



Annual Budget 2022-23

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.



Contents

| | |
|---|----|
| Executive summary | 4 |
| Budget Highlights | 6 |
| Strategic Objectives | 8 |
| Summary of financial position | 9 |
| Overview | 15 |
| Link to the Integrated Planning and Reporting Framework | 15 |
| Budget Influences | 18 |
| Services Provided by Council | 22 |
| Services and service performance indicators | 22 |
| Long Term Strategies | 36 |
| Strategic Resource Plan (SRP) | 36 |
| Rating Strategy | 40 |
| Rating information | 40 |
| Summary of other strategies | 44 |
| Borrowings | 44 |
| Infrastructure | 45 |
| Appendix 1 - Financial statements | 47 |
| Comprehensive Income Statement | 48 |
| Balance Sheet | 49 |
| Statement of Changes in Equity | 50 |
| Statement of Cash Flows | 51 |
| Statement of Capital Works | 52 |
| Funding Impact Statement | 53 |
| Statement of Human Resources | 54 |
| Notes to the financial statements | 57 |
| Appendix 2 - Rates and charges | 64 |
| Rates and charges | 64 |
| Differential rates | 68 |
| Appendix 3 - Detailed list of Capital Works | 73 |
| Capital works program | 73 |


Executive summary

Council has prepared the Budget for 2022-23 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 1.75% 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 Council and includes the 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 \$2.2 million for 2022-23 and a balanced Funding Statement position. An adjusted underlying deficit of \$3.4 million is largely attributable to significant one-off landfill rehabilitation works totaling \$4.1 million that are required to be completed within the 2022-23 financial year.



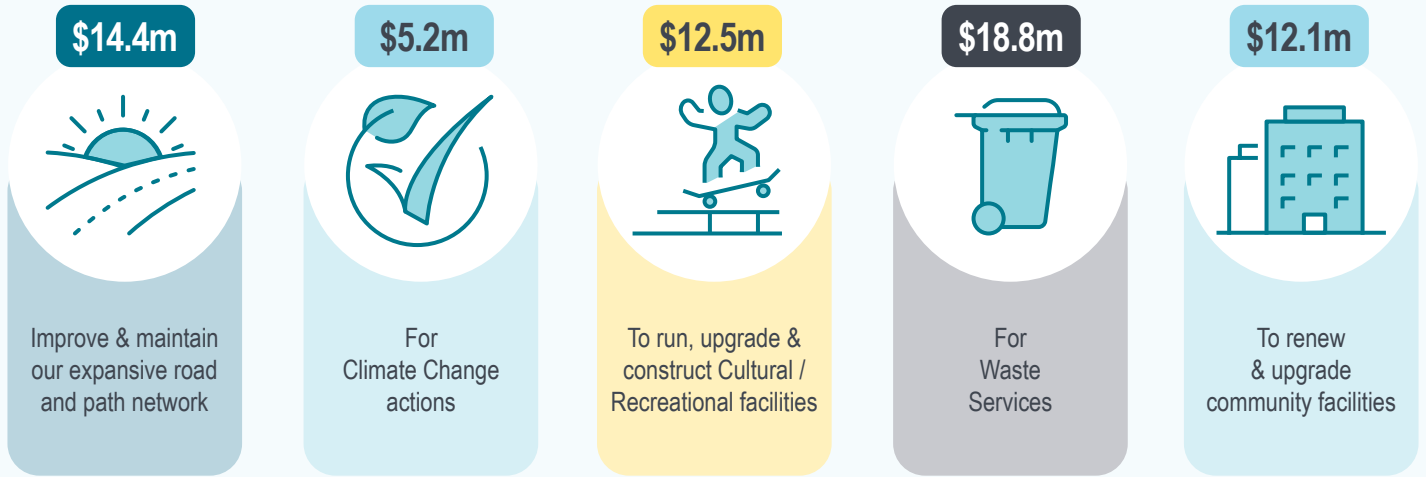
These works are funded through Council reserves (set aside from prior year surpluses for this purpose) and are in line with what was expected in the Long Term Financial Plan.

The Budget contains a capital program of \$29 million, which will provide the community with several public realm improvements, upgraded infrastructure and recreational facilities. As well as supporting the recovery from the COVID-19 pandemic, Council's investments will lay the foundation for future economic growth, and positions Council to respond to the impacts of population growth and development within the Shire. This has been achieved through continually seeking efficiencies from the way in which Council operates and through the prudent use of borrowings and existing reserves to support the planned delivery of major intergenerational capital projects over the coming years. While the Budget reflects increased Council borrowings, this is tied to the major capital investment program and the level of debt is still expected to remain within prudential guidelines (indebtedness ratio less than 60%).

Bass Coast is currently experiencing growth that is expected to be sustained over the long term. This growth will be augmented by the ongoing population shift from metropolitan Melbourne to attractive regional locations. Bass Coast continues its investment in capital projects with extensive road upgrades and town centre planning as well as budgeting for the final stage of Cowes Cultural and Community Centre.

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 public electric vehicle charging stations and landfill micro turbines. In addition, the Operating Budget provides funding for resolving encroachment into foreshore reserves by restoring native vegetation and habitat.

1. Budget Highlights



2022-23 Budget snapshot:

- \$102.9 million total budget to deliver for a community of more than 38,000 people, including:
 - \$73.9 million operating budget to support Council services
 - \$29 million Capital Works Program which funds community infrastructure from roads to sports fields
- 1.75% average general rate increase in line with the State Government rate cap and \$8.84 decrease in the standard waste charge

2022-23 Budget highlights:

- **\$12.5 million to deliver new leisure and recreational facilities, including:**
 - Complete construction of new Cowes Cultural and Community Centre (\$2.8m) and surrounding Public Realm Improvements (\$2.2m)
 - Kilcunda Foreshore Skate Park construction (\$0.3m)
 - Equipment upgrades at WUCAC (\$0.2m)
- **\$14.4 million to improve Bass Coast's road and path network, including:**
 - Shetland Heights and Potters Hill Road unsealed road upgrade (\$1.8m)
 - Corinella Connection Pathway (\$0.3m)

- 
- **\$18.8 million on our Waste Services, including:**
 - Waste Services (\$12.4m)
 - Landfill Rehabilitation (\$4.1m)
 - Micro Turbines (\$1.6m)
 - **\$5.2 million on Climate Change Actions, including:**
 - Protecting our natural environment (\$2.2m)
 - Rock Revetment Wall and Groyne Renewal (\$1m)
 - Electric Vehicle Public Charging Stations (\$0.4m)
 - **\$12.1 million to upgrade community facilities, including:**
 - Wonthaggi Activity Centre Plan Priorities (\$3m)
 - Kindergarten Expansion Project (\$0.4m)
 - Renewal of Rhyll Hall (\$0.3m)

2. Strategic Objectives

The Budget has been developed in line with the key objectives contained within the Council Plan 2021-25. The Council Plan 2021-25 is a four-year strategic document.

The major initiatives provided for in this Budget that support the Council Plan 2021-25 objectives are:

Strategic Objective 1: Protecting our natural environment

1. Complete coastal protection infrastructure works at Cowes East Foreshore
2. Complete installation of public electric vehicle charging stations in Wonthaggi, Inverloch, Grantville and Newhaven
3. Finalise the Urban Forest Strategy
4. Deliver actions identified in year three of the accelerated Biolinks program

Strategic Objective 2: Healthy Community

5. Finalise the Bass Coast Reconciliation Action Plan
6. Develop and implement actions for year two of the Municipal Public Health and Wellbeing Plan
7. Develop and implement year one actions of the Access, Equity and Inclusion Plan
8. Finalise the Bass Coast Tracks and Trails Strategy and Implementation Plan

Strategic Objective 3: Our Places

9. Open and program the Cowes Cultural and Community Centre with a dynamic range of arts and cultural experiences
10. Complete a review of the Buildings Asset Management Plan
11. Commence development of a Township Plan for San Remo

Strategic Objective 4: Growing our Economy

12. Finalise Council's Economic Development Framework

Strategic Objective 5: Sustainable Development

13. Partner with State agencies to finalise the Wonthaggi North East Precinct Structure Plan
14. Finalise the Neighbourhood Character and Housing Strategy

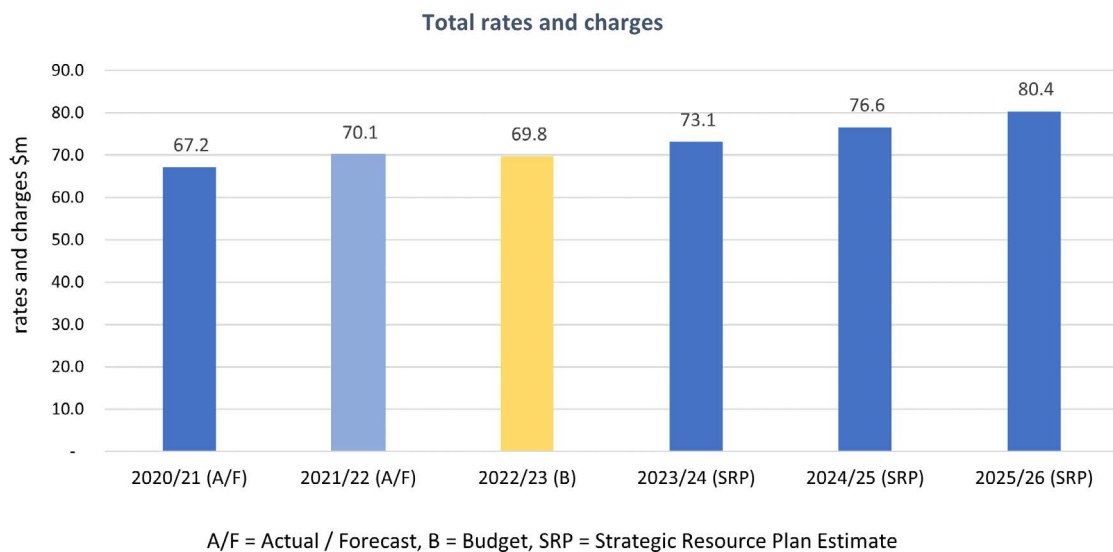
Strategic Objective 6: Leading for our Community

15. Continue implementation of the Business Transformation program
16. Review and update Council's Advocacy Strategy

3. Summary of financial position

Council has prepared a Budget for the 2022-23 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 \$69.8 million for the 2022-23 year are in line with the previous last year.

Rate revenue for 2022-23 year is expected to be \$54.2 million. The year on year increase of 3.3% includes a 1.4% growth in the number of properties within the municipality combined with an average rate increase of 1.75% in line with the Rate Cap as mandated by State Government.

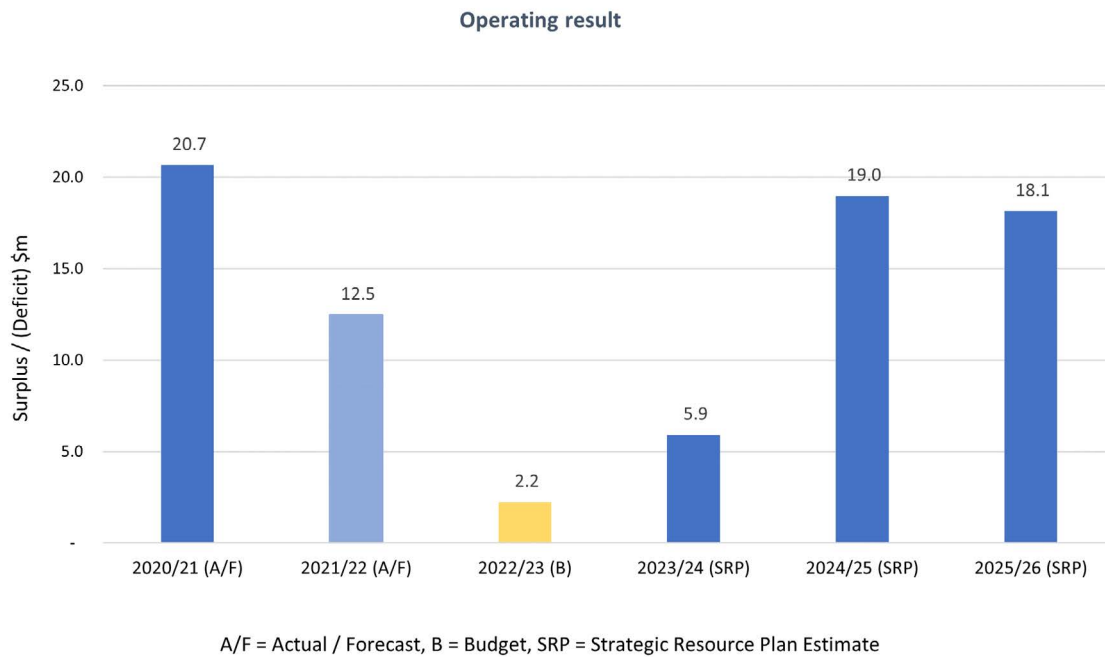
It is noted the rates and charges in 2021-22 included a one-off revenue item for Pioneer Bay special charge.

Garbage revenue for 2022-23 is expected to be \$14.7 million. The standard garbage charge will decrease by \$8.84 to \$492.08 in 2022-23. Council utilises a waste cost recovery model, whereby the Garbage charge covers the cost of providing the waste services across the municipality. The year on year decrease of the average household garbage charge of 1.8% is due to a change in apportionment to reflect the volume (in litres) of bins provided.

The balance of \$0.9 million includes supplementary rates and interest.

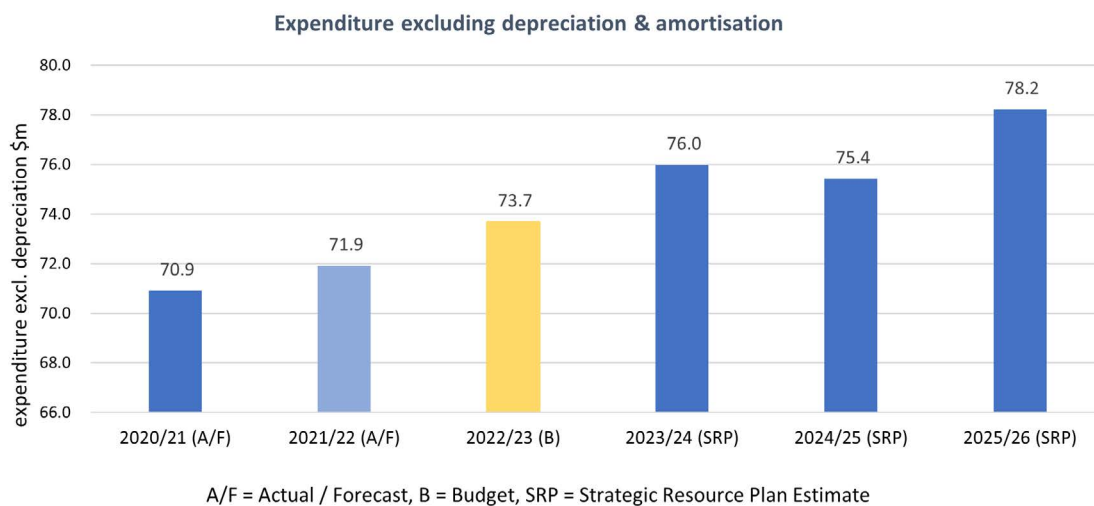
Refer also to Section 8 and Appendix 2 for more information.

3.2 Operating result



The operating surplus has reduced in the 2022-23 year due to a planned \$4.1 million expenditure on landfill rehabilitation works at inactive municipal landfill sites. The elevated operating result in 2020-21 is due to the receipt of \$16.7 million in developer contributed assets. The large projected operating surpluses in 2024-25 and 2025-26 are due to budgeted capital grants which are linked to the development of major intergenerational capital projects.

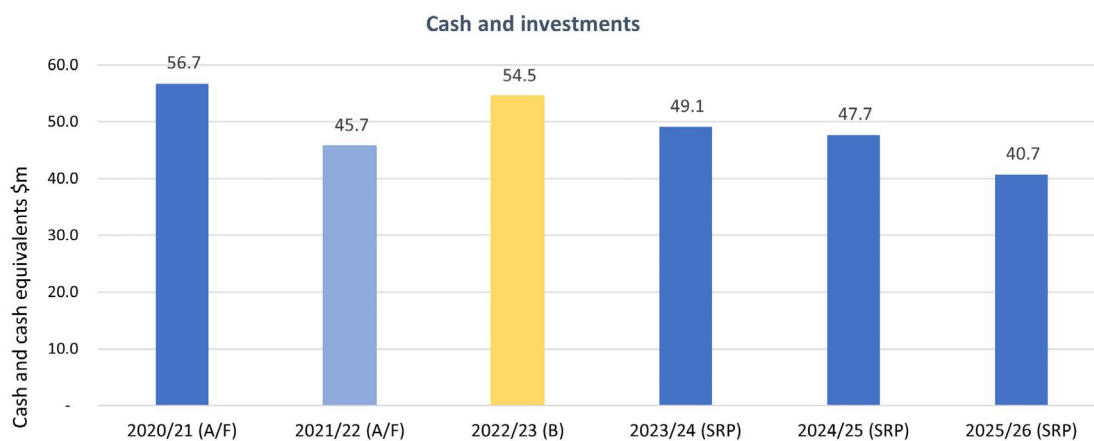
3.3 Expenditure excluding depreciation & amortisation



Expenditure excluding depreciation and amortisation for the 2022-23 year is expected to be \$73.7 million. Operating expenses in 2022-23 includes a \$4.1 million spend on landfill rehabilitations works.



3.4 Cash and investments

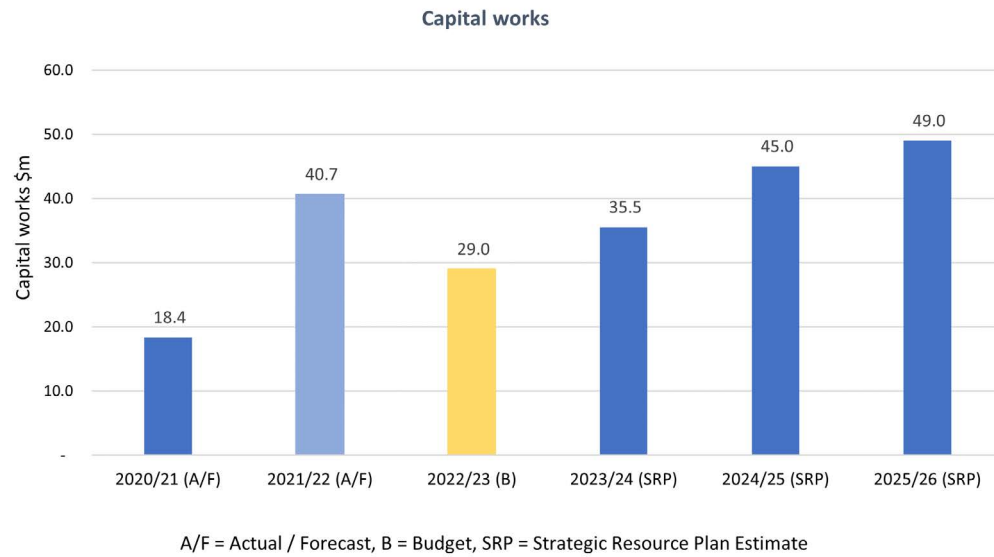


A/F = Actual / Forecast, B = Budget, SRP = Strategic Resource Plan Estimate

Cash and investments are expected to be \$54.5 million as at 30 June 2023. Cash and investments are expected to reduce over the term of the Strategic Resource Plan (SRP) to \$40.7 million as at 30 June 2026. This is primarily due to a continued focus on the delivery of large capital works programs over the term of the SRP and the appropriate use of discretionary reserves to part fund this.

Refer also to Appendix 1 for the Statement of Cash Flows, and Appendix 3 for the detailed capital works program for 2022-23.

3.5 Capital works

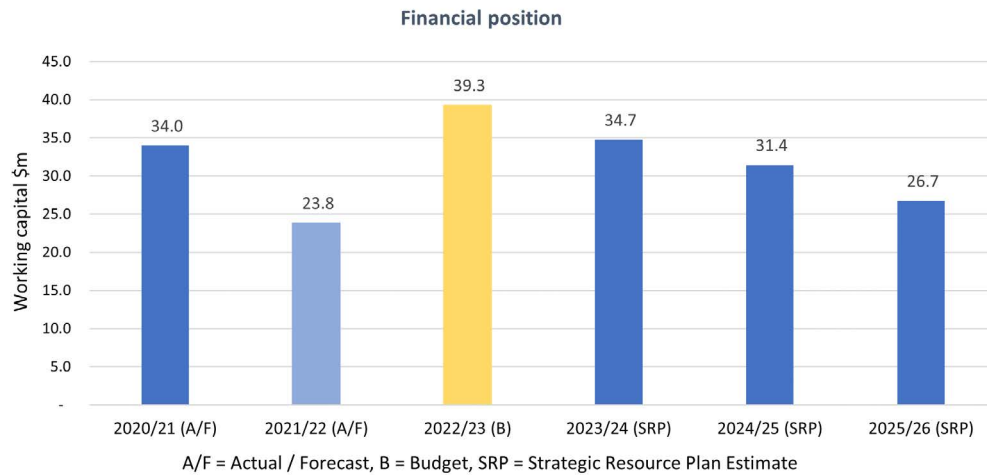


The capital works program for the 2022-23 year is expected to be \$29.0 million. The 2022-23 program includes several major projects including \$3.0 million for the renewal on Wonthaggi CBD and Apex Park, \$2.8 million towards the continued construction of the Cowes Cultural and Community Centre and a further \$2.2 million for the Public Realm space surrounding this Centre.

The program will be funded by capital grants of \$5.9 million, borrowings of \$5.3 million and the remainder from Council cash. The capital expenditure program has been set and prioritised based on a rigorous process of prioritisation that has enabled Council to assess needs and develop sound project plans for each project.

Refer also to Appendix 1 for the Statement of Capital Works and Appendix 3 for the detailed capital works program for 2022-23.

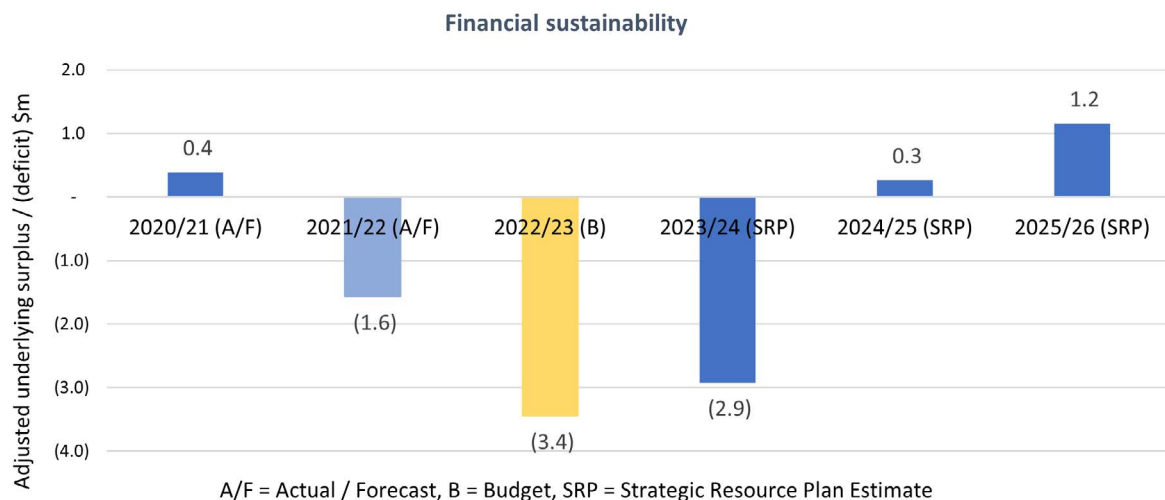
3.6 Financial position



Council's working capital position is expected to reduce over the term of the SRP from a net \$39.3 million as at 30 June 2023 to \$26.7 million by June 2026. This result remains within a VAGO low risk band and confirm that Council's financial position will remain sound with a stable working capital ratio and increased investment in capital expenditure

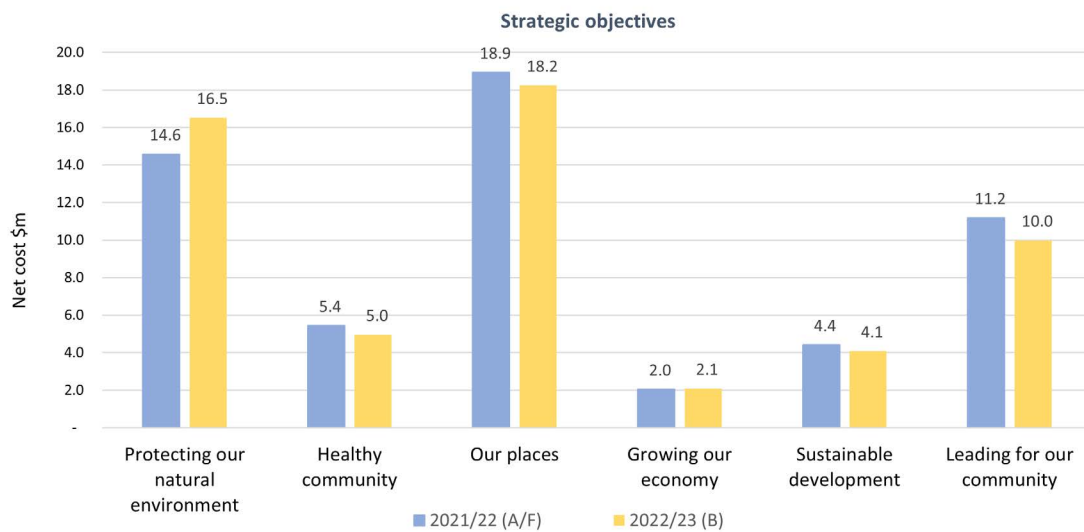
Refer also Appendix 1 for the Balance Sheet.

3.7 Financial sustainability



Council's projected adjusted underlying results range from a deficit of \$3.4 million in 2022-23 to a surplus of \$1.2 million in 2025-26. Delivery of future surpluses will consolidate Council's plan for a long term prudent financial framework while still achieving the Council's strategic objectives as specified in the Council Plan.

3.8 Strategic objectives



The Budget includes a range of services and initiatives to be funded that will contribute to achieve the strategic objectives specified in the Council Plan. The above graph shows the level of funding allocated in the Budget compared to 2021-22 Forecast.

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

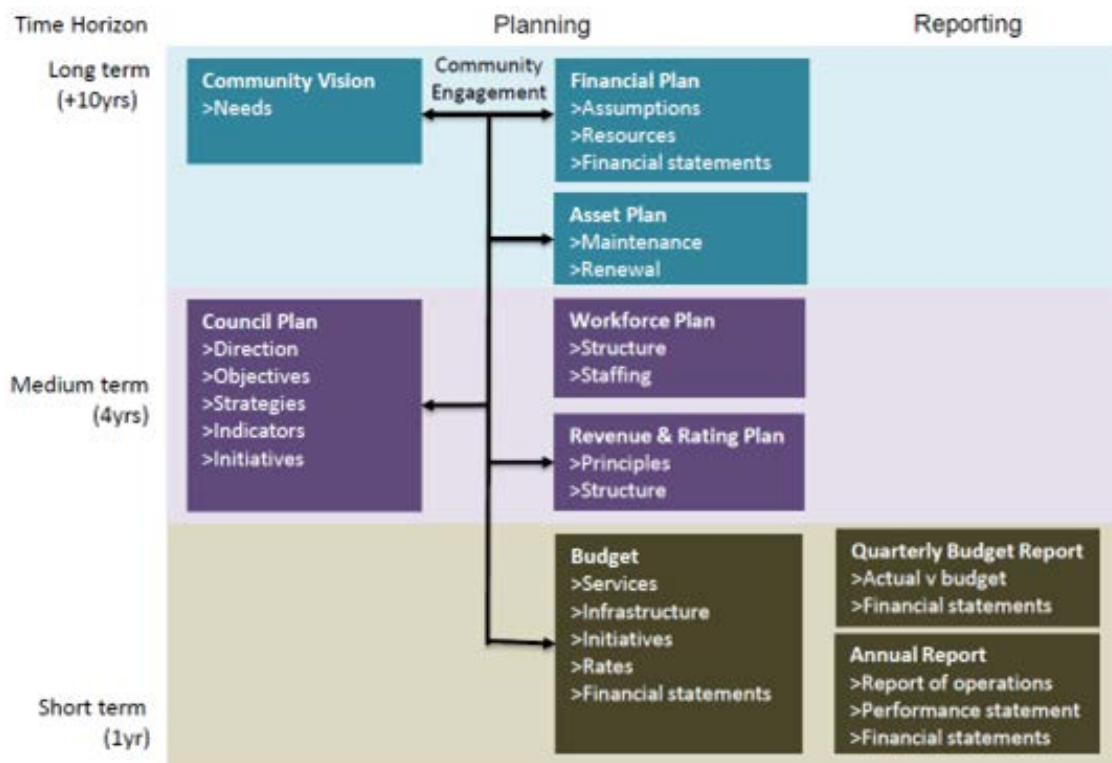
Overview

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

From its flowing hills to its wild unspoiled coastlines, the Bass Coast is a source of celebration for all who live in and visit the region. Our townships are vibrant, rich with culture and full of life, each with its own distinct character. Drawing on our creativity, innovation and resilience we've created a thriving and diverse economy that supports sustainable agriculture and industry. 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 Councillors and work together to achieve the commitments of the Council Plan. Having all Bass Coast Shire Council employees practise the following organisational values enhances the quality of this partnership:

- Excellence
- Imagination
- Passion
- Courage
- Integrity

4.4 Strategic objectives

Council delivers services and major initiatives under 44 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 traditional owners of this land, the Bunurong people who maintained a beautiful combination of wild unspoilt coastline and picturesque flowing hills. Today 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 several substantial and important regional centres of Wonthaggi, Cowes, Inverloch, San Remo and Grantville, with numerous smaller townships. It has a thriving and diverse economy that supports sustainable agriculture, industry and tourism.

Population

The total population of Bass Coast Shire is estimated to be 38,825 people according to the Estimated Resident Population from the Australian Bureau of Statistics. Since the previous year, the population has grown by 3.70%.

Reflecting the appeal of the Shire as a holiday and retirement destination, approximately half of all ratepayers reside outside the Shire.

Tourism

From surfing and cycling to wining and dining, Bass Coast provides a stunning backdrop of beaches, bushland and rolling hills. During peak periods the population swells to over 80,000. Bass Coast welcomes more than three million domestic (overnight and daytrip) and international overnight visitors every year.

Ageing population

According to the Estimated Resident Population from the Australian Bureau of Statistics as at 2016, the municipality has a significant ageing resident population with 36% of residents aged over 60. This is higher than regional Victoria where those aged over 60 is approximately 27% of the population.

The existence of a large stock of second homes within the Shire could be seen to be indicative of intent for a section of those owners to relocate permanently to the area on retirement so there is a strong potential for the median age to continue to increase.

Household income is an important indicator of the socio-economic status of Bass Coast residents. According to the Australian Bureau of Statistics, Census

of Population and Housing in 2016, the 'lowest' quartile income was the largest group in 2016, comprising 39% of households. This means that more than a third of households have an income of less than \$650 per week. This reflects an above average proportion of Pensioners and Self-Funded retirees.

Housing

The COVID-19 pandemic has caused a surge in remote working and allowed professional mobile workers to move to the regions, including Bass Coast. While this tree and sea change trend is good for those workers, it is also pushing up regional house prices and reducing the housing volume available of rental accommodation.

The Shire has seen significant appreciation in its property valuation, with housing prices rising higher than the median house price for regional Victoria. This has resulted from a combination of the relative value compared to neighbouring Mornington Peninsula for second homes and increased accessibility to the south-eastern suburbs of Melbourne. For long standing residents this has led to a strengthening of their net wealth, but not necessarily their disposable income.

5.2 External influences

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

- The Victorian State Government has set the 2022-23 rates increase cap at 1.75%.
- Interest rates remain at very low levels and are expected to rise during 2022-23.
- Bass Coast's visitor economy lost momentum during the COVID-19 pandemic, however as restrictions ease consumer caution has lessened, leading to an increase in mobility and improved business conditions.
- 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.
- The Consumer Price Index (CPI) rose 5.1% over the twelve months to March 2022, due to supply chain pressures, a post COVID-19 recovery in consumer demand and surging commodity prices, especially fuel.
- Victorian wages growth has picked up but, is still around the relatively low rates prevailing before the pandemic. The rate of annual wage growth rose from the low of 1.4% in the latter part of 2020, to 2.4% in the March 2022 quarter. Council renegotiated its Enterprise Agreement in 2021. This allows for an annual wage increase of 1.6% in July 2022.

- COVID-19 has materially impacted the delivery on infrastructure projects due to skills and labour access issues as well as disruptions to interstate and global supply chains impacting the availability and cost of materials such as timber, steel and concrete.
- 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 of 1.6% are linked to the current Enterprise Agreement.
- Employer Superannuation Guarantee Contributions increased to 10.5% as at 1 July 2022.
- New initiatives or employee proposals to be justified through a business case.
- Real savings in expenditure and increases in revenue to be preserved.
- Operating revenues and expenses arising from completed capital projects to be included.

5.4 Addressing the Climate Change Emergency

Council has in response to the Climate Change Emergency that it declared in 2019, 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. Council adopted the Climate Change Action Plan 2020-2030 in May 2021, which included 46 actions that will guide council investment to protect and enhance our natural environment and public infrastructure. Details of projects that are aligned to these actions 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.
- Develop a Waste Education Program to support a circular economy.
- Accelerate the Biolinks Program to bring forward planned habitat enhancement.
- Deliver significant coastal erosion infrastructure, including grant funded projects.
- Resolve encroachment into foreshore reserves on several sites, by restoring native vegetation and habitat.
- Deliver four Public Electric Vehicle Chargers in the following locations: Newhaven Visitor Centre, Wonthaggi Art Centre, Grantville Transaction Centre and Inverloch Hub.
- Sourcing 100% renewable energy for all of Council's buildings, facilities and street lighting.
- 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.
- Construction of the Cowes Cultural and Community Centre aims to be the most sustainably constructed building, taking inspiration from Passivhaus design to maximise energy efficiency and minimise the carbon footprint.

5.5 Long term strategies

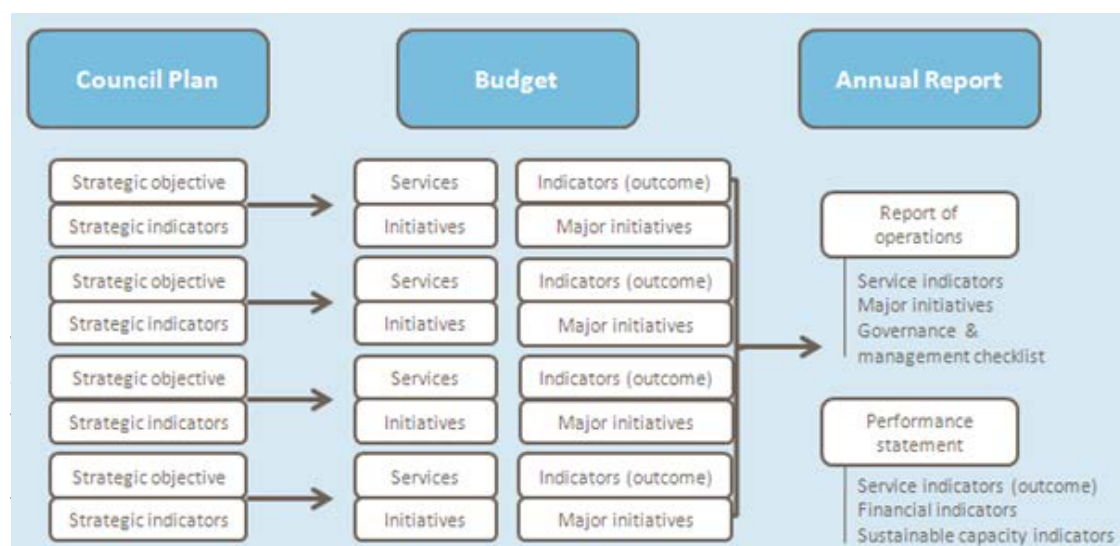
The Budget includes consideration of a number of long term strategies including the Long Term Financial Plan and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2022-23 to 2025-26 (Section 7), Rating 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 2022-23 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 their 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

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. | 5 892 (887) |
| 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. | 0 900 (900) |
| 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. | 3,119 16,543 (13,424) |
| Protecting our natural environment Management | This service is responsible for managing the activities to deliver the protecting the natural environment strategic objective. | 0 190 (190) |
| 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 1,137 (1,116) |

Major Initiatives

1. Complete coastal protection infrastructure works at Cowes East Foreshore
2. Complete installation of public electric vehicle charging stations in Wonthaggi, Inverloch, Grantville and Newhaven
3. Finalise the Urban Forest Strategy
4. Deliver actions identified in year three of the accelerated Biolinks program

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 head. The services, major initiatives and service performance indicators for each business area are described below.

Services

| Service areas | Description of services provided | Incold 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. | 332 <u>816</u> (484) |
| 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. | 1,531 <u>2,253</u> (722) |
| 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 Gymsnasiums and an extensive range of recreational programs. | 6 <u>1,896</u> (1,890) |
| Social & Community Planning | 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. | 28 <u>1,883</u> (1,855) |

Major Initiatives

5. Finalise the Bass Coast Reconciliation Action Plan
6. Develop and implement actions for year two of the Municipal Public Health and Wellbeing Plan
7. Develop and implement year one actions of the Access, Equity and Inclusion Plan
8. Finalise the Bass Coast Tracks and Trails Strategy and Implementation Plan

Service Performance Outcome Indicators

| 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.

Services

| Service areas | Description of services provided | Incold Expenditure Surplus/(deficit) \$'000 |
|-----------------------------|---|---|
| Our Places Management | This service is responsible for managing the infrastructure activities to deliver the our places strategic objective. | 0 <u>1,470</u> (1,470) |
| 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. | 149 <u>1,348</u> (1,199) |
| 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. | 0 <u>806</u> (806) |
| Building Maintenance | This service maintains Council buildings in accordance with the building asset management plan. | 42 <u>438</u> (396) |
| Plant | This service provides plant and vehicle management services to the infrastructure maintenance department. | 0 <u>3,069</u> (3,069) |
| Roads | This service maintains Council's roads and road related infrastructure. | 1,638 <u>4,915</u> (3,277) |
| Parks | This service maintains open spaces including parks, gardens, reserves, foreshores and sporting ovals. | 0 <u>4,844</u> (4,844) |
| Arts & Culture | 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 a library service that caters for the needs of residents. | 579 <u>3,489</u> (2,910) |
| 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. | 0 <u>270</u> (270) |



Major Initiatives

9. Open and program the Cowes Cultural and Community Centre with a dynamic range of arts and cultural experiences
10. Complete a review of the Buildings Asset Management Plan
11. Commence development of a Township Plan for San Remo

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 |

| Performance Indicators | Measures |
|------------------------|---|
| Roads Satisfaction | - Satisfaction with sealed local roads* |

* 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.

Services

| Service areas | Description of services provided | Incold Expenditure Surplus/(deficit) \$'000 |
|--------------------------------|--|--|
| Growing Our Economy Management | This service is responsible for managing the activities to deliver the growing our economy strategic objective. | 0 <u>531</u> (531) |
| 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. | 12 <u>406</u> (394) |
| 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. | 123 <u>1,282</u> (1,159) |

Major Initiatives

12. Finalise Council's Economic Development Framework

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

To achieve our objective of Sustainable Development, we will continue to prepare for growth while ensuring the intrinsic values and character of Bass

| Service areas | Description of services provided | Incold 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. | 0 <u>549</u> (549) |
| 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 <u>604</u> (178) |
| Development Services | This service manages subdivision design and construction, and is responsible for ensuring engineering requirements of planning applications are adequately considered and controlled. | 690 <u>1,224</u> (534) |
| 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. | 981 <u>1,978</u> (997) |
| 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. | 0 <u>1,065</u> (1,065) |
| 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. | 0 <u>753</u> (753) |

13. Partner with state agencies to finalise the Wonthaggi North East Precinct Structure Plan

14. Finalise the Neighbourhood Character and Housing Strategy



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 |

| Performance Indicators | 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

To achieve our objective of Leading for our community, we will continue to demonstrate leadership through good governance, transparency and accountability. The services, major initiatives and service performance indicators for each business area are described below.

Services

| Service areas | Description of services provided | Incold 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. | 0 <u>1,232</u> (1,232) |
| Advocacy | Coordinate Council's advocacy for positive outcomes for our community | 0 <u>165</u> (165) |
| Governance Management | This service is responsible for managing the activities to deliver the leading for our community strategic objective. | 4 <u>1,732</u> (1,728) |
| 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. | 5,942 <u>80</u> (5,862) |
| 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). | 0 <u>323</u> (323) |
| 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. | 238 <u>1,108</u> (870) |
| Communications and Engagement | 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. | 0 <u>748</u> (748) |
| 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 <u>1,494</u> (1,492) |

| Service areas | Description of services provided | Incold Expenditure Surplus/(deficit) \$'000 |
|--------------------------------------|--|--|
| Property | This service provides 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. | 1,032 <u>873</u> (159) |
| 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. Also responsible for visitor services through the operation of Visitor Information Centres and provides management of the Inverloch Community Hub. | 229 <u>2,596</u> (2,367) |
| Corporate Information | This service assists the organisation to ensure records are captured efficiently and accurately; 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. | 0 <u>587</u> (587) |
| 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. | 0 <u>4,097</u> (4,097) |
| Business Transformation | To support and drive a culture of effectiveness and efficiency improvement across the organisation focusing on excellence in culture, systems and processes. | 0 <u>204</u> (204) |
| Talent Management | Delivers workforce planning and recruitment and human resources information and reporting. | 0 <u>425</u> (425) |
| 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 <u>1,335</u> (1,125) |
| 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. | 0 <u>407</u> (407) |
| 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 <u>240</u> (239) |

Major Initiatives

15. Continue implementation of the Business Transformation program

16. Review and update Council's Advocacy Strategy

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 | Satisfaction | Satisfaction with Council decisions. (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community) | Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community |
| Statutory planning | Decision making | Council planning decisions upheld at VCAT. (Percentage of planning application decisions subject to review by VCAT and that were not set aside) | [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100 |
| Roads | Satisfaction | Satisfaction with sealed local roads. (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads) | Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads. |
| Libraries | Participation | Active library members. (Percentage of the municipal population that are active library members) | [Number of active library members / municipal population] x100 |
| 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) | [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100 |
| Aquatic Facilities | Utilisation | Utilisation of aquatic facilities. (Number of visits to aquatic facilities per head of municipal population) | Number of visits to aquatic facilities / Municipal population |
| Animal Management | Health and safety | Animal management prosecutions. (Percentage of animal management prosecutions which are successful) | Number of successful animal management prosecutions / 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) | [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100 |

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 2022-23 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 | (16,517) | 19,662 | 3,145 |
| Healthy community | (4,951) | 6,848 | 1,897 |
| Our places | (18,241) | 20,649 | 2,408 |
| Growing our economy | (2,084) | 2,219 | 135 |
| Sustainable development | (4,076) | 6,173 | 2,097 |
| Leading for our community | (9,988) | 17,646 | 7,658 |
| Total | (55,857) | 73,197 | 17,340 |

| | |
|---|-----------------|
| Expenses added in: | |
| Depreciation & Amortisation | 17,782 |
| Borrowing Costs | 466 |
| Finance costs - leases | 25 |
| Surplus/(Deficit) before funding sources | (74,130) |
| Funding sources added in: | |
| Rates & charges | 69,762 |
| Capital Grants | 5,894 |
| Capital Contributions | 711 |
| Total funding sources | 76,367 |
| Operating surplus/(deficit) for the year | 2,237 |

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 2022-23 to 2025-26 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 the 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 2022-23 to 2025-26.

| | | Budget | Projections | | |
|---------------------------------|---|-------------------|-------------------|-------------------|-------------------|
| | Forecast Actual 2021-22 \$'000 | 2022/23 \$'000 | 2023-24 \$'000 | 2024-25 \$'000 | 2025-26 \$'000 |
| Surplus/(deficit) for the year | 12,475 | 2,237 | 5,920 | 18,986 | 18,144 |
| Adjusted underlying result | (1,568) | (3,444) | (2,919) | 269 | 1,160 |
| Cash and investments balance | 45,729 | 54,477 | 49,085 | 47,668 | 40,689 |
| Cash flows from operations | 29,476 | 26,437 | 27,767 | 43,523 | 45,643 |
| Capital works expenditure | 40,668 | 29,008 | 35,549 | 45,029 | 49,015 |

7.3 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.

| Indicator | Measure | Notes | Actual 2020-21 | Forecast 2021-22 | Budget 2022/23 | Projections | | | Trend + / o / - |
|-----------------------------|--|-------|-------------------|---------------------|-------------------|-------------|---------|---------|--------------------|
| | | | | | | 2023-24 | 2024-25 | 2025-26 | |
| Net result* | Net result / total revenue | 1 | 19.1% | 11.9% | 2.4% | 5.9% | 16.5% | 15.4% | + |
| Adjusted underlying result* | Adjusted underlying surplus (deficit) / Adjusted underlying revenue | 2 | 0.5% | (1.8%) | (3.9%) | (3.2%) | 0.3% | 1.1% | + |
| Liquidity | | | | | | | | | |
| Working Capital* | Current assets / current liabilities | 3 | 157.5% | 143.7% | 188.6% | 178.7% | 166.5% | 158.9% | o |
| Unrestricted cash | Unrestricted cash / current liabilities | 4 | 27.0% | 69.5% | 92.1% | 88.8% | 79.6% | 82.3% | o |
| Obligations | | | | | | | | | |
| Loans and borrowings | Interest bearing loans and borrowings / rate revenue | 5 | 22.0% | 24.7% | 44.8% | 51.6% | 56.0% | 56.1% | + |
| Loans and borrowings | Interest and principal repayments on interest bearing loans and borrowings / rate revenue | | 19.1% | 18.4% | 18.5% | 2.5% | 3.1% | 7.0% | - |
| Indebtedness* | Non-current liabilities / own source revenue | | 21.2% | 23.2% | 51.9% | 55.9% | 55.4% | 56.8% | + |
| Asset renewal* | Asset renewal and upgrade expenses / Asset depreciation | 6 | 67.6% | 152.9% | 90.8% | 97.2% | 83.7% | 102.1% | + |
| Internal financing* | Net operating cashflow / net capital expenditure | | 213.8% | 69.5% | 82.9% | 71.1% | 88.0% | 84.7% | o |
| Stability | | | | | | | | | |
| Rates concentration | Rate revenue / adjusted underlying revenue | 7 | 76.4% | 76.0% | 78.2% | 78.4% | 78.7% | 78.6% | o |
| Rates effort | Rate revenue / CIV of rateable properties in the municipality | | 0.4% | 0.4% | 0.3% | 0.3% | 0.3% | 0.3% | o |
| Capital replacement* | Cash outflows for the addition of new infrastructure, property, plant and equipment / depreciation | | 1.2 | 2.6 | 1.8 | 2.1 | 2.5 | 2.5 | + |
| Efficiency | | | | | | | | | |
| Expenditure level | Total expenditure / No. of property assessments | | \$2,653 | \$2,784 | \$2,731 | \$2,839 | \$2,867 | \$2,984 | + |
| Revenue level | Total rate revenue / No. of property assessments | | \$2,082 | \$2,110 | \$2,080 | \$2,180 | \$2,285 | \$2,398 | + |

*denotes a VAGO (Victorian Auditor General Office) financial indicator

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

Notes to indicators

1. Net result

Council's net result is expected to increase over the term of the projections. This is achieved through anticipated growth in secured capital grants to supplement the Council's increasing capital works program

2. Adjusted underlying result

Projections for Council's adjusted underlying result reflect the impact of the environmental rehabilitation works to be undertaken in the 2022-23 and 2023-24 financial years being once off costs of \$4.1m and \$3.5m respectively. Ongoing improvement in this performance metric is due to a combination of cost constraint and revenue growth over the life of projections.

3. Working Capital

Council's working capital ratio is expected to reduce over the term of the projections from 1.9 to 1.6 by June 2026 due to investment in capital works in the next 4 years.

4. Unrestricted Cash

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

5. Debt compared to rates

Debt compared to rates will increase over the term of the projections due to Council leveraging its borrowing power to enable it to raise funding and deliver an expanded capital program including some major inter-generational projects.

6. Asset renewal

Council's asset renewal expenditure as a percentage of depreciation is consistent in exceeding the target of 80% each financial year. The spike in 2021-22 forecasted result is due a focus on completion of grant funded renewal projects with the budget to provide new assets, upgrade and expansion projects to service the growing community.

7. Rates concentration

Council's dependence on rates revenue is expected to remain consistent over the term of the projections. Council will be investigating options to broaden its revenue sources and advocate for external funding sources to reduce its dependence on rates to fund services and capital expenditure.

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.

As per the Local Government Act 2020, Council is required to have a Revenue and Rating Plan which is a four year plan for how Council will generate income to deliver the Council Plan, program and services and capital works commitments over a four-year period.

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 2022-23 the FGRS cap has been set at 1.75%. The cap applies to both general rates and municipal charges 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 and the municipal charge will increase by 1.75% 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 2022. 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 rate cap.

| Year | Rate Cap Increase % | Garbage Charge Increase % | Total Rates and charges \$'000 | Total Rates & Charges Increase % |
|---------|---------------------|---------------------------|--------------------------------|----------------------------------|
| 2021-22 | 1.50% | 0.9% | 70,113 | 4.2% |
| 2022/23 | 1.75% | (1.8%) | 69,762 | (0.5%) |
| 2023-24 | 2.25% | 3.0% | 73,108 | 4.8% |
| 2024-25 | 2.25% | 3.0% | 76,615 | 4.8% |
| 2025-26 | 2.25% | 3.5% | 81,100 | 5.9% |

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 which building 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 Development 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 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.

Council believes that the Wealth Tax principle is the most equitable and efficient to adopt in terms of its rating structure. Some moderation of the effect of property value on the level of rates levied is however required to make the rating system more equitable and stable than it would be in the absence of such intervention. Council believes that Differential rates should be used in this regard.

- 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.

8.5 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 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.

For the 2022-23 financial year, Council has decided to utilise an additional \$14.9 million in new borrowings to fund the capital works program and refinancing of \$11.7 million in loans already held on 30 June 2022, therefore increasing total borrowings to \$30.8 million as of 30 June 2023. The following table sets out future borrowings, based on the forecast financial position of Council as of 30 June 2022.

| Year | New Borrowings \$'000 | Principal Paid \$'000 | Interest Paid \$'000 | Balance 30 June \$'000 |
|---------|--------------------------|--------------------------|-------------------------|---------------------------|
| 2021-22 | 13,637 | 11,981 | 230 | 16,408 |
| 2022/23 | 26,689 | 12,264 | 466 | 30,833 |
| 2023-24 | 7,438 | 1,032 | 755 | 37,239 |
| 2024-25 | 6,667 | 1,468 | 911 | 42,438 |
| 2025-26 | 6,667 | 4,509 | 1,069 | 44,595 |

9.1 Statement of Borrowings

The table below shows information on borrowings specifically required by the Regulations.

| | Forecast Actual 2021-22 \$ | Budget 2022/23 \$ |
|---|-------------------------------|----------------------|
| Total amount borrowed as at 30 June of the prior year | 14,752 | 16,408 |
| Total amount proposed to be borrowed | 13,637 | 26,689 |
| Total amount projected to be redeemed | (11,981) | (12,264) |
| Total amount of borrowings as at 30 June | 16,408 | 30,833 |

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 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 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 | 2022/23 | 2023-24 | 2024-25 | 2025-26 |
| Asset renewal expenditure (\$'000) | 11,531 | 15,008 | 12,916 | 13,954 |
| Asset upgrade expenditure (\$'000) | 4,174 | 3,077 | 3,907 | 7,714 |
| Depreciation (\$'000) | 17,292 | 18,602 | 20,089 | 21,229 |
| Asset renewal | 91% | 97% | 84% | 102% |

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 |
| 2021-22 | 40,668 | 14,420 | 0 | 1,900 | 24,348 |
| 2022/23 | 29,008 | 5,894 | 0 | 5,350 | 17,764 |
| 2023-24 | 35,549 | 9,447 | 90 | 7,438 | 18,574 |
| 2024-25 | 45,029 | 19,427 | 60 | 6,667 | 18,876 |
| 2025-26 | 49,015 | 17,511 | 50 | 6,667 | 24,787 |

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 1 - 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 2025-26.

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.

11 Comprehensive Income Statement

For the four years ending June 2026

| | Notes | Forecast Actual 2021-22 | Budget | Projections | | |
|--|-------|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| | | \$'000 | 2022/23 \$'000 | 2023-24 \$'000 | 2024-25 \$'000 | 2025-26 \$'000 |
| Income | | | | | | |
| Rates and charges | 19.2 | 70,113 | 69,762 | 73,108 | 76,615 | 81,100 |
| Statutory fees and fines | 18.1 | 3,040 | 3,862 | 4,048 | 4,242 | 4,446 |
| User fees | 18.2 | 3,694 | 4,746 | 4,974 | 5,213 | 5,464 |
| Grants - Operating | 18.3 | 11,788 | 7,510 | 7,531 | 7,719 | 7,912 |
| Grants - Capital | 18.3 | 14,420 | 5,894 | 9,447 | 19,427 | 17,511 |
| Contributions - monetary | 18.4 | 547 | 711 | 390 | 360 | 350 |
| Other income | 18.5 | 803 | 1,222 | 1,514 | 1,419 | 1,307 |
| Total income | | 104,405 | 93,707 | 101,012 | 114,996 | 118,090 |
| Expenses | | | | | | |
| Employee costs | 18.6 | 32,019 | 33,377 | 34,217 | 35,251 | 36,495 |
| Materials and services | 18.7 | 36,252 | 36,243 | 36,565 | 34,135 | 35,940 |
| Depreciation | 18.8 | 16,592 | 17,292 | 18,602 | 20,089 | 21,229 |
| Amortisation - intangible assets | 18.9 | 266 | 219 | 224 | 228 | 233 |
| Amortisation - right of use assets | 18.10 | 255 | 271 | 276 | 268 | 264 |
| Bad and doubtful debts | | 10 | 10 | 10 | 10 | 10 |
| Borrowing costs | | 230 | 466 | 755 | 911 | 1,069 |
| Finance Costs - leases | | 23 | 25 | 20 | 14 | 8 |
| Net gain/(loss) on disposal of property, infrastructure, plant and equipment | | 925 | - | - | - | - |
| Other expenses | 18.11 | 5,358 | 3,566 | 4,424 | 5,104 | 4,698 |
| Total expenses | | 91,930 | 91,470 | 95,092 | 96,010 | 99,946 |
| Surplus/(deficit) for the year | | 12,475 | 2,237 | 5,920 | 18,986 | 18,144 |
| Other comprehensive income | | | | | | |
| Items that will not be reclassified to surplus or deficit in future periods | | | | | | |
| Net asset revaluation increment / (decrement) | | - | - | - | - | - |
| Total comprehensive result | | 12,475 | 2,237 | 5,920 | 18,986 | 18,144 |

12 Balance Sheet

For the four years ending 30 June 2026

| | Notes | Forecast Actual 2021-22 | Budget | Projections | | |
|---|-------|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| | | \$'000 | 2022/23 \$'000 | 2023-24 \$'000 | 2024-25 \$'000 | 2025-26 \$'000 |
| Assets | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | | 45,729 | 54,477 | 49,085 | 47,668 | 40,689 |
| Trade and other receivables | | 11,739 | 8,198 | 8,812 | 10,056 | 10,373 |
| Other financial assets | | 19,660 | 19,660 | 19,660 | 19,660 | 19,660 |
| Inventories | | 60 | 60 | 60 | 60 | 60 |
| Other assets | | 1,220 | 1,243 | 1,267 | 1,292 | 1,317 |
| Total current assets | | 78,408 | 83,638 | 78,884 | 78,736 | 72,099 |
| Non-current assets | | | | | | |
| Property, infrastructure, plant & equipment | | 811,136 | 822,342 | 838,789 | 863,229 | 890,564 |
| Right-of-use assets | 18.13 | 1,200 | 948 | 687 | 429 | 171 |
| Landfill rehabilitation intangible asset | | 1,909 | 1,690 | 1,466 | 1,238 | 1,006 |
| Total non-current assets | | 814,245 | 824,980 | 840,942 | 864,896 | 891,741 |
| Total assets | | 892,653 | 908,618 | 919,826 | 943,632 | 963,840 |
| Liabilities | | | | | | |
| Current liabilities | | | | | | |
| Trade and other payables | | 6,744 | 6,313 | 6,470 | 6,413 | 6,644 |
| Trust funds and deposits | | 7,816 | 7,972 | 8,132 | 8,294 | 8,460 |
| Unearned Income | | 20,458 | 20,458 | 20,458 | 20,458 | 20,458 |
| Provisions | | 7,424 | 8,326 | 7,376 | 7,378 | 7,379 |
| Interest-bearing liabilities | 9.1 | 11,862 | 998 | 1,438 | 4,480 | 2,239 |
| Lease liabilities | 18.13 | 264 | 284 | 279 | 279 | 184 |
| Total current liabilities | | 54,568 | 44,352 | 44,154 | 47,302 | 45,364 |
| Non-current liabilities | | | | | | |
| Provisions | | 11,820 | 10,751 | 10,538 | 10,323 | 10,108 |
| Interest-bearing liabilities | 9.1 | 4,546 | 29,835 | 35,800 | 37,958 | 42,356 |
| Lease liabilities | 18.13 | 993 | 717 | 451 | 181 | - |
| Total non-current liabilities | | 17,359 | 41,303 | 46,789 | 48,462 | 52,463 |
| Total liabilities | | 71,927 | 85,655 | 90,943 | 95,763 | 97,827 |
| Net assets | | 820,726 | 822,963 | 828,883 | 847,869 | 866,013 |
| Equity | | | | | | |
| Accumulated surplus | | 302,159 | 298,724 | 308,552 | 327,578 | 352,541 |
| Reserves | | 518,567 | 524,239 | 520,332 | 520,291 | 513,472 |
| Total equity | | 820,726 | 822,963 | 828,883 | 847,869 | 866,013 |

13 Statement of Changes in Equity

For the four years ending 30 June 2026

| | Notes | Total \$'000 | Accumulated Surplus \$'000 | Revaluation Reserve \$'000 | Other Reserves \$'000 |
|---|-------|-----------------|-------------------------------|----------------------------------|-----------------------------|
| 2022 Forecast Actual | | | | | |
| Balance at beginning of the financial year | | 808,251 | 283,266 | 475,385 | 49,600 |
| Surplus/(deficit) for the year | | 12,475 | 12,788 | (313) | - |
| Transfers to other reserves | | - | (32,289) | - | 32,289 |
| Transfers from other reserves | | - | 38,394 | - | (38,394) |
| Balance at end of the financial year | | 820,726 | 302,159 | 475,072 | 43,495 |
| 2023 Budget | | | | | |
| Balance at beginning of the financial year | | 820,726 | 302,159 | 475,072 | 43,495 |
| Surplus/(deficit) for the year | | 2,237 | 2,237 | - | - |
| Transfers to other reserves | | - | (13,476) | - | 13,476 |
| Transfers from other reserves | | - | 7,804 | - | (7,804) |
| Balance at end of the financial year | | 822,963 | 298,724 | 475,072 | 49,167 |
| 2024 | | | | | |
| Balance at beginning of the financial year | | 822,963 | 298,724 | 475,072 | 49,167 |
| Surplus/(deficit) for the year | | 5,920 | 5,920 | - | - |
| Transfers to other reserves | | - | (1,563) | - | 1,563 |
| Transfers from other reserves | | - | 5,470 | - | (5,470) |
| Balance at end of the financial year | | 828,883 | 308,551 | 475,072 | 45,260 |
| 2025 | | | | | |
| Balance at beginning of the financial year | | 828,883 | 308,551 | 475,072 | 45,260 |
| Surplus/(deficit) for the year | | 18,986 | 18,986 | - | - |
| Transfers to other reserves | | - | (1,451) | - | 1,451 |
| Transfers from other reserves | | - | 1,491 | - | (1,491) |
| Balance at end of the financial year | | 847,869 | 327,577 | 475,072 | 45,220 |
| 2026 | | | | | |
| Balance at beginning of the financial year | | 847,869 | 327,577 | 475,072 | 45,220 |
| Surplus/(deficit) for the year | | 18,144 | 18,144 | - | - |
| Transfers to other reserves | | - | (1,529) | - | 1,529 |
| Transfers from other reserves | | - | 8,348 | - | (8,348) |
| Balance at end of the financial year | | 866,013 | 352,540 | 475,072 | 38,401 |

14 Statement of Cash Flows

For the four years ending 30 June 2026

| | Notes | Forecast Actual 2021-22 | Budget | Projections | | |
|--|-------|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | \$'000 | 2022/23 \$'000 | 2023-24 \$'000 | 2024-25 \$'000 | 2025-26 \$'000 |
| | | Inflows (Outflows) | Inflows (Outflows) | Inflows (Outflows) | Inflows (Outflows) | Inflows (Outflows) |
| Cash flows from operating activities | | | | | | |
| Rates and charges | | 68,490 | 72,002 | 72,794 | 76,259 | 80,020 |
| Statutory fees and fines | | 3,040 | 3,989 | 4,033 | 4,225 | 4,429 |
| User fees | | 5,299 | 5,392 | 5,452 | 5,711 | 5,987 |
| Grants - operating | | 10,242 | 7,757 | 7,530 | 7,701 | 7,896 |
| Grants - capital | | 13,324 | 6,087 | 9,157 | 18,603 | 17,667 |
| Contributions - monetary | | 547 | 711 | 390 | 360 | 350 |
| Interest received | | 245 | 400 | 674 | 560 | 428 |
| Trust funds and deposits taken | | 224 | 156 | 159 | 163 | 166 |
| Other receipts | | 3,215 | 1,010 | 998 | 990 | 1,738 |
| Net GST refund / payment | | 5,426 | 6,364 | 6,547 | 7,267 | 7,803 |
| Employee costs | | (32,409) | (33,575) | (34,166) | (35,170) | (36,405) |
| Materials and services | | (42,556) | (35,185) | (36,044) | (37,208) | (38,520) |
| Other payments | | (5,611) | (8,673) | (9,756) | (5,939) | (5,915) |
| Net cash provided by operating activities | | 29,476 | 26,437 | 27,767 | 43,523 | 45,643 |
| Cash flows from investing activities | | | | | | |
| "Payments for property, infrastructure, plant and equipment " | | (42,393) | (31,909) | (39,054) | (49,482) | (53,916) |
| "Proceeds from sale of property, infrastructure, plant and equipment " | | 628 | 561 | 550 | 550 | 495 |
| Net cash used in investing activities | | (41,765) | (31,348) | (38,504) | (48,932) | (53,421) |
| Cash flows from financing activities | | | | | | |
| Finance costs | | (230) | (466) | (755) | (911) | (1,069) |
| Proceeds from borrowings | | 13,637 | 26,689 | 7,438 | 6,667 | 6,667 |
| Repayment of borrowings | | (11,981) | (12,264) | (1,032) | (1,468) | (4,509) |
| Interest paid - lease liability | | (23) | (25) | (20) | (14) | (8) |
| Repayment of lease liabilities | | (97) | (275) | (286) | (281) | (281) |
| Net cash provided by/(used in) financing activities | | 1,306 | 13,659 | 5,345 | 3,993 | 799 |
| Net increase/(decrease) in cash & cash equivalents | | (10,983) | 8,748 | (5,392) | (1,417) | (6,979) |
| Cash and cash equivalents at beginning of year | | 56,712 | 45,729 | 54,477 | 49,085 | 47,668 |
| Cash and cash equivalents at end of year | | 45,729 | 54,477 | 49,085 | 47,668 | 40,689 |

15 Statement of Capital Works

For the four years ending 30 June 2026

| | Notes | Forecast Actual 2021-22 | Budget | Projections | | |
|--|-------------|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| | | \$'000 | 2022/23 \$'000 | 2023-24 \$'000 | 2024-25 \$'000 | 2025-26 \$'000 |
| Property | | | | | | |
| Land | | 1,219 | - | 500 | 500 | - |
| Land improvements | | 9,072 | 9,709 | 4,957 | 4,757 | 7,722 |
| Total land | | 10,291 | 9,709 | 5,457 | 5,257 | 7,722 |
| Buildings | | 12,254 | 6,203 | 15,863 | 26,819 | 26,524 |
| Total buildings | | 12,254 | 6,203 | 15,863 | 26,819 | 26,524 |
| Total property | | 22,545 | 15,912 | 21,320 | 32,076 | 34,246 |
| | | | | | | |
| Plant and equipment | | | | | | |
| Plant, machinery and equipment | | 2,656 | 2,378 | 1,505 | 1,550 | 1,890 |
| Computers and telecommunications | | 506 | 860 | 655 | 655 | 655 |
| Other infrastructure | | 64 | 50 | 50 | 50 | 50 |
| Total plant and equipment | | 3,226 | 3,288 | 2,210 | 2,255 | 2,595 |
| | | | | | | |
| Infrastructure | | | | | | |
| Roads | | 9,322 | 6,057 | 4,033 | 4,157 | 8,339 |
| Bridges | | 53 | 94 | 1,098 | 1,602 | 606 |
| Footpaths and cycleways | | 3,482 | 1,392 | 4,764 | 3,602 | 1,656 |
| Drainage | | 1,152 | 515 | 1,102 | 1,180 | 1,323 |
| Waste management | | 888 | 1,750 | 1,021 | 157 | 250 |
| Total infrastructure | | 14,897 | 9,808 | 12,018 | 10,698 | 12,174 |
| | | | | | | |
| Total capital works expenditure | 21.1 | 40,668 | 29,008 | 35,549 | 45,029 | 49,015 |
| | | | | | | |
| Represented by: | | | | | | |
| New asset expenditure | | 14,337 | 9,808 | 16,839 | 27,324 | 27,022 |
| Asset renewal expenditure | | 14,052 | 11,531 | 15,008 | 12,916 | 13,954 |
| Asset expansion expenditure | | 968 | 3,495 | 625 | 882 | 325 |
| Asset upgrade expenditure | | 11,311 | 4,174 | 3,077 | 3,907 | 7,714 |
| Total capital works expenditure | 21.1 | 40,668 | 29,008 | 35,549 | 45,029 | 49,015 |
| | | | | | | |
| Funding sources represented by: | | | | | | |
| Grants | | 14,420 | 5,894 | 9,447 | 19,427 | 17,511 |
| Contributions | | - | - | 90 | 60 | 50 |
| Council cash | | 24,348 | 17,764 | 18,574 | 18,876 | 24,787 |
| Borrowings | | 1,900 | 5,350 | 7,438 | 6,667 | 6,667 |
| Total capital works expenditure | 21.1 | 40,668 | 29,008 | 35,549 | 45,029 | 49,015 |

16 Funding Impact Statement

For the four years ending 30 June 2026

| | Notes | Forecast Actual 2021-22 | Budget | Projections | | | |
|---------------------------------------|-------|-------------------------------|-------------------|-------------------|-------------------|-------------------|--|
| | | \$'000 | 2022/23 \$'000 | 2023-24 \$'000 | 2024-25 \$'000 | 2025-26 \$'000 | |
| Revenue | | | | | | | |
| Rates and charges | | 69,704 | 69,711 | 73,060 | 76,571 | 80,335 | |
| Statutory fees and fines | | 3,040 | 3,862 | 4,048 | 4,242 | 4,446 | |
| User fees | | 3,694 | 4,746 | 4,974 | 5,213 | 5,464 | |
| Grants - operating | | 11,788 | 7,510 | 7,531 | 7,719 | 7,912 | |
| Contributions - monetary | | 119 | 1 | - | - | - | |
| Interest revenue | | 654 | 451 | 722 | 604 | 468 | |
| Other income | | 558 | 822 | 840 | 859 | 1,604 | |
| Total revenue | | 89,557 | 87,103 | 91,175 | 95,209 | 100,229 | |
| Proceeds | | | | | | | |
| Sale of assets | | 628 | 510 | 500 | 500 | 450 | |
| Total proceeds | | 628 | 510 | 500 | 500 | 450 | |
| Expenses | | | | | | | |
| Employee costs | | (32,019) | (33,377) | (34,217) | (35,251) | (36,495) | |
| Materials and services | | (36,252) | (31,798) | (32,835) | (33,910) | (35,105) | |
| Borrowing costs | | (230) | (466) | (755) | (911) | (1,069) | |
| Other expenses | | (3,562) | (8,322) | (8,469) | (5,633) | (5,832) | |
| Total expenses | | (72,063) | (73,962) | (76,277) | (75,706) | (78,502) | |
| Reserve fund movements | | | | | | | |
| Transfers from/(to) reserves | | 6,104 | (5,672) | 3,908 | 41 | 6,819 | |
| Net reserve movements | | 6,104 | (5,672) | 3,908 | 41 | 6,819 | |
| Capital expenditure and income | | | | | | | |
| Grants - capital | | 14,420 | 5,894 | 9,447 | 19,427 | 17,511 | |
| Contributions - monetary | | 428 | 710 | 390 | 360 | 350 | |
| Repayment of borrowings | | (11,981) | (12,264) | (1,032) | (1,468) | (4,509) | |
| New loans | | 13,637 | 26,689 | 7,438 | 6,667 | 6,667 | |
| Capital works | | (40,668) | (29,008) | (35,549) | (45,029) | (49,015) | |
| Net capital works and income | | (24,164) | (7,979) | (19,306) | (20,044) | (28,997) | |
| Surplus/(deficit) | | 62 | - | - | - | - | |

17 Statement of Human Resources

17.1 Human Resources by Division

For the four years ending 30 June 2026

| | Forecast Actual 2021-22 | Budget | Projections | | |
|-----------------------------------|----------------------------|-------------------|-------------------|-------------------|-------------------|
| | \$'000 | 2022/23 \$'000 | 2023-24 \$'000 | 2024-25 \$'000 | 2025-26 \$'000 |
| Employee expenditure | | | | | |
| Employee costs - operating | 32,019 | 33,377 | 34,217 | 35,251 | 36,495 |
| Employee costs - capital | 1,449 | 1,692 | 1,735 | 1,787 | 1,850 |
| Total employee expenditure | 33,468 | 35,069 | 35,952 | 37,038 | 38,345 |
| Employee numbers | FTE | FTE | FTE | FTE | FTE |
| Employees | 316.2 | 322.2 | 320.2 | 318.7 | 318.7 |
| Total employee numbers | 316.2 | 322.2 | 320.2 | 318.7 | 318.7 |

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

| Division | Comprises | | | | |
|---|-------------------|---------------------|---------------------|------------------|---------------------|
| | Budget | Permanent | | | |
| | 2022/23 \$'000 | Full Time \$'000 | Part Time \$'000 | Casual \$'000 | Temporary \$'000 |
| Chief Executive Office | 467 | 467 | - | - | - |
| Business Transformation | 7,304 | 5,345 | 1,539 | - | 420 |
| Partnerships, Economy & Culture | 4,961 | 3,197 | 1,025 | 740 | - |
| Place Making | 9,441 | 8,388 | 914 | 63 | 77 |
| Resilient Communities | 12,719 | 9,612 | 2,643 | 233 | 231 |
| Total permanent employee expenditure | 34,892 | 27,009 | 6,120 | 1,036 | 728 |
| Other employee related expenditure | 176 | | | | |
| Capitalised labour costs | (1,692) | | | | |
| Total expenditure | 33,377 | | | | |

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 | | | |
| | 2022/23 | Full Time | Part Time | Casual | Temporary |
| Chief Executive Office | 2 | 2 | - | - | - |
| Business Transformation | 66 | 47 | 15 | - | 4 |
| Partnerships, Economy & Culture | 37 | 26 | 10 | 1 | - |
| Place Making | 79 | 69 | 9 | 0 | 1 |
| Resilient Communities | 138 | 106 | 30 | - | 2 |
| Total staff | 322 | 250 | 63 | 2 | 7 |

Human Resources by Gender

The Council has developed a Statement of Human Resources based on current employee numbers and gender identification.

In the 2022-23 Financial year, there are a total of 321 FTE of which 138 Female, 148 Male and 28 Vacant with the balance being non-recorded casual and temporary employees.

For the four years ending 30 June 2026

| | 2022/23 \$'000 | 2023-24 \$'000 | 2024-25 \$'000 | 2025-26 \$'000 |
|--|----------------|----------------|----------------|----------------|
| Chief Executive Office | | | | |
| Permanent - Full time | 467 | 479 | 498 | 515 |
| Female | 467 | 479 | 498 | 515 |
| Total Chief Executive Office | 467 | 479 | 498 | 515 |
| Business Transformation | | | | |
| Permanent - Full time | 5,345 | 5,491 | 5,698 | 5,900 |
| Female | 3,758 | 3,861 | 4,006 | 4,148 |
| Male | 1,587 | 1,630 | 1,692 | 1,752 |
| Permanent - Part time | 1,539 | 1,581 | 1,640 | 1,698 |
| Female | 1,252 | 1,287 | 1,335 | 1,382 |
| Male | 286 | 294 | 305 | 316 |
| Total Business Transformation | 6,884 | 7,072 | 7,338 | 7,598 |
| Partnerships, Economy & Culture | | | | |
| Permanent - Full time | 3,197 | 3,284 | 3,407 | 3,528 |
| Female | 1,784 | 1,833 | 1,902 | 1,970 |
| Male | 940 | 966 | 1,002 | 1,038 |
| Vacant positions | 472 | 485 | 503 | 521 |
| Permanent - Part time | 1,025 | 1,052 | 1,092 | 1,131 |
| Female | 658 | 676 | 702 | 726 |
| Male | 120 | 124 | 128 | 133 |
| Vacant positions | 246 | 253 | 262 | 271 |
| Total Partnerships, Economy & Culture | 4,221 | 4,336 | 4,499 | 4,659 |
| Place Making | | | | |
| Permanent - Full time | 8,388 | 8,616 | 8,940 | 9,258 |
| Female | 2,724 | 2,798 | 2,903 | 3,006 |
| Male | 4,849 | 4,981 | 5,168 | 5,351 |
| Vacant positions | 815 | 838 | 869 | 900 |
| Permanent - Part time | 914 | 939 | 974 | 1,009 |
| Female | 495 | 508 | 527 | 546 |
| Male | 281 | 289 | 300 | 311 |
| Vacant positions | 138 | 141 | 147 | 152 |
| Total Place Making | 9,301 | 9,555 | 9,914 | 10,266 |
| Resilient Communities | | | | |
| Permanent - Full time | 9,612 | 9,874 | 10,200 | 10,562 |
| Female | 1,596 | 1,640 | 1,701 | 1,762 |
| Male | 7,112 | 7,306 | 7,580 | 7,849 |
| Vacant positions | 904 | 929 | 919 | 951 |
| Permanent - Part time | 2,643 | 2,715 | 2,750 | 2,847 |
| Female | 1,841 | 1,891 | 1,962 | 2,032 |
| Male | 421 | 433 | 449 | 465 |
| Vacant positions | 381 | 391 | 339 | 351 |
| Total Resilient Communities | 12,255 | 12,589 | 12,950 | 13,410 |
| Casuals, temporary and other expenditure | 1,941 | 1,920 | 1,838 | 1,897 |
| Capitalised labour costs | (1,692) | (1,735) | (1,787) | (1,850) |
| Total employee expenditure | 33,377 | 34,217 | 35,251 | 36,495 |

| | 2022/23 FTE | 2023-24 FTE | 2024-25 FTE | 2025-26 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 | 47.0 | 47.0 | 47.0 | 47.0 |
| Female | 35.0 | 35.0 | 35.0 | 35.0 |
| Male | 12.0 | 12.0 | 12.0 | 12.0 |
| Permanent - Part time | 14.5 | 14.5 | 14.5 | 14.5 |
| Female | 12.6 | 12.6 | 12.6 | 12.6 |
| Male | 1.9 | 1.9 | 1.9 | 1.9 |
| Total Business Transformation | 61.5 | 61.5 | 61.5 | 61.5 |
| Partnerships, Economy & Culture | | | | |
| Permanent - Full time | 26.0 | 26.0 | 26.0 | 26.0 |
| Female | 17.0 | 17.0 | 17.0 | 17.0 |
| Male | 7.0 | 7.0 | 7.0 | 7.0 |
| Vacant positions | 2.0 | 2.0 | 2.0 | 2.0 |
| Permanent - Part time | 10.1 | 10.1 | 10.1 | 10.1 |
| Female | 6.9 | 6.9 | 6.9 | 6.9 |
| Male | 1.1 | 1.1 | 1.1 | 1.1 |
| Vacant positions | 2.1 | 2.1 | 2.1 | 2.1 |
| Total Partnerships, Economy & Culture | 36.1 | 36.1 | 36.1 | 36.1 |
| Place Making | | | | |
| Permanent - Full time | 69.0 | 69.0 | 69.0 | 69.0 |
| Female | 24.0 | 24.0 | 24.0 | 24.0 |
| Male | 38.0 | 38.0 | 38.0 | 38.0 |
| Vacant positions | 7.0 | 7.0 | 7.0 | 7.0 |
| Permanent - Part time | 8.8 | 8.8 | 8.8 | 8.8 |
| Female | 5.3 | 5.3 | 5.3 | 5.3 |
| Male | 2.4 | 2.4 | 2.4 | 2.4 |
| Vacant positions | 1.1 | 1.1 | 1.1 | 1.1 |
| Total Place Making | 77.8 | 77.8 | 77.8 | 77.8 |
| Resilient Communities | | | | |
| Permanent - Full time | 105.6 | 105.6 | 105.6 | 105.6 |
| Female | 15.0 | 15.0 | 15.0 | 15.0 |
| Male | 80.0 | 80.0 | 80.0 | 80.0 |
| Vacant positions | 10.6 | 10.6 | 10.6 | 10.6 |
| Permanent - Part time | 30.1 | 30.1 | 30.1 | 30.1 |
| Female | 19.7 | 19.7 | 19.7 | 19.7 |
| Male | 5.4 | 5.4 | 5.4 | 5.4 |
| Vacant positions | 5.0 | 5.0 | 5.0 | 5.0 |
| Total Resilient Communities | 135.6 | 135.6 | 135.6 | 135.6 |
| Casuals and temporary employee | 9.1 | 7.1 | 5.6 | 5.6 |
| Capitalised labour* | (12) | (12) | (12) | (12) |
| Total employee numbers | 322.2 | 320.2 | 318.7 | 318.7 |

*this does not have any impact on total employee numbers

18 Notes to the financial statements

18.1 Statutory fees and fines

| | Forecast Actual 2021-22 \$'000 | Budget 2022/23 \$'000 | Change \$'000 | Change % |
|---------------------------------------|---|-----------------------------|------------------|--------------|
| Infringements and costs | 325 | 677 | 352 | 108.3% |
| Town planning fees | 1,072 | 1,348 | 276 | 25.7% |
| Land information certificates | 125 | 122 | (3) | (2.4%) |
| Permits | 1,518 | 1,715 | 197 | 13.0% |
| Total statutory fees and fines | 3,040 | 3,862 | 822 | 27.0% |

18.2 User Fees

| | Forecast Actual 2021-22 \$'000 | Budget 2022/23 \$'000 | Change \$'000 | Change % |
|--------------------------------|---|-----------------------------|------------------|--------------|
| Aged and health services | 9 | 9 | - | 0.0% |
| Leisure centre and recreation | 751 | 903 | 152 | 20.2% |
| Registration and other permits | 2,510 | 2,930 | 420 | 16.7% |
| Waste management services | 14 | 13 | (1) | (7.1%) |
| Other fees and charges | 410 | 891 | 481 | 117.3% |
| Total user fees | 3,694 | 4,746 | 1,052 | 28.5% |

18.3 Grants

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants is projected to decrease by \$4.3 million compared to 2021-22. Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program.

Overall, the level of capital grants is expected to decrease by \$8.5 million compared to 2021-22 due mainly to specific funding received for large non-recurring capital works projects in 2021-22.

A list of grants by type and source, classified into recurrent and non-recurrent, is included below. Grants are required by the Act and the Regulations to be disclosed in Council's annual budget.

| | Forecast Actual 2021-22 | Budget | Change | |
|--|----------------------------|----------------|-----------------|----------------|
| | \$'000 | 2022/23 \$'000 | \$'000 | % |
| Grants were received in respect of the following: | | | | |
| Summary of grants | | | | |
| Commonwealth funded grants | 14,297 | 10,561 | (3,735) | (26.1%) |
| State funded grants | 11,912 | 2,842 | (9,069) | (76.1%) |
| Total grants received | 26,208 | 13,404 | (12,805) | (48.9%) |
| (a) Operating Grants | | | | |
| Recurrent - Commonwealth Government | | | | |
| Financial Assistance Grants | 8,926 | 7,084 | (1,842) | (20.6%) |
| Community Development | 40 | 20 | (20) | (50.5%) |
| Recurrent - State Government | | | | |
| Community health | 37 | 27 | (10) | (27.9%) |
| Environment | 62 | 62 | - | - |
| Community safety | 188 | 155 | (34) | (18.0%) |
| Total recurrent grants | 9,254 | 7,347 | (1,907) | (20.6%) |
| Non-recurrent - Commonwealth Government | | | | |
| Community Safety | - | 44 | 44 | 100.0% |
| Environment | 816 | - | (816) | (100.0%) |
| Non-recurrent - State Government | | | | |
| Recreation | 45 | - | (45) | (100.0%) |
| Other | 1,673 | 119 | (1,554) | (92.9%) |
| Total non-recurrent grants | 2,534 | 163 | (2,371) | (93.6%) |
| Total operating grants | 11,788 | 7,510 | (4,278) | (36.3%) |
| (b) Capital Grants | | | | |
| Recurrent - Commonwealth Government | | | | |
| Roads to recovery | 924 | 924 | - | - |
| Recurrent - State Government | | | | |
| Other | - | - | - | - |
| Total recurrent grants | 924 | 924 | - | - |
| Non-recurrent - Commonwealth Government | | | | |
| Roads | 1,733 | 2,120 | 387 | 22.3% |
| Pathways | - | 100 | 100 | 100.0% |
| Land Improvements | - | 250 | 250 | 100.0% |
| Other | 1,857 | 20 | (1,837) | (98.9%) |
| Non-recurrent - State Government | | | | |
| Buildings | 551 | - | (551) | (100.0%) |
| Open space | 5,968 | 2,290 | (3,678) | (61.6%) |
| Roads | 559 | - | (559) | (100.0%) |
| Waste management | 458 | 40 | (418) | (91.3%) |
| Pathways | - | 150 | 150 | 100.0% |
| Other | 2,370 | - | (2,370) | (100.0%) |
| Total non-recurrent grants | 13,496 | 4,970 | (8,526) | (63.2%) |
| Total capital grants | 14,420 | 5,894 | (8,526) | (59.1%) |
| Total Grants | 26,208 | 13,404 | (12,805) | (48.9%) |

18.4 Contributions

| Contributions | Forecast Actual 2021-22 \$'000 | Budget 2022/23 \$'000 | Change \$'000 | Change % |
|----------------------------|--------------------------------------|-----------------------------|------------------|--------------|
| Monetary | 547 | 711 | 164 | 30.0% |
| Total contributions | 547 | 711 | 164 | 30.0% |

18.5 Other income

| Other Income | Forecast Actual 2021-22 \$'000 | Budget 2022/23 \$'000 | Change \$'000 | Change % |
|---------------------------|--------------------------------------|-----------------------------|------------------|--------------|
| Interest | 245 | 400 | 155 | 63.3% |
| Dividends | 3 | 3 | - | - |
| Other rent | 189 | 250 | 61 | 32.3% |
| Other | 366 | 569 | 203 | 55.5% |
| Total other income | 803 | 1,222 | 419 | 52.2% |

18.6 Employee Costs

| Employee Costs | Forecast Actual 2021-22 \$'000 | Budget 2022/23 \$'000 | Change \$'000 | Change % |
|-----------------------------|--------------------------------------|-----------------------------|------------------|-------------|
| Wages and salaries | 24,166 | 26,032 | 1,866 | 7.7% |
| Annual leave | 2,497 | 2,732 | 235 | 9.4% |
| Long service leave | 657 | 759 | 102 | 15.5% |
| WorkCover | 1,088 | 435 | (653) | (60.0%) |
| Superannuation | 3,452 | 3,242 | (210) | (6.1%) |
| Fringe benefits tax | 159 | 177 | 18 | 11.3% |
| Total employee costs | 32,019 | 33,377 | 1,358 | 4.2% |

18.7 Materials and services

| Employee Costs | Forecast Actual 2021-22 \$'000 | Budget 2022/23 \$'000 | Change \$'000 | Change % |
|--------------------------------------|--------------------------------------|-----------------------------|------------------|---------------|
| Contractor payments | 11,313 | 9,270 | (2,043) | (18.1%) |
| General maintenance | 2,135 | 2,123 | (12) | (0.6%) |
| Utilities | 993 | 927 | (66) | (6.6%) |
| Office administration | 336 | 437 | 101 | 30.1% |
| Information technology | 2,522 | 2,076 | (446) | (17.7%) |
| Insurance | 1,170 | 784 | (386) | (33.0%) |
| Consultants | 2,375 | 2,252 | (123) | (5.2%) |
| Banking and financing Fees | 171 | 109 | (62) | (36.3%) |
| Subscriptions and memberships | 216 | 290 | 74 | 34.3% |
| Advertising | 222 | 242 | 20 | 9.0% |
| Cost of goods sold | 75 | 152 | 77 | 102.7% |
| Consumables | 758 | 1,033 | 275 | 36.3% |
| Legal and debt recovery | 3,481 | 528 | (2,953) | (84.8%) |
| Employee development and recruitment | 742 | 837 | 95 | 12.8% |
| Waste management | 7,240 | 8,177 | 937 | 12.9% |
| Communications | 316 | 379 | 63 | 19.9% |
| Other | 266 | 542 | 276 | 103.8% |
| Library services | 1,913 | 1,946 | 33 | 1.7% |
| Property leases | 8 | 39 | 31 | 387.5% |
| Environment Rehabilitation | - | 4,100 | 4,100 | - |
| Total materials and services | 36,252 | 36,243 | (9) | (0.0%) |

18.8 Depreciation

| | Forecast Actual 2021-22 \$'000 | Budget 2022/23 \$'000 | Change \$'000 | Change % |
|---------------------------|-----------------------------------|--------------------------|------------------|-------------|
| Property | 3,539 | 3,780 | 241 | 6.8% |
| Plant & equipment | 1,302 | 1,343 | 41 | 3.1% |
| Infrastructure | 11,751 | 12,169 | 418 | 3.6% |
| Total depreciation | 16,592 | 17,292 | 700 | 4.2% |

18.9 Amortisation – Intangible assets

| | Forecast Actual 2021-22 \$'000 | Budget 2022/23 \$'000 | Change \$'000 | Change % |
|---|-----------------------------------|--------------------------|------------------|----------------|
| Landfill Airspace Asset | 266 | 219 | (47) | (17.7%) |
| Total amortisation - intangible assets | 266 | 219 | (47) | (17.7%) |

18.10 Amortisation – Right of use assets

| Other Income | Forecast Actual 2021-22 \$'000 | Budget 2022/23 \$'000 | Change \$'000 | Change % |
|---|-----------------------------------|--------------------------|------------------|-------------|
| Property | 255 | 271 | 16 | 6.3% |
| Total amortisation - right of use assets | 255 | 271 | 16 | 6.3% |

18.11 Other expenses

| Other Income | Forecast Actual 2021-22 \$'000 | Budget 2022/23 \$'000 | Change \$'000 | Change % |
|--------------------------------------|-----------------------------------|--------------------------|------------------|----------------|
| Auditors' remuneration - VAGO | 21 | 75 | 54 | 257.1% |
| Auditors' remuneration - Internal | 30 | 52 | 22 | 73.3% |
| Councillors' allowances | 338 | 359 | 21 | 6.2% |
| Land management rebate | 666 | 665 | (1) | (0.2%) |
| Fire services levy | 91 | 82 | (9) | (9.9%) |
| Landfill levy | 911 | 947 | 36 | 4.0% |
| Contributions to other organisations | 1,306 | 1,346 | 40 | 3.1% |
| Stamp duty | 25 | 40 | 15 | 60.0% |
| Net loss on disposal of associate | 1,970 | - | (1,970) | (100.0%) |
| Total other expenses | 5,358 | 3,566 | (1,792) | (33.4%) |



18.12 Statement of Investment Reserves

| | Forecast Actual 2021-22 | Budget | Projections | | |
|--|----------------------------|-------------------|-------------------|-------------------|-------------------|
| | \$'000 | 2022/23 \$'000 | 2023-24 \$'000 | 2024-25 \$'000 | 2025-26 \$'000 |
| Art in public places | 134 | 134 | 134 | 134 | 134 |
| Future sustainability fund | 350 | 350 | 350 | 350 | 350 |
| Landfill Rehabilitation Reserve | 5,977 | 2,577 | 374 | 374 | 374 |
| LGFV sinking fund | 1,853 | 2,118 | 2,384 | 3,834 | 2,368 |
| Resort & Recreation Interest Reserve | 707 | 425 | 225 | 55 | - |
| Skate park | 509 | 409 | 409 | 409 | 309 |
| Strategic works | 3,701 | 11,303 | 10,303 | 10,303 | 5,781 |
| Unallocated surplus | 4,985 | 6,572 | 5,802 | 4,481 | 3,805 |
| VGC grant received in advance | 5,859 | 5,859 | 5,859 | 5,859 | 5,859 |
| Wonthaggi North East Land Acquisitions Reserve | 500 | 500 | 500 | 500 | 500 |
| Total Reserves | 24,575 | 30,247 | 26,340 | 26,299 | 19,480 |

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 landfill sites. The principle being that as the landfill site is consumed (filled) the users contribute sufficient funds to ensure the full life cycle rehabilitation (over approximately 20 years) |
| 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 Subdivision Act 1988 |
| Skate Park | This reserve contains funds set aside for future skate park works as determined by the skate park strategy. The funds provided for 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. |

18.13 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 Actual 2021- 22 | Budget | Change | |
|--|--------------------------------|-------------------|--------------|----------------|
| | \$'000 | 2022/23 \$'000 | \$'000 | % |
| Right-of-use assets | | | | |
| Land and buildings | 1,143 | 914 | (229) | (20.0%) |
| Plant and equipment | 57 | 34 | (23) | (40.4%) |
| Total right-of-use assets | 1,200 | 948 | (252) | (21.0%) |
| | | | | |
| Lease liabilities | | | | |
| Current lease Liabilities | | | | |
| Land and buildings | 241 | 261 | 20 | 8.3% |
| Plant and equipment | 23 | 23 | - | - |
| Total current lease liabilities | 264 | 284 | 20 | 7.6% |
| Non-current lease liabilities | | | | |
| Land and buildings | 960 | 707 | (253) | (26.4%) |
| Plant and equipment | 33 | 10 | (23) | (69.7%) |
| Total non-current lease liabilities | 993 | 717 | (276) | (27.8%) |
| Total lease liabilities | 1,257 | 1,001 | (256) | (20.4%) |

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 1.44%.

18.14 Proposal to Lease Council Land

This section presents a summary of Council's proposals to lease land to external parties in the 2022-23 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.

Kilcunda Community Hall:

Situated on part of the Kilcunda Community Purposes Reserve at 3513-3515 Bass Highway Kilcunda, to Kilcunda Community Association Inc (Incorporation No. 0019824P). Council resolved to commence statutory procedures to lease for a period of 20 years.

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:

| | 2021-22 | 2022/23 |
|---|--------------|--------------|
| Total rates | \$51,702,859 | \$53,295,341 |
| Number of rateable properties | 33,017 | 33,492 |
| Base average rate | \$1,566 | \$1,591 |
| Maximum rate increase (set by Government) | 1.50% | 1.75% |
| Capped average rate | \$1,589 | \$1,619 |
| Maximum general rates | \$52,478,402 | \$54,228,009 |
| Budget general rates | \$52,477,228 | \$54,224,897 |
| Budgeted supplementary rates | \$800,000 | \$800,000 |
| Budgeted total rates | \$53,277,228 | \$55,024,897 |

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 Actual 2021-22 \$'000 | Budget 2022/23 \$'000 | Change \$'000 | Change % |
|--|--------------------------------------|-----------------------------|------------------|---------------|
| General rates* | 52,457 | 54,225 | 1,768 | 3.4% |
| Waste management charge | 14,043 | 14,651 | 608 | 4.3% |
| Special rates and charges | 2,367 | - | (2,367) | (100.0%) |
| Supplementary rates and rate adjustments | 806 | 800 | (6) | (0.7%) |
| Interest on rates and charges | 409 | 51 | (358) | (87.5%) |
| Revenue in lieu of rates | 31 | 35 | 4 | 12.9% |
| Total rates and charges | 70,113 | 69,762 | (351) | (0.5%) |

*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 | 2021-22 Cents/ \$ CIV | 2022/23 Cents/ \$ CIV | Change % |
|--------------------------------------|-----------------------|-----------------------|----------|
| Residential | 0.0028589 | 0.0020968 | (26.7%) |
| Farm | 0.0022871 | 0.0016774 | (26.7%) |
| Commercial | 0.0028589 | 0.0020968 | (26.7%) |
| Industrial | 0.0028589 | 0.0020968 | (26.7%) |
| Vacant Land | 0.0042883 | 0.0031452 | (26.7%) |
| Recreational | 0.0017153 | 0.0012581 | (26.7%) |

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 | 2021-22 \$'000 | Annualised rates levied \$'000 | 2022/23 \$'000 | Change % |
|---|-------------------|--------------------------------------|-------------------|-------------|
| Residential | 42,428 | 43,395 | 44,662 | 2.9% |
| Farm | 3,084 | 3,077 | 2,936 | (4.8%) |
| Commercial | 2,057 | 2,041 | 1,684 | (18.1%) |
| Industrial | 535 | 538 | 448 | (16.3%) |
| Vacant Land | 4,337 | 4,207 | 4,463 | 2.9% |
| Recreational | 37 | 37 | 33 | 0.0% |
| Total amount to be raised by general rates | 52,478 | 53,295 | 54,225 | 1.7% |

The annualised amount is calculated by applying 2021-22 rates to the CIV of the rateable properties within the Bass Coast Shire at the time of establishing the Budget. This will include the additional properties that have been created through the course of the 2021-22 financial year. This establishes the base position from which to apply any change to the rates for the 2022-23 financial year.

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 | 2021-22 \$'000 | 2022/23 Number | Change Number | Change % |
|------------------------------------|-------------------|----------------|------------------|-------------|
| Residential | 27,603 | 28,195 | 592 | 2.1% |
| Farm | 988 | 989 | 1 | 0.1% |
| Commercial | 902 | 893 | (9) | (1.0%) |
| Industrial | 417 | 423 | 6 | 1.4% |
| Vacant Land | 3,087 | 2,972 | (115) | (3.7%) |
| Recreational | 20 | 20 | - | 0.0% |
| Total number of assessments | 33,017 | 33,492 | 475 | 1.4% |

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

The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year:

| Type or class of land | 2021-22 \$'000 | 2022/23 \$'000 | Change \$'000 | Change % |
|----------------------------|-------------------|-------------------|------------------|--------------|
| Residential | 14,840,525 | 21,299,868 | 6,459,343 | 43.5% |
| Farm | 1,348,442 | 1,750,315 | 401,873 | 29.8% |
| Commercial | 719,594 | 803,023 | 83,429 | 11.6% |
| Industrial | 187,179 | 213,487 | 26,308 | 14.1% |
| Vacant Land | 1,011,264 | 1,419,056 | 407,792 | 40.3% |
| Recreational | 21,370 | 26,010 | 4,640 | 21.7% |
| Total value of land | 18,128,374 | 25,511,759 | 7,383,385 | 40.7% |

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 | 2021-22 \$ | 2022/23 \$ | Change \$ | Change % |
|---|---------------|---------------|--------------|-------------|
| Garbage charge | 500.92 | 492.08 | (8.84) | (1.8%) |
| - 240 Litre organics | | | | |
| - 240 litre recycle | | | | |
| - 120 litre landfill | | | | |
| Additional recycle bin - annual charge | 106.20 | 102.04 | (4.16) | (3.9%) |
| Additional organics bin - annual charge | 100.80 | 128.94 | 28.14 | 27.9% |
| Additional 120 litre landfill bin - annual charge | 117.20 | 128.42 | 11.22 | 9.6% |
| Additional 240 litre landfill bin - annual charge | 176.40 | 226.84 | 50.44 | 28.6% |
| Upsized landfill bin (120 litre to 240 litre) - annual charge | 59.20 | 98.41 | 39.21 | 66.2% |



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 | 2021-22 \$ | 2022/23 \$ | Change \$ | Change % |
|----------------|------------|------------|-----------|----------|
| Garbage | 13,619,800 | 14,651,270 | 1,031,470 | 7.6% |

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 | 2021-22 \$ | 2022/23 \$ | Change \$ | Change % |
|-------------------------------|------------|------------|-----------|----------|
| Supplementary rates | 800,000 | 700,000 | (100,000) | (12.5%) |
| Supplementary garbage charges | 111,506 | 100,000 | (11,506) | (10.3%) |

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 | 2021-22 \$ | 2022/23 \$ | Change \$ | Change % |
|--------------------------------|-------------------|-------------------|------------------|-------------|
| General Rates | 52,477,228 | 54,224,897 | 1,747,669 | 3.3% |
| Waste management charge | 13,619,800 | 14,651,270 | 1,031,470 | 7.6% |
| Supplementary rates | 911,506 | 800,000 | (111,506) | (12.2%) |
| Revenue in lieu of rates | 35,000 | 35,000 | - | 0.0% |
| Total rates and charges | 67,043,534 | 69,711,167 | 2,667,633 | 4.0% |

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 0.20968% (0.20968 cents in the dollar) of CIV for all rateable residential, commercial and industrial properties
- A general rate of 0.16774% (0.16774 cents in the dollar) of CIV for all rateable farm properties
- A general rate of 0.31452% (0.31452 cents in the dollar) of CIV for rateable vacant land from all categories
- A general rate of 0.12581% (0.12581 cents in the dollar) of CIV for 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 2022-23 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 services and
- 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 2022-23 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 2022-23 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 2022-23 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 underutilisation 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 2022-23 financial year.

Appendix 3 - Detailed list of Capital Works

21 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2022-23 year, classified by expenditure type and funding source. Works are also disclosed as current budget or carried forward from prior year.

For the year ending 30 June 2023

21.1 Detailed list of Capital Works

Summary

| | Forecast Actual 2021-22 \$'000 | Budget 2022-23 \$'000 | Change | |
|------------------------------------|--------------------------------|-----------------------|-----------------|----------------|
| Property | 22,545 | 15,912 | (6,633) | (29.4%) |
| Plant & equipment | 3,162 | 3,288 | 126 | 4.0% |
| Infrastructure | 14,961 | 9,808 | (5,153) | (34.4%) |
| Total capital works program | 40,668 | 29,008 | (11,660) | (28.7%) |

| | | 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 | 15,912 | 6,886 | 4,506 | 1,368 | 3,170 | 2,560 | - | 10,152 | 3,200 |
| Plant & equipment | 3,288 | 628 | 2,660 | - | - | - | - | 2,738 | 550 |
| Infrastructure | 9,808 | 2,312 | 4,365 | 2,805 | 325 | 3,334 | - | 4,874 | 1,600 |
| Total capital works program | 29,008 | 9,808 | 11,531 | 4,174 | 3,495 | 5,894 | - | 17,764 | 5,350 |

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 | | 1,865 | - | 1,835 | 30 | - | - | - | 1,865 | - |
| Cowes Cultural and Community Centre Redevelopment | | 2,800 | - | - | - | 2,800 | - | - | 2,800 | - |
| Pioneer Bay Reserve, Toilets & Community Meeting Space | | 43 | - | - | 43 | - | - | - | 20 | 23 |
| Kindergartens | | 370 | - | - | - | 370 | - | - | 370 | - |
| Plant/equipment mechanics workshop extension | | 125 | - | - | 125 | - | - | - | 125 | - |
| Program Advancement - Property | | 1,000 | - | 250 | 750 | - | - | - | 1,000 | - |
| Buildings Total | | 6,203 | - | 2,085 | 948 | 3,170 | 20 | - | 6,183 | - |
| Land Improvements | | | | | | | | | | |
| Buildings & Open Space renewal program | | 2,121 | - | 2,121 | - | - | - | - | 2,121 | - |
| Carparks renewal program | | 115 | - | 115 | - | - | - | - | 115 | - |
| Climate Change Actions | | 740 | 740 | - | - | - | 290 | - | 450 | - |
| Old Wonthaggi Secondary College Site Redevelopment | | 300 | 300 | - | - | - | - | - | 300 | - |
| Wonthaggi Activity Centre Plan priorities | | 3,000 | 3,000 | - | - | - | 2,000 | - | - | 1,000 |
| Public Realm Improvements Cowes | | 2,200 | 2,200 | - | - | - | - | - | - | 2,200 |
| Recreation Projects Design | | 150 | - | - | 150 | - | - | - | 150 | - |
| Skate Parks | | 350 | 350 | - | - | - | 250 | - | 100 | - |
| Playspace Design for future budget allocations | | 35 | - | 35 | - | - | - | - | 35 | - |
| Blue Gum Community Garden - Cowes Community Group | | 278 | 278 | - | - | - | - | - | 278 | - |
| Rhyll Playground | | 270 | - | - | 270 | - | - | - | 270 | - |
| Program Advancement - Land Improvements | | 150 | - | 150 | - | - | - | - | 150 | - |
| Land Improvements Total | | 9,709 | 6,868 | 2,421 | 420 | - | 2,540 | - | 3,969 | 3,200 |
| Property Total | | 15,912 | 6,868 | 4,506 | 1,368 | 3,170 | 2,560 | - | 10,152 | 3,200 |
| Plant and Equipment | | | | | | | | | | |
| Artworks | | | | | | | | | | |
| Public Art | | 50 | 50 | - | - | - | - | - | 50 | - |
| Artworks Total | | 50 | 50 | - | - | - | - | - | 50 | - |
| Computers and telecommunications | | | | | | | | | | |
| Computers and telecommunications renewal program | | 860 | - | 860 | - | - | - | - | 860 | - |
| Computers and telecommunications Total | | 860 | - | 860 | - | - | - | - | 860 | - |

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 |
| Plant, machinery and equipment | | | | | | | | | |
| Plant, Fleet & Equipment renewal program | 1,800 | - | 1,800 | - | - | - | - | 1,800 | - |
| Grantville Waste Facilities | 550 | 550 | - | - | - | - | - | - | 550 |
| Security Systems - Council Assets Managed In-House | 28 | 28 | - | - | - | - | - | 28 | - |
| Plant, machinery and equipment Total | 2,378 | 578 | 1,800 | - | - | - | - | 1,828 | 550 |
| Plant and Equipment Total | 3,288 | 628 | 2,660 | - | - | - | - | 2,738 | 550 |
| Infrastructure | | | | | | | | | |
| Bridges | | | | | | | | | |
| Bridges renewal program | 94 | - | 94 | - | - | - | - | 94 | - |
| Bridges Total | 94 | - | 94 | - | - | - | - | 94 | - |
| Drainage | | | | | | | | | |
| Storm Water renewal program | 335 | - | 335 | - | - | - | - | 335 | - |
| IWM Implementation Plan | 80 | 80 | - | - | - | 40 | - | 40 | - |
| Program Advancement - Drainage | 100 | - | - | 100 | - | - | - | 100 | - |
| Drainage Total | 515 | 80 | 335 | 100 | - | 40 | - | 475 | - |
| Footpaths and cycleways | | | | | | | | | |
| Footpath gaps program (RAMP) | 325 | - | - | - | 325 | - | - | 325 | - |
| Pathways renewal program | 235 | - | 235 | - | - | - | - | 235 | - |
| Strategic Pathways Tracks and Trails | 782 | 632 | - | 150 | - | 250 | - | 532 | - |
| Program advancement - Footpaths and cycleways | 50 | - | 50 | - | - | - | - | 50 | - |
| Footpaths and cycleways Total | 1,392 | 632 | 285 | 150 | 325 | 250 | - | 1,142 | - |
| Roads | | | | | | | | | |
| Rural Roads renewal program | 899 | - | 899 | - | - | 462 | - | 437 | - |
| Unsealed Roads renewal program | 509 | - | 509 | - | - | - | - | 509 | - |
| Urban Roads renewal program | 1,843 | - | 1,843 | - | - | 462 | - | 1,382 | - |
| Local Road Safety/Road Asset Management Plan | 200 | - | - | 200 | - | - | - | 200 | - |
| Unsealed Roads Upgrade | 1,840 | - | - | 1,840 | - | 1,840 | - | - | - |
| Road and Drainage Improvement Program | 215 | - | - | 215 | - | - | - | 215 | - |
| Federal Blackspot Program | 300 | - | - | 300 | - | 280 | - | 20 | - |
| Program Advancement - Roads | 250 | - | 250 | - | - | - | - | 250 | - |
| Roads Total | 6,057 | - | 3,501 | 2,555 | - | 3,044 | - | 3,013 | - |
| Waste management | | | | | | | | | |
| Other Waste/Depot Infrastructure | 1,600 | 1,600 | - | - | - | - | - | - | 1,600 |
| Program Advancement - Waste Management | 150 | - | 150 | - | - | - | - | 150 | - |
| Waste management Total | 1,750 | 1,600 | 150 | - | - | - | - | 150 | 1,600 |
| Infrastructure Total | 9,808 | 2,312 | 4,365 | 2,805 | 325 | 3,334 | - | 4,874 | 1,600 |
| Total Capital Works Program | 29,008 | 9,808 | 11,531 | 4,174 | 3,495 | 5,894 | - | 17,764 | 5,350 |

21.3 Summary of Planned Capital Works Expenditure

For the year ended 30 June 2023

| 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 | 9,709 | 6,868 | 2,421 | 420 | - | 2,540 | - | 3,969 | 3,200 |
| Total land | 9,709 | 6,868 | 2,421 | 420 | - | 2,540 | - | 3,969 | 3,200 |
| Buildings | 6,203 | - | 2,085 | 948 | 3,170 | 20 | - | 6,183 | - |
| Total buildings | 6,203 | - | 2,085 | 948 | 3,170 | 20 | - | 6,183 | - |
| Total property | 15,912 | 6,868 | 4,506 | 1,368 | 3,170 | 2,560 | - | 10,152 | 3,200 |
| Plant and equipment | | | | | | | | | |
| Plant, machinery and equipment | 2,378 | 578 | 1,800 | - | - | - | - | 1,828 | 550 |
| Computers and telecommunications | 860 | - | 860 | - | - | - | - | 860 | - |
| Artworks | 50 | 50 | - | - | - | - | - | 50 | - |
| Total plant and equipment | 3,288 | 628 | 2,660 | - | - | - | - | 2,738 | 550 |
| Infrastructure | | | | | | | | | |
| Roads | 6,057 | - | 3,501 | 2,555 | - | 3,044 | - | 3,013 | - |
| Bridges | 94 | - | 94 | - | - | - | - | 94 | - |
| Footpaths and cycleways | 1,392 | 632 | 285 | 150 | 325 | 250 | - | 1,142 | - |
| Drainage | 515 | 80 | 335 | 100 | - | 40 | - | 475 | - |
| Waste management | 1,750 | 1,600 | 150 | - | - | - | - | 150 | 1,600 |
| Total infrastructure | 9,808 | 2,312 | 4,365 | 2,805 | 325 | 3,334 | - | 4,874 | 1,600 |
| Total capital works expenditure | 29,008 | 9,808 | 11,531 | 4,174 | 3,495 | 5,894 | - | 17,764 | 5,350 |

For the year ended 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 | 500 | 500 | - | - | - | - | - | 500 | - |
| Land improvements | 4,957 | 4,020 | 330 | 607 | - | 50 | - | 1,657 | 3,250 |
| Total land | 5,457 | 4,520 | 330 | 607 | - | 50 | - | 2,157 | 3,250 |
| Buildings | 15,863 | 6,500 | 7,313 | 1,750 | 300 | 5,783 | 90 | 6,823 | 3,167 |
| Total buildings | 15,863 | 6,500 | 7,313 | 1,750 | 300 | 5,783 | 90 | 6,823 | 3,167 |
| Total property | 21,320 | 11,020 | 7,643 | 2,357 | 300 | 5,833 | 90 | 8,980 | 6,417 |
| Plant and equipment | | | | | | | | | |
| Plant, machinery and equipment | 1,505 | - | 1,505 | - | - | - | - | 1,505 | - |
| Computers and telecommunications | 655 | - | 655 | - | - | - | - | 655 | - |
| Artworks | 50 | 50 | - | - | - | - | - | 50 | - |
| Total plant and equipment | 2,210 | 50 | 2,160 | - | - | - | - | 2,210 | - |
| Infrastructure | | | | | | | | | |
| Roads | 4,033 | 110 | 3,554 | 369 | - | 1,499 | - | 2,535 | - |
| Bridges | 1,098 | 500 | 598 | - | - | - | - | 1,098 | - |
| Footpaths and cycleways | 4,764 | 3,848 | 241 | 350 | 325 | 2,115 | - | 2,649 | - |
| Drainage | 1,102 | 290 | 812 | - | - | - | - | 1,102 | - |
| Waste management | 1,021 | 1,021 | - | - | - | - | - | - | 1,021 |
| Total infrastructure | 12,018 | 5,769 | 5,205 | 719 | 325 | 3,614 | - | 7,383 | 1,021 |
| Total capital works expenditure | 35,549 | 16,839 | 15,008 | 3,077 | 625 | 9,447 | 90 | 18,574 | 7,438 |

For the year ended 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 | 4,757 | 2,243 | 592 | 1,922 | - | 1,550 | - | 3,207 | - |
| Total land | 5,257 | 2,743 | 592 | 1,922 | - | 1,550 | - | 3,707 | - |
| Buildings | 26,819 | 20,000 | 4,719 | 1,600 | 500 | 14,283 | 60 | 5,809 | 6,667 |
| Total buildings | 26,819 | 20,000 | 4,719 | 1,600 | 500 | 14,283 | 60 | 5,809 | 6,667 |
| Total property | 32,076 | 22,743 | 5,311 | 3,522 | 500 | 15,833 | 60 | 9,516 | 6,667 |
| 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 | 4,157 | 110 | 3,662 | 385 | - | 1,070 | - | 3,087 | - |
| Bridges | 1,602 | 1,000 | 602 | - | - | 1,000 | - | 602 | - |
| Footpaths and cycleways | 3,602 | 3,031 | 246 | - | 325 | 1,523 | - | 2,079 | - |
| Drainage | 1,180 | 290 | 890 | - | - | - | - | 1,180 | - |
| Waste management | 157 | 100 | - | - | 57 | - | - | 157 | - |
| Total infrastructure | 10,698 | 4,531 | 5,400 | 385 | 382 | 3,593 | - | 7,104 | - |
| Total capital works expenditure | 45,029 | 27,324 | 12,916 | 3,907 | 882 | 19,427 | 60 | 18,876 | 6,667 |

For the year ended 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 improvements | 7,722 | 4,822 | 1,075 | 1,826 | - | 2,800 | - | 4,922 | - |
| Total land | 7,722 | 4,822 | 1,075 | 1,826 | - | 2,800 | - | 4,922 | - |
| Buildings | 26,524 | 20,000 | 5,272 | 1,252 | - | 13,833 | 50 | 5,974 | 6,667 |
| Total buildings | 26,524 | 20,000 | 5,272 | 1,252 | - | 13,833 | 50 | 5,974 | 6,667 |
| Total property | 34,246 | 24,822 | 6,347 | 3,078 | - | 16,633 | 50 | 10,896 | 6,667 |
| 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 | 8,339 | 110 | 3,737 | 4,492 | - | 877 | - | 7,462 | - |
| Bridges | 606 | 500 | 106 | - | - | - | - | 606 | - |
| Footpaths and cycleways | 1,656 | 1,000 | 251 | 80 | 325 | - | - | 1,656 | - |
| Drainage | 1,323 | 290 | 969 | 64 | - | - | - | 1,323 | - |
| Waste management | 250 | 250 | - | - | - | - | - | 250 | - |
| Parks, open space and streetscapes | - | - | - | - | - | - | - | - | - |
| Total infrastructure | 12,174 | 2,150 | 5,063 | 4,636 | 325 | 877 | - | 11,296 | - |
| Total capital works expenditure | 49,015 | 27,022 | 13,954 | 7,714 | 325 | 17,511 | 50 | 24,787 | 6,667 |



Budget 2022 - 23

Bass Coast Shire Council
76 McBride Avenue, Wonthaggi, VIC 3995
PO Box 118 Wonthaggi, VIC 3995

1300 BCOAST (226 278) or (03) 5671 2211 or
via the National Relay Service (if you are deaf
and/or find it hard hearing or speaking with
people who use a phone) on their website:

infrastructure.gov.au/media-technology-communications/phone/services-people-with-disability/accesshub/national-relay-service

basscoast.vic.gov.au