	-	3,483	-
Buildings Total	8,895	993	4,628	3,274	-	-	1,840	7,055	-
Land Improvements									
Buildings & Open Space renewal program	378	-	254	124	-	-	-	378	-
Climate Change Actions	361	361	-	-	-	-	-	361	-
Cowes Activity Centre Plan	688	688	-	-	-	-	-	88	600
Old Wonthaggi Secondary College Site Redevelopment	230	230	-	-	-	-	-	230	-
Minor Projects	1,522	330	-	1,192	-	567	350	605	-
Wonthaggi NE PSP	500	500	-	-	-	-	-	500	-
Capital Advancement	278	-	278	-	-	-	-	278	-
Land Improvements Total	3,957	2,109	532	1,316	-	567	350	2,440	600
Property Total	12,852	3,102	5,160	4,590	-	567	2,190	9,495	600
PLANT AND EQUIPMENT									
Artworks									
Public Art	50	50	-	-	-	-	-	50	-
Artworks Total	50	50	-	-	-	-	-	50	-

Detailed list of Capital Works continued

Capital Projects	Asset expenditure types					Summary of funding sources			
	Project Cost	New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
Computers and telecommunications									
Computers and telecommunications renewal program	797	150	647	-	-	-	-	797	-
Cultural Facilities	30	-	30	-	-	-	-	30	-
Computers and telecommunications Total	827	150	677	-	-	-	-	827	-
Plant, machinery and equipment									
Plant, Fleet & Equipment renewal program	1,505	-	1,505	-	-	-	-	1,505	-
Minor Projects	348	348	-	-	-	-	200	148	-
Plant, machinery and equipment Total	1,853	348	1,505	-	-	-	200	1,653	-
Plant and Equipment Total	2,730	548	2,182	-	-	-	200	2,530	-
INFRASTRUCTURE									
Bridges									
Bridges renewal program	1,732	-	1,732	-	-	-	-	1,732	-
Bridges Total	1,732	-	1,732	-	-	-	-	1,732	-
Drainage									
Minor Projects	125	10	-	115	-	-	-	125	-
Storm Water renewal program	930	-	930	-	-	-	-	930	-
Capital Advancement	62	-	62	-	-	-	-	62	-
Drainage Total	1,117	10	992	115	-	-	-	1,117	-
Footpaths and cycleways									
Strategic Pathways Tracks and Trails	2,087	2,087	-	-	-	46	-	267	1,774
Footpath gaps program (RAMP)	373	-	-	-	373	-	-	373	-
Pathways renewal program	282	-	282	-	-	-	-	282	-
Smiths Beach Beachcomber YCW Access Paths	69	-	-	69	-	-	60	9	-
Capital Advancement	152	-	152	-	-	-	-	152	-
Footpaths and cycleways Total	2,963	2,087	434	69	373	46	60	1,083	1,774

Detailed list of Capital Works continued

Capital Projects	Asset expenditure types					Summary of funding sources			
	Project Cost	New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
Roads									
Federal Blackspot Program	1,100	-	1,100	-	-	967	-	154	-
Roads Renewal Program	594	149	-	445	-	-	80	494	-
Rural Roads renewal program	2,099	-	2,099	-	-	924	-	1,175	-
Surf Beach and Sunderland Bay Road and Drainage Improvement	459	-	-	459	-	-	-	459	-
Unsealed Roads renewal program	596	-	596	-	-	-	-	596	-
Urban Roads renewal program	1,519	-	1,519	-	-	924	-	595	-
Capital Advancement	357	-	357	-	-	-	-	357	-
Roads Total	6,724	149	5,671	904	-	2,815	80	3,830	-
Waste management									
Other Waste/Depot Infrastructure	615	615	-	-	-	-	-	615	-
Grantville Old Landfill Capping	500	500	-	-	-	-	-	500	-
Inverloch Landfill Rehabilitation	100	100	-	-	-	-	-	100	-
Capital Advancement	78	-	78	-	-	-	-	78	-
Waste management Total	1,293	1,215	78	-	-	-	-	1,293	-
Infrastructure Total	13,829	3,461	8,907	1,088	373	2,861	140	9,055	1,774
Total Capital Works Program	29,411	7,111	16,249	5,678	373	3,428	2,530	21,080	2,374

21.3 Summary of Planned Capital Works Expenditure

For the year ending 30 June 2024

Capital Works Area	Asset expenditure types					Summary of funding sources				
	Project Cost	New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000	
PROPERTY										
Land improvements	3,957	2,109	532	1,316	-	567	350	2,440	600	
Total land	3,957	2,109	532	1,316	-	567	350	2,440	600	
Buildings	8,895	993	4,628	3,274	-	-	1,840	7,055	-	
Total buildings	8,895	993	4,628	3,274	-	-	1,840	7,055	-	
Total property	12,852	3,102	5,160	4,590	-	567	2,190	9,495	600	
PLANT AND EQUIPMENT										
Plant, machinery and equipment	1,853	348	1,505	-	-	-	200	1,653	-	
Computers and telecommunications	827	150	677	-	-	-	-	827	-	
Artworks	50	50	-	-	-	-	-	50	-	
Total plant and equipment	2,730	548	2,182	-	-	-	200	2,530	-	
INFRASTRUCTURE										
Roads	6,724	149	5,671	904	-	2,815	80	3,830	-	
Bridges	1,732	-	1,732	-	-	-	-	1,732	-	
Footpaths and cycleways	2,963	2,087	434	69	373	46	60	1,083	1,774	
Drainage	1,117	10	992	115	-	-	-	1,117	-	
Waste management	1,293	1,215	78	-	-	-	-	1,293	-	
Total infrastructure	13,829	3,461	8,907	1,088	373	2,861	140	9,055	1,774	
Total capital works expenditure	29,411	7,111	16,249	5,678	373	3,428	2,530	21,080	2,374	

For the year ending 30 June 2025

Capital Works Area	Asset expenditure types						Summary of funding sources			
	Project Cost	New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000	
PROPERTY										
Land	500	500	-	-	-	-	-	500	-	
Land improvements	10,213	9,393	450	-	370	5,050	-	2,513	2,650	
Total land	10,713	9,893	450	-	370	5,050	-	3,013	2,650	
Buildings	8,270	-	6,220	800	1,250	1,350	60	5,860	1,000	
Total buildings	8,270	-	6,220	800	1,250	1,350	60	5,860	1,000	
Total property	18,983	9,893	6,670	800	1,620	6,400	60	8,873	3,650	
PLANT AND EQUIPMENT										
Plant, machinery and equipment	1,550	-	1,550	-	-	-	-	1,550	-	
Computers and telecommunications	655	-	655	-	-	-	-	655	-	
Artworks	50	50	-	-	-	-	-	50	-	
Total plant and equipment	2,255	50	2,205	-	-	-	-	2,255	-	
INFRASTRUCTURE										
Roads	4,159	110	3,664	-	385	924	-	3,235	-	
Bridges	702	100	602	-	-	-	-	702	-	
Footpaths and cycleways	4,412	3,700	246	325	141	1,500	-	712	2,200	
Drainage	1,180	290	890	-	-	-	-	1,180	-	
Waste management	300	200	-	100	-	-	-	300	-	
Total infrastructure	10,753	4,400	5,402	425	526	2,424	-	6,129	2,200	
Total capital works expenditure	31,991	14,343	14,277	1,225	2,146	8,824	60	17,257	5,850	

For the year ending 30 June 2026

Capital Works Area	Asset expenditure types					Summary of funding sources			
	Project Cost	New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Land	500	500	-	-	-	-	-	500	-
Land improvements	11,951	8,822	1,063	-	2,066	6,300	-	5,651	-
Total land	12,451	9,322	1,063	-	2,066	6,300	-	6,151	-
Buildings	6,525	-	5,272	-	1,253	500	50	5,975	-
Total buildings	6,525	-	5,272	-	1,253	500	50	5,975	-
Total property	18,976	9,322	6,335	-	3,319	6,800	50	12,126	-
PLANT AND EQUIPMENT									
Plant, machinery and equipment	1,890	-	1,890	-	-	-	-	1,890	-
Computers and telecommunications	655	-	655	-	-	-	-	655	-
Artworks	50	50	-	-	-	-	-	50	-
Total plant and equipment	2,595	50	2,545	-	-	-	-	2,595	-
INFRASTRUCTURE									
Roads	8,342	110	3,740	-	4,492	924	-	7,418	-
Bridges	2,006	1,900	106	-	-	1,000	-	1,006	-
Footpaths and cycleways	4,155	3,500	250	325	80	1,500	-	1,655	1,000
Drainage	1,324	290	970	-	64	-	-	1,324	-
Waste management	1,560	500	-	1,060	-	-	-	1,560	-
Total infrastructure	17,387	6,300	5,066	1,385	4,636	3,424	-	12,963	1,000
Total capital works expenditure	38,958	15,672	13,946	1,385	7,955	10,224	50	27,684	1,000

For the year ending 30 June 2027

Capital Works Area	Asset expenditure types					Summary of funding sources			
	Project Cost	New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Land	-	-	-	-	-	-	-	-	-
Land improvements	7,271	4,735	828	-	1,708	2,550	150	4,571	-
Total land	7,271	4,735	828	-	1,708	2,550	150	4,571	-
Buildings	12,183	5,000	6,183	-	1,000	5,500	50	6,633	-
Total buildings	12,183	5,000	6,183	-	1,000	5,500	50	6,633	-
Total property	19,454	9,735	7,011	-	2,708	8,050	200	11,204	-
PLANT AND EQUIPMENT									
Plant, machinery and equipment	1,480	-	1,480	-	-	-	-	1,480	-
Computers and telecommunications	655	-	655	-	-	-	-	655	-
Artworks	50	50	-	-	-	-	-	50	-
Total plant and equipment	2,185	50	2,135	-	-	-	-	2,185	-
INFRASTRUCTURE									
Roads	15,477	110	3,967	-	11,400	924	7,500	7,053	-
Bridges	1,112	1,000	112	-	-	1,000	-	112	-
Footpaths and cycleways	2,257	1,000	262	325	670	-	-	2,257	-
Drainage	1,518	290	1,070	-	158	-	-	1,518	-
Waste management	3,060	1,900	-	1,160	-	-	-	3,060	-
Total infrastructure	23,424	4,300	5,411	1,485	12,228	1,924	7,500	14,000	-
Total capital works expenditure	45,063	14,085	14,557	1,485	14,936	9,974	7,700	27,389	-





Budget 2023-24

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