

Annual Budget 2019/20

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Executive summary

Council has prepared a Budget for 2019/2020 which is aligned to the vision in the Council Plan 2017-2021. It seeks to maintain our existing services and infrastructure as well as deliver projects and services that are valued by our community, and will do this within the rate cap increase of 2.50 % mandated by the State Government.

The Budget provides the authorisation for the delivery of all services and includes performance measures, intended borrowings, and sets the rates and charges for the year. It also identifies the Capital Works projects that are planned to be commenced and/or delivered during 2019/20.

The Budget also includes a Strategic Resource Plan which provides a four year financial outlook for the Council and also includes forward cash flow, balance sheet and capital works projections. Projections for a number of 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 and adjusted operating surpluses, high liquidity levels, and increased investment in capital expenditure including asset renewal. 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 per cent).

The Budget projects an operating surplus of \$2.6 million for 2019/20 and a balanced Funding Statement position. It builds on the recent trend of increasing funding for capital and operational projects, while positioning the organisation to respond to the impact of growth and development within the Shire and plan for the delivery of major projects within a number of different precincts. This is achieved through continually seeking efficiencies from the way in which in which Council operates and through the prudent use of borrowings and existing reserves.

Budget Highlights

I Key things we are funding

New funding has been provided in the operating budget for:

- The development of a strategic approach to major projects and major precincts, from concept through to implementation and activation. These include:
 - Wonthaggi Activity Centre Plan
 - Cowes Activity Centre Plan
 - Phillip Island Transfer Station
 - Cowes Cultural Centre
 - Aquatics
 - The former Wonthaggi Secondary School Site
 - Phillip Island Recreational Reserve
- A new service delivery model to streamline and improve the customer experience of Development services. This responds to pressure on existing resources that is linked to significant population and development growth in the Shire including the new Wonthaggi North East precinct.
- Managing Council's transition to a potential shared services model and driving efficiencies across the organisation.
- Strategic planning studies and structure plans namely:
 - Distinctive Areas and Landscapes Project
 - Wonthaggi North East and Heritage Gaps project
 - Wonthaggi Secondary College redevelopment structure plan
 - Smiths Beach Master Plan

Our investment in capital projects continues to be a priority with a proposed program of \$21.12 million, which includes:

- Land purchases and various building works \$6.456 million

- The replacement of plant, fleet and equipment \$1.920 million
- Infrastructure works such as pathways, roads, drainage, open space and recreation facilities \$12.737 million

More specifically, the capital budget includes::

- Progressing the Phillip Island Transfer Station (\$1.8 million) which includes funding for the acquisition of a suitable site and detailed design for this new community facility which is expected to be completed in the next three years.
- \$1.5 million for the upgrade of the Phillip Island Community Adult Learning Centre (PICAL).
- \$1.5 million for the Principal Bike Network Path for Surf Parade, Inverloch.
- \$1.5 million for the Bass Coast Regional Skate Park.
- Funding of \$900,000 for Inverloch Netball courts and \$700,000 for the renewal of Dalyston Netball courts.
- Funding of \$2.9 million for a number of major tennis court renewals and upgrades in Wonthaggi, Inverloch and Corinella.
- \$1 million for a number of urban roads renewal projects, including spray seals, pavement renewal, asphalt seals and kerb renewal.
- \$1.1 million for the renewal and upgrade of Sheepways Road South.
- \$0.5 million for drainage renewal projects including \$215,000 for rain garden and wetland renewal.

2 Strategic Objectives

The Budget has been developed to deliver on the key objectives contained within the Council Plan. The Council Plan 2017-2021 (incorporating the Municipal Public Health and Wellbeing Plan) is a four year strategic document. The Plan is titled 'Shaping a better Bass Coast – Responding to what we heard'.

The major initiatives provided for in this budget to support the Council Plan objectives are:

Strategic Objective 1: Advocacy

Strategic Objective 2: Economic Development

1. Seek Victoria Government funding to progress the car ferry business case

Strategic Objective 3: Environment

2. Continue the planning for Phillip Island Resource Recovery Centre and Depot Development
3. Facilitate the Rhyll Jetty activity area precinct plan

Strategic Objective 4: Governance

4. Continue work on business transformation within the organisation.
5. Implement actions required, as a result of changes to the Local Government Act, if adopted by the State.
6. Review Council's Rating Strategy.

Strategic Objective 5: Health and Wellbeing

7. Commence review and redevelopment of Disability Action Plan (2020-2024)
8. Implement decisions to cease provision of Aged and Disability services.

Strategic Objective 6: Liveability

9. Continue project implementation and operational management planning of the Highball Stadium in partnership with the Wonthaggi Secondary College.
10. Participate in the Distinctive Areas and Landscapes Project in partnership with State Government.
11. Implement the Wonthaggi North East Precincts Structure Plan

12. Implement an improved service delivery model for Development Services.

Strategic Objective 7: Our Character

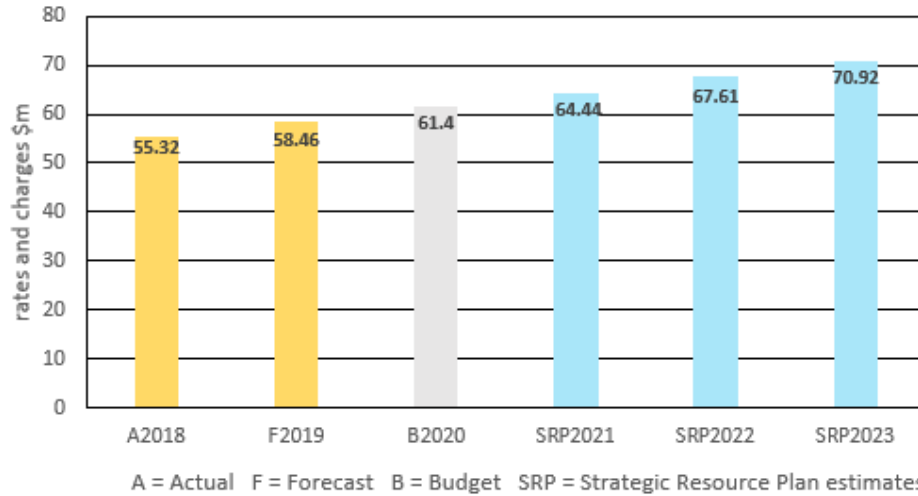
13. Commence review and redevelopment of Youth Action Plan (2020-2024).

14. Commence review and redevelopment of Municipal Early Years Plan (2020-2024)

I Summary of financial position

Council has prepared a Budget for the 2019/20 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 rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

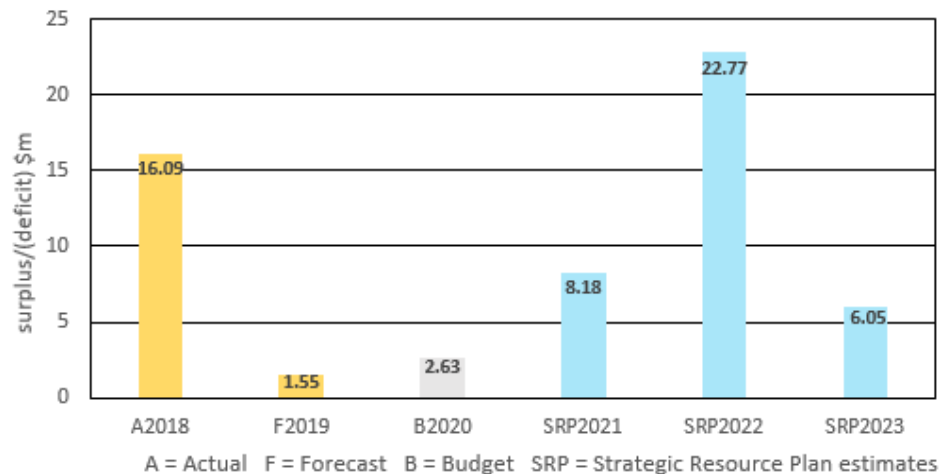
I.1 Total rates and charges



The average rates will increase by 2.5% for the 2019/20 year, with total rates being raised of \$49.3 million, including \$0.6 million generated from supplementary rates.

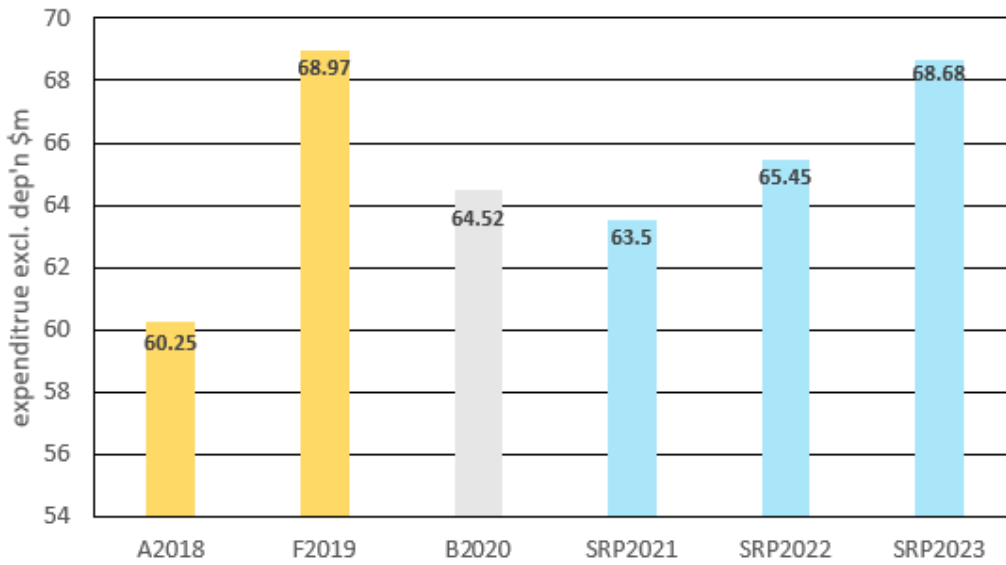
The total rates and charges for the 2019/20 year are expected to be \$61.4 million, which is an increase of 4.94% on the prior year. The garbage charge has been impacted by a compaction levy of \$1.0 million, reduction of income from gate charges and CPI. Therefore, will increase from \$412 in 2019/20 to \$449 in 2019/20. Refer also to Section 8 and Appendix 2 for more information.

I.2 Operating result



The expected operating result for the 2019/20 year is a surplus of \$2.63 million, which is an increase of \$1.08 million from 2018/19. The improved operating result is due to a combination of containing operational costs, and the renegotiated Enterprise Agreement which set normal wage increments at 1.8 percent.

1.3 Expenditure excluding depreciation

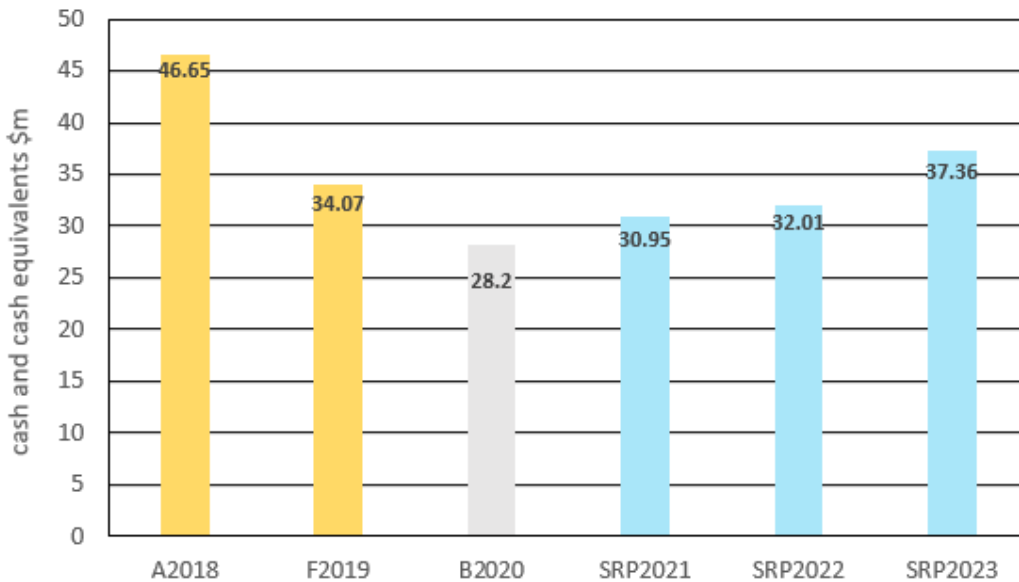


A = Actual F = Forecast B = Budget SRP = Strategic Resource Plan estimates

Expenditure excluding depreciation for the 2019/20 year is expected to be \$64.52 million which is a decrease from 2018/19. This is primarily due to the inclusion of significant non-capital projects in 2018/19 such as the Wonthaggi Highball development (\$2.7 million), support for the redevelopment of the Cape Paterson Life Saving Club (\$4 million) and the completion of the Wonthaggi traffic lights (\$0.8 million).

Refer to Section 6 for a list of services.

1.4 Cash and investments

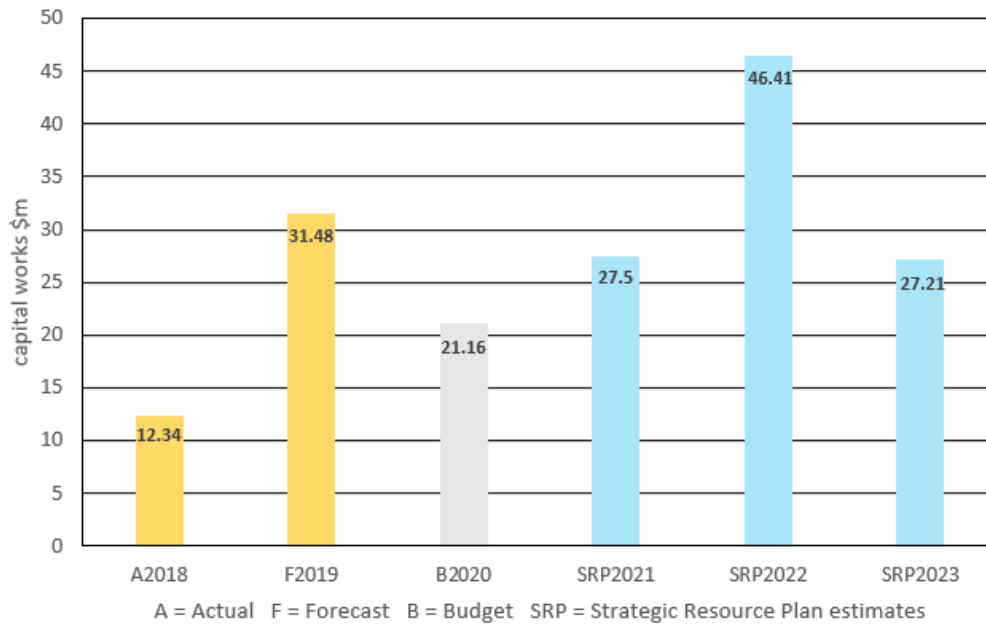


A = Actual F = Forecast B = Budget SRP = Strategic Resource Plan estimates

Cash and investments are expected to reduce by \$5.87 million during the year to \$28.2 million as at 30 June 2020 primarily due to the repayment of fixed term borrowings as they come due in line with Council's Strategic Resource Plan. (Cash and investments are forecast to be \$34.07 million as at 30 June 2019).

Refer also to Appendix I for the Statement of Cash Flows.

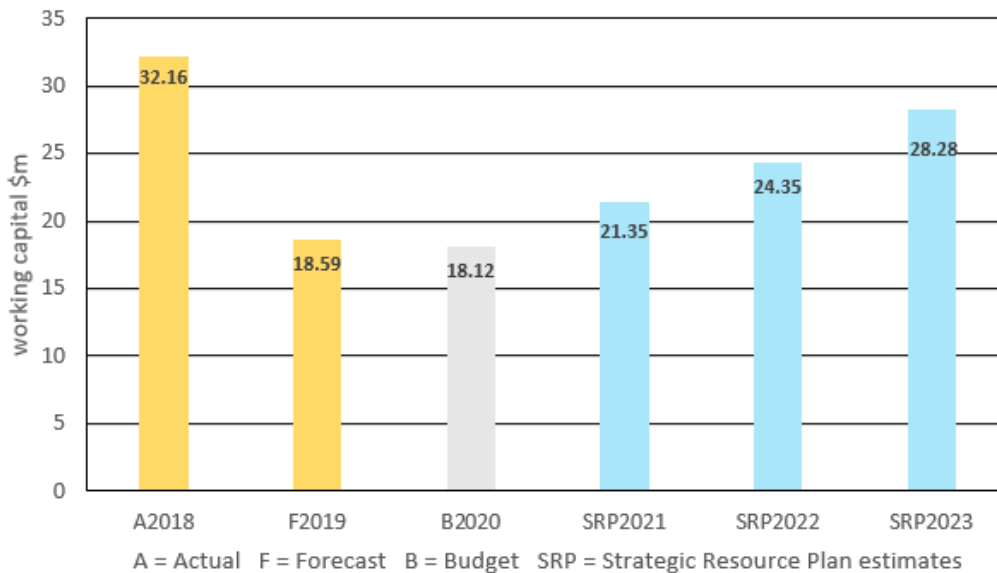
1.5 Capital works



The capital works program for the 2019/20 year is expected to be \$21.16 million. The program will be funded by capital grants of \$2.308 million, contributions of \$0.122 million, borrowings of \$3.57 million and the remainder from Council cash. The capital expenditure program has been set and prioritised based on a rigorous process of consultation that has enabled Council to assess needs and develop sound business cases for each project. The 2019/20 program includes a number of major projects including the construction of the Principal Bicycle Network Surf Parade Inverloch, Bass Coast Regional Skate Park and Phillip Island Community Adult Learning Centre (PICAL). It also funds the acquisition of a suitable site for the Phillip Island Transfer Station and detailed design for this facility.

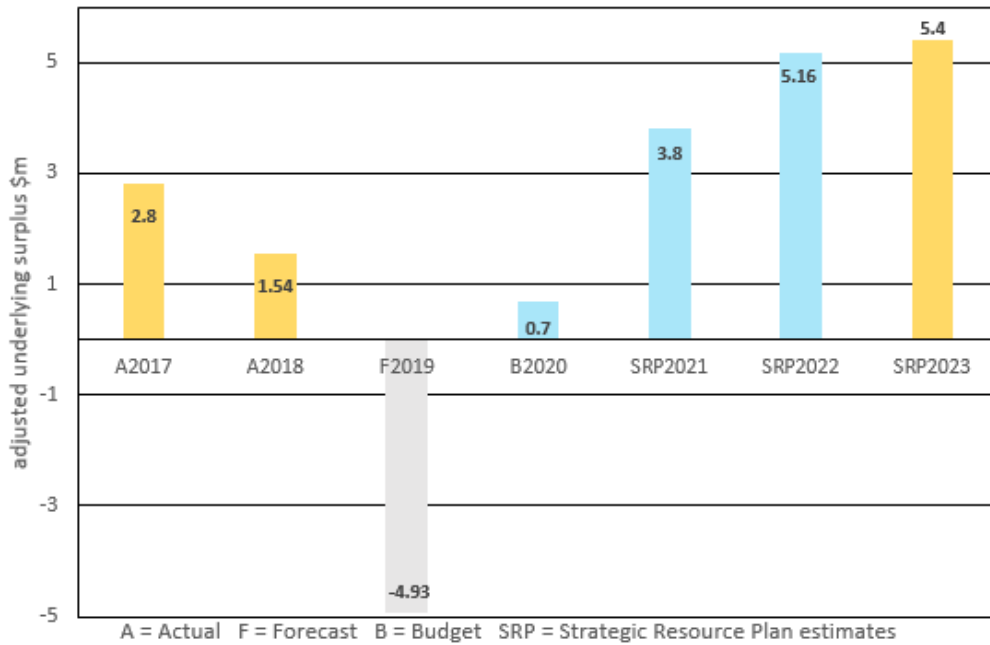
Refer also to Appendix I for the Statement of Capital Works and Appendix 3 for the detailed capital works program for 2019/20.

1.6 Financial position



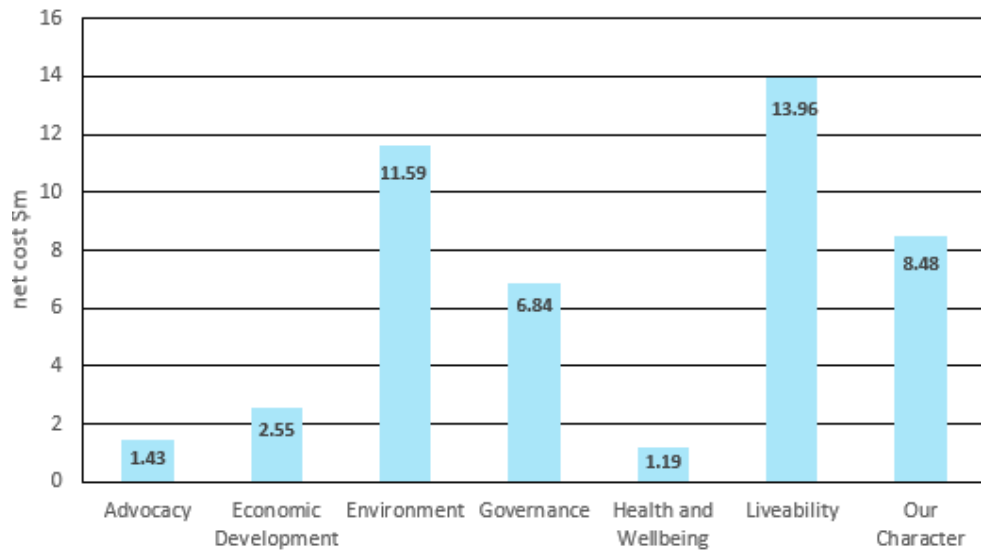
Council's financial position is expected to remain sound with a steady increase from \$18 million to \$28 million in the forward estimate of working capital. Refer also Appendix I for the Balance Sheet.

1.7 Financial sustainability



A Long Term Financial Plan has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. The adjusted underlying result, which is a measure of financial sustainability, reflects ongoing surpluses over the four year outlook including a surplus of \$0.7 million in 2019/20. The adjusted underlying result for 2018/19, which excludes items such as non-recurrent capital grants and non-cash contributions, is a deficit of \$4.93 million. The 2018/19 underlying deficit is primarily due to one off operational projects, namely the Wonthaggi Highball Stadium and Cape Patterson Surf Lifesaving Club, and a provision for redundancy costs following council decision to cease the aged and disability service.

1.8 Strategic objectives



The Annual Budget includes a range of services and initiatives to be funded that will contribute to achieving the strategic objectives specified in the Council Plan. The above graph shows the level of funding allocated in the budget to achieve the strategic objectives as set out in the Council Plan for the 2019/20 year.

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

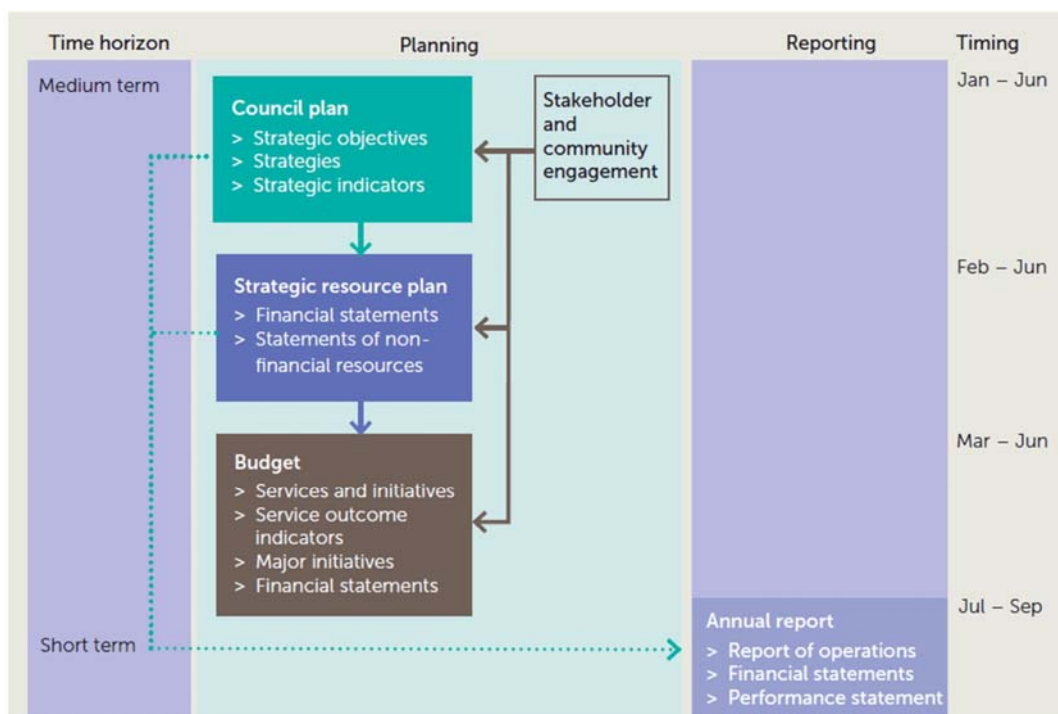
Overview

2 Link to the Council Plan

This section describes how the Annual Budget links to the achievement of the Council Plan within an overall planning and reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term (Bass Coast Vision 2030), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

2.1 Planning and accountability framework

The Strategic Resource Plan, part of and prepared in conjunction with the Council Plan, 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 Annual Budget is framed within the Strategic Resource Plan, taking into account the services and initiatives which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



Source: Department of Environment, Land, Water and Planning

In addition to the above, Council has a long term plan (Vision 2030) which articulates a community vision, mission and values. The Council Plan is prepared with reference to Council's long term community plan.

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

2.2 Key planning considerations

Service level planning

Although councils have a legal obligation to provide some services – 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.

2.3 Budget Processes

This section lists the budget processes to be undertaken in order to adopt the Budget in accordance with the *Local Government Act 1989* (the Act) and *Local Government (Planning and Reporting) Regulations 2014* (the Regulations).

Under the Act, Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other information required by the Regulations which support the Act.

The 2019/20 Budget is for the year 1 July 2019 to 30 June 2020 and is prepared in accordance with the Act and Regulations. The Budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These Statements have been prepared for the year ending 30 June 2020 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards and the Local Government Model Accounts. The Budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the Budget.

A 'proposed' Budget is prepared in accordance with the Act and submitted to Council in April for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the Budget. It must give 28 days' notice of its intention to adopt the Budget and make the Budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the Budget and any submission must be considered before adoption of the Budget by Council.

With the introduction of the State Government's Rate Capping legislation in 2015 Councils are now subject to a rate cap as determined by the Minister for Local Government, which is announced in December for application in the following financial year.

If a Council wishes to seek a rate increase above the rate cap, it must submit a rate variation request to the Essential Services Commission (ESC). The ESC will determine whether the rate increase variation submission has been successful by 31 May. In many cases this will require Councils to undertake 'public notice' on two separate proposed budgets simultaneously, i.e. the Ministers' maximum rate increase and the Council's required rate increase.

The final step is for Council to adopt the Budget after receiving and considering any submissions from interested parties. The Budget is required to be adopted by 30 June and a copy submitted to the Minister within 28 days after adoption. The key dates for the budget process are summarised below:

Budget process	Timing
1. Minister of Local Government announces maximum rate increase	Dec
2. Officers update Council's long term financial projections	Dec
3. Council to advise ESC if it intends to make a rate variation submission	Jan
4. Officers prepare draft operating and capital budgets	Jan/Feb
5. Council submits formal rate variation submission to ESC (if required)	Mar
6. Proposed budget(s) submitted to Council for approval	Apr
7. Public notice advising intention to adopt budget	Apr/May
8. Budget available for public inspection and submissions	Apr/May
9. ESC advises whether rate variation submission is successful (if variation sought)	May
10. Submissions period closes (28 days)	May
11. Submissions considered by Council/Committee	May/Jun
12. Budget presented to Council for adoption	Jun
13. Copy of adopted budget submitted to the Minister	Jul

2.4 Our purpose

Our vision

Bass Coast will be known as a region that supports a sustainable and healthy community, and values and protects its natural assets.

Our mission

We will engage with and advocate for our community to ensure equity and balance between liveability and environmental protection and be accountable for our financial management in realising the community's vision.

Our values

Bass Coast Shire Council has a clear strength in the bond and affinity between its Councillors, the community and staff. Staff 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 staff practise the following organisational values enhances the quality of this partnership:

- **Customer focus** – We will continue to develop effective relationships with customers.
- **Continuous improvement** - We are committed to improving our processes and service delivery.
- **Pride** - We take pride in and promote our achievements, our staff and our organisation.
- **Integrity** - We act and make decisions that are fair, honest, open and accountable.
- **Respect** - We treat people with dignity and respect.
- **Commitment** - We value and recognise contributions towards achieving the Bass Coast Vision. We listen, understand, consult and respond to our community and staff. We provide accurate, timely and relevant information.

2.5 Strategic objectives

Council delivers services and initiatives under 40 major service categories. Each contributes to the achievement of one of the seven Strategic Objectives as set out in the Council Plan for the years 2017-2021. The following table lists the seven Strategic Objectives as described in the Council Plan. Further detail of services is provided in Section 5.

Strategic Objective	Description
1. Advocacy	Representing the community
2. Economic Development	Expanding, attracting and retaining business and investment
3. Environment	Maintain and protect the natural environment
4. Governance	We are responsive, open, transparent and financially sustainable
5. Health and Wellbeing	We are a healthy and active community
6. Liveability	Enjoying the place we live
7. Our Character	Celebrating the uniqueness of our townships

3 Budget influences

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

3.1 Snapshot of Bass Coast Shire Council

Bass Coast Shire Council is located in south-eastern Victoria, about 130 kilometres south-east of Melbourne. Bass Coast Shire is bounded by Westernport Bay in the north and west, Cardinia Shire in the north-east, South Gippsland Shire in the east and Bass Strait to the south.

Bass Coast's main centres are Wonthaggi, Cowes (Phillip Island), Inverloch, San Remo and Grantville. In addition, the Shire comprises a further 28 towns.

Population

Based on the June 2016 Census, ID Consulting has estimated the Bass Coast population will reach 34,992 people by 2019. This is an increase of 545 people from the predicted 2018 population, and an increase of 1,681 people since June 2016.

In addition, ID Consulting predicts that by 2026 Bass Coast's population is set to reach 38,939. This translates to a net gain of 5,628 residents, or +14.5% in the decade 2016-2026. The full set of population projections to 2036 can be accessed here: <http://forecast.id.com.au/bass-coast>.

The proximity of Bass Coast Shire to Melbourne makes the region a popular tourist destination. During peak periods the population swells to over 80,000, and welcomes more than 3.4 million visitors every year.

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

Ageing population

The municipality has a very significant ageing resident population, with 27.8% of residents aged over 65 at the 2011 Census. The median age for Bass Coast residents is 12 years older than the Australian average, reflecting that Bass Coast is well represented in the older working age brackets.

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 and so there is a strong potential for the median age to continue to increase.

Cultural diversity

The Shire has a comparatively high Australian born population, with 76.7% of residents born in Australia, compared with 66.7% nationwide (Source: Australian Bureau of Statistics. June 2016 Census).

Housing

The Shire has seen significant appreciation in its property valuation in the last ten years. This has mainly 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.

Education and occupation

Tourism is the major industry in Bass Coast, with approximately 8.1% of working age residents working in cafés, restaurants and provided accommodation in the off-peak season. This figure is considerably inflated during the high season, meaning that the workforce is focussed on being flexible enough to deal with significant variations in demand.

A combination of the relatively low skill based industries in Bass Coast and the significant aged population means that the average resident household wage of \$922 per week is over 45% less than that of the Victorian average of \$1,419 (Source: Australian Bureau of Statistics, Census June 16).

Budget implications

As a result of the Shire's demographic profile there are a number of budget implications in the short and long term as follows:

- The appreciation of house prices over the last ten years has seen a growth in the wealth of Bass Coast residents, however a large proportion of residents are relatively cash poor, with wealth tied up in long term investments or housing.
- Whilst the influx of 3.4 million visitors per year contributes to the strength of the tourism sector and supports 3,200 jobs, the Council generates a comparatively insignificant income from those non-household owning visitors. In contrast, Council invests a significant amount of cash in attracting the visitors and also in delivering services which they benefit from.

3.2 External influences

The preparation of the budget is influenced by the following external factors:

- The Victorian State Government has set the 2019/20 rates increase cap at 2.50%.
- Consumer Price Index (CPI) increases on goods and services of 1.8% through the year to December quarter 2018 (ABS release 31 January 2019). State-wide CPI is forecast to be 2.50% for the 2018/19 year (Victorian Budget Papers 2018/19).
- Australian Average Weekly Earnings (AWE) growth for Public Sector full-time adult ordinary time earnings in the 12 months to November 2017 was 2.4% (ABS release 21 February 2019). The Wages Price Index in Victoria is projected to be 2.75% per annum in 2018/19 and 3.0% in 2020/21 (Victorian Budget Papers 2018/19).
- Cost shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases. Examples of services that are subject to cost shifting include school crossing supervision, library services and home and community care for aged residents. In all these services the level of payment received by Council from the State and/or Commonwealth Government does not reflect the real cost of providing the service to the community.
- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of Government in Australia. In addition, Councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the *Fire Services Property Levy Act 2012*.

3.3 Internal influences

As well as external influences, there are also internal influences which are expected to have a significant impact on the 2019/20 Budget. These matters have arisen from events occurring in the 2018/19 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2019/20 year.

The most significant of these being the Council decision in November 2018 to cease the provision of aged and disability services with effect from January 2020. This has resulted in a significant change to the organisation's staffing levels with savings in salaries being partly offset by a reduction in recurrent Commonwealth funding for the service.

Council concluded negotiations for a new Enterprise Agreement which comes into effect on 1 July 2019. This agreement has been endorsed by an overwhelming majority of staff who voted on the outcome which provides for annual salary increments of 1.8 per cent over the three years ending 30 June 2022.

Council has also carried out an investigation into the feasibility of delivering its internal corporate services through a shared service entity that would be established with three other Gippsland local authorities. Council has resolved to submit a funding application to the State Government and pending the outcome of this application and the commitment of the other Councils, this initiative will progress to the first phase which will involve the procurement of a records management system that will be used by the new entity to manage the organisation's corporate records.

3.4 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:

- Existing fees and charges to be increased in line with CPI or market levels.
- Grants to be based on confirmed funding levels.
- New revenue sources to be identified where possible.
- Service levels to be maintained at 2018/19 levels with the aim to use fewer resources with an emphasis on innovation and efficiency.
- Salaries and wages to be increased in line with the recently renegotiated Enterprise Agreement (1.8 per cent plus an allowance for banding increments).
- Contract labour to be minimised.
- Construction and material costs to increase in line with the Engineering Construction Index (refer 'Rawlinsons Australian Construction Handbook')
- New initiatives or employee proposals to be justified through a business case.
- Real savings in expenditure and increases in revenue identified in 2018/19 to be preserved
- Operating revenues and expenses arising from completed 2018/19 capital projects to be included.

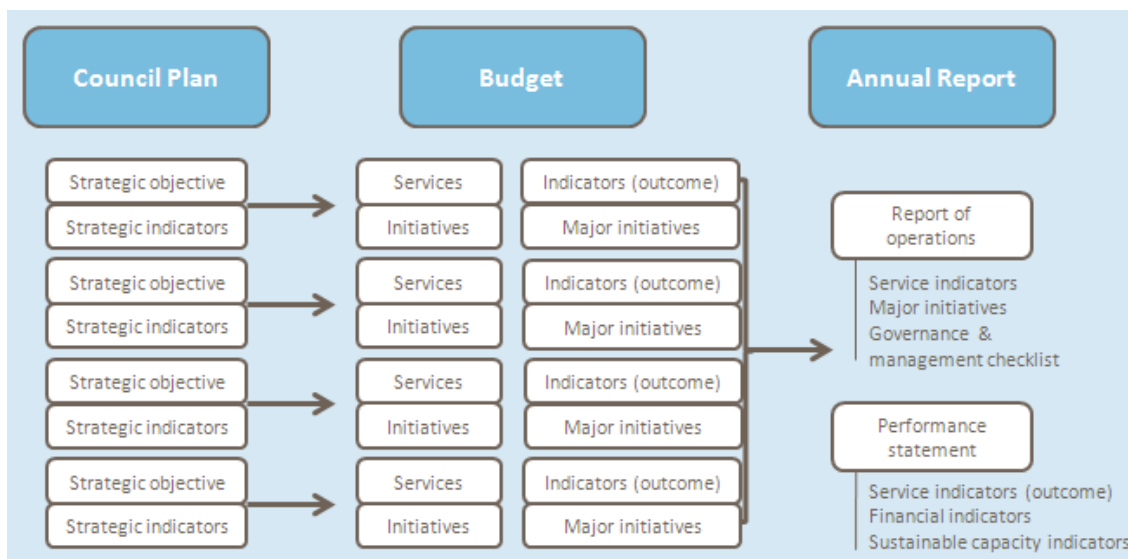
3.5 Long term strategies

The Budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2019/20 to 2022/23 (Section 7), Rating Strategy (Section 8) and Other Strategies (Sections 9 and 10) including borrowings and infrastructure.

Services Provided by Council

4 Services and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2019/20 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes a number of major initiatives, other initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify major initiatives, 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 the accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Environment, Land, Water and Planning

4.1 Strategic Objective I: Advocacy

To achieve our objective of Advocacy, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service area	Description of services provided	Expenditure
		(Revenue)
		Net Cost
		\$'000
Mayor, Council & Chief Executive Office	This advocacy item includes the activities related to the Mayor, Councillors, Chief Executive and associated support.	1,158
		<u>0</u>
		1,158
		269
Advocacy	Deliver the objectives of the Advocacy Strategy	<u>0</u>
		269

Major Initiatives

There are no major initiatives indicated for the 2019/20 year

Initiatives

- i. Continue to implement the Advocacy Strategy

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Measures
Community Satisfaction with Advocacy	<ul style="list-style-type: none">Community Satisfaction Survey
Advocacy Priorities	<ul style="list-style-type: none">Action Plan Achievement

4.2 Strategic Objective 2: Economic Development

To achieve our objective of Economic Development, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Economic Development Management	Responsible for managing the activities to deliver the economic development strategic objective.	173 <u>0</u> 173
Economic Development	Supports local business operators to build their skills and run more efficient business operations leading to increased investment and employment opportunities.	467 <u>-14</u> 454
Events and Tourism	Assists with tourism development for the region, provides visitor services through the operation of Visitor Information Centres, provides management of the Inverloch Community Hub and coordinates Council involvement in event activities in the Shire.	2,546 <u>-622</u> 1,924

Major Initiatives

- l) Seek Victoria Government funding to progress the car ferry business case

Initiatives

- ii. Implement relevant Year 2-5 actions in the Phillip Island and San Remo Visitor Economy Strategy 2035 Growing Tourism
- iii. Implement Year 4 actions from Council's Economic Development Strategy 2016 – 2021

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Measures
Visitation in off-peak season	<ul style="list-style-type: none"> • Events held in off peak season in Bass Coast
Focus on eco-tourism	<ul style="list-style-type: none"> • Events attracted to Bass Coast
Investment in infrastructure improvements	<ul style="list-style-type: none"> • Public Sector (Municipal, State and Federal) • Private Sector Investment
Economic Development Strategy 2016-21	<ul style="list-style-type: none"> • Action Plan Achievement
Phillip Island and San Remo Visitor Economy Strategy 2035 - Growing Tourism	<ul style="list-style-type: none"> • Action Plan Achievement

4.3 Strategic Objective 3: Environment

To achieve our objective of Environment, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service area	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Coastal and Bushland Management	Manages coast and bushland reserves to ensure safe use and enjoyment by the community and conservation of biodiversity.	746 <u>-29</u> 717
Climate Change and Sustainability	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 organisation's greenhouse emissions and water use.	300 <u>0</u> 300
Waste Services	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.	11,778 <u>-2,424</u> 9,354
Sustainable Environment Management	Responsible for managing the activities to deliver the Natural Environment strategic objective.	190 <u>0</u> 190
Land and Catchment	Responsible for managing Council's coast and bushland reserves to ensure safe use and enjoyment by the community and conservation of biodiversity.	1,085 <u>-56</u> 1,028

Major Initiatives

- 2) Continue the planning for Phillip Island Resource Recovery Centre and Depot Development
- 3) Facilitate the Rhyll Jetty activity area precinct plan

Initiatives

- iv. Implement high priority projects from waste infrastructure gaps analysis
- v. Continue implementation of Council's Biodiversity Biolinks Plan
- vi. Take action against foreshore encroachment and vegetation removal

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Measures
Corporate and community emissions reduction	<ul style="list-style-type: none">• Corporate greenhouse gas levels• Community emissions profile
Restoration of coastal and inland vegetation corridors	<ul style="list-style-type: none">• Native vegetation cover
Waste Management Strategy 2015-25	<ul style="list-style-type: none">• Diversion of kerbside waste from landfill
Natural Environment Strategy 2016-26	<ul style="list-style-type: none">• Action plan achievement

Performance Indicators	Measures
Waste diversion	<ul style="list-style-type: none">• Kerbside collection waste diverted from landfill*

* Refer to table at section 4.8 for information on the calculation of Service Performance Outcome Indicators

4.4 Strategic Objective 4: Governance

To achieve our objective of Governance, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major Initiatives and service performance indicators for each business area are described below.

Services

Service areas	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Governance Management	Responsible for managing the activities to deliver the governance strategic objective.	834 <u>0</u> 834
Finance	Provides responsive and reliable financial management and planning services, including reporting and budgeting 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.	1,104 <u>-6,187</u> -5,083
Procurement and Fleet	Provides contract management support services, coordinates the tender process, prepares tender and quote documentation; monitors spending with suppliers to ensure legislative compliance; maintains and administers procurement systems; and provides fleet management services (including services for plant management).	1,752 <u>-1,055</u> 696
Revenue	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.	926 <u>-255</u> 671

Service areas	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Communications and Engagement	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.	379
		<u>0</u>
		379
Corporate Planning, Performance and 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; provides support and compliance to Committees of Management and the Wonthaggi and San Remo Cemetery Trusts; manages Council's property portfolio including Crown Land where Council is the appointed Committee of Management; and oversees Council's Service Review Program.	2,826
		<u>-850</u>
		1,976
Customer 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.	1,479
		<u>-21</u>
		1,458
Corporate Information	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.	488
		<u>0</u>
		488
Information Technology	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.	2,944
		<u>0</u>
		2,944
Human Resources	Delivers workforce planning and recruitment, employee relations, human resources information and reporting, and payment of salaries and wages to Council employees.	641
		<u>0</u>
		641

Service areas	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Organisation Development	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.	1,158
	Also provides a coordinated approach for the Wonthaggi Civic Centre for the amenity of staff and the community.	<u>-68</u> 1,090
Asset Management Systems	Protects the value of Council's assets through effective asset management systems and processes to deliver the best outcome for the community.	474 <u>0</u> 474
Geographic Information Systems (GIS)	Provides Geographic Information Systems for Council including the management of software architecture and tools to enable strategic planning across the organisation.	276 <u>-1</u> 275

Major Initiatives

- 4) Continue work on business transformation within the organisation
- 5) Implement actions required, as a result of changes to the Local Government Act, if adopted by the State
- 6) Review Council's Rating Strategy

Initiatives

- vii. Continue Implementation of the OneCouncil Solution

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Measures
Community Satisfaction with Council Decisions	<ul style="list-style-type: none"> Community Satisfaction Survey
Transparency of Council decisions	<ul style="list-style-type: none"> Community Satisfaction Survey
Community Satisfaction with Consultation and Engagement	<ul style="list-style-type: none"> Community Satisfaction Survey
Community satisfaction with customer contact	<ul style="list-style-type: none"> Community Satisfaction Survey
Local Government Performance Reporting Framework (LGPRF) – Financial Performance	<ul style="list-style-type: none"> Measures as identified in LGPRF
Victorian Auditor General Office (VAGO) Financial Sustainability indicators	<ul style="list-style-type: none"> The Strategic Resource Plan and the Long Term Financial Plan to meet VAGO low risk indicators
Other financial and non-financial performance indicators	<ul style="list-style-type: none"> Quarterly and year to date financial reporting Quarterly and year to date non-financial performance reporting Information technology improvements
Revenue opportunities	<ul style="list-style-type: none"> Action plan achievement

Performance Indicators	Measures
Satisfaction	<ul style="list-style-type: none"> Satisfaction with Council decisions*

* Refer to table at section 4.8 for information on the calculation of Service Performance Outcome Indicators

4.5 Strategic Objective 5: Health and Wellbeing

To achieve our objective of Health and Wellbeing, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major Initiatives and service performance indicators for each business area are described below.

Services

Service areas	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Environmental Health	Provides Environmental Health services such as immunisation programs and monitoring compliance with health regulations to the community and businesses to promote health and wellbeing.	742
		<u>-493</u>
Aged Disability Services	Provides a range of home and community care services for the aged and disabled including home delivered meals, personal care, and home maintenance.	2,443
		<u>-1,679</u>
Community Strengthening	Provides support services to enable our diverse community to be strong and healthy, including senior citizens support, maternal and child health, kindergartens and housing support.	175
		<u>0</u>
		175

Major Initiatives

- 7) Commence review and redevelopment of Disability Action Plan (2020-2024)
- 8) Implement decisions to cease provision of Aged and Disability services

Initiatives

- viii. Implement Year Three of the Municipal Public Health and Wellbeing Plan 2017-2021
- ix. Continue the development of the Reconciliation Action Plan
- x. Implement year two of Active Bass Coast

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Measures
Municipal Emergency Management Plan 2014	<ul style="list-style-type: none"> • Compliance plan achievement
Youth Action Plan 2016-2020	<ul style="list-style-type: none"> • Action plan achievement
Municipal Public Health and Wellbeing Action Plan	<ul style="list-style-type: none"> • Action plan achievement
Disability Action Plan 2016-2020	<ul style="list-style-type: none"> • Action plan achievement
Municipal Early Years Plan 2016-2020	<ul style="list-style-type: none"> • Action plan achievement

Performance Indicators	Measures
Food Safety – Health and Safety	<ul style="list-style-type: none"> • Critical and major non-compliance notifications*

* Refer to table at section 4.8 for information on the calculation of Service Performance Outcome Indicators

4.6 Strategic Objective 6: Liveability

To achieve our objective of Liveability, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service areas	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Infrastructure Management	Responsible for managing the infrastructure activities to deliver the sustainable development and growth strategic objective.	1,058 <u>-165</u> 893
Asset Management	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.	1,306 <u>-708</u> 598
Civil Construction and Design	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.	1,110 <u>-435</u> 675
Building Maintenance	Maintains Council buildings in accordance with the building asset management plan.	1,413 <u>0</u> 1,413
Plant	Provides plant and vehicle management services to the infrastructure maintenance department.	1,411 <u>0</u> 1,411
Roads	Maintains Council's roads and road related infrastructure.	4,352 <u>-1,478</u> 2,874
Local Laws and Emergency Management	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.	1,740 <u>-911</u> 829
Recreation and Culture	Supports, encourages and develops leisure projects, programs and services, along with a range of recreational facilities including an aquatic centre, fully equipped Gymnasiums, and an extensive range of recreational programs, and a library service that caters for the needs of residents.	6,052 <u>-789</u> 5,264

Major Initiatives

- 9) Continue project implementation and operational management planning of the Highball Stadium in partnership with the Wonthaggi Secondary College
- 10) Participate in the Distinctive Areas and Landscapes Project in partnership with State Government
- 11) Implement the Wonthaggi North East Precinct Structure Plan
- 12) Implement an improved service delivery model for Development Services

Initiatives

- xi. Implement year one of the Arts and Culture Plan 2019-2029
- xii. Commence the review of the Drainage Services Asset Management Plan
- xiii. Implement the Domestic Animal Management Plan year three/four actions
- xiv. Continue the Heritage Gaps project
- xv. Commence the development of a master plan for Smiths Beach
- xvi. Commence development of a master plan for Wonthaggi Secondary campus
- xvii. Development and implementation of Project Management Framework

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Measures
Community grants program	<ul style="list-style-type: none">• Community Grants funding program
Municipal Recreation Plan (Active Bass Coast)	<ul style="list-style-type: none">• Action plan achievement
Municipal Public Health and Wellbeing Plan	<ul style="list-style-type: none">• Action plan achievement
Community infrastructure that improves quality of life	<ul style="list-style-type: none">• Capital Works program achievement
Asset Management Policy and Strategy Improvements	<ul style="list-style-type: none">• Action plan achievement
Annual maintenance programs	<ul style="list-style-type: none">• Action plan achievement
Pathways Network Plan 2016	<ul style="list-style-type: none">• Action plan achievement
Domestic Animal Management Plan 2017-2020	<ul style="list-style-type: none">• Action plan achievement
Arts and Culture Plan 2015-2019	<ul style="list-style-type: none">• Action plan achievement
Youth Action Plan 2016-2020	<ul style="list-style-type: none">• Action plan achievement

Performance Indicators	Measures
Roads Satisfaction	<ul style="list-style-type: none"> Satisfaction with sealed local roads*
Libraries Participation	<ul style="list-style-type: none"> Active library members*
Aquatic facilities	<ul style="list-style-type: none"> Utilisation of aquatic facilities*
Animal management	<ul style="list-style-type: none"> Animal management prosecutions*

* Refer to table at section 4.8 for information on the calculation of Service Performance Outcome Indicators

4.7 Strategic Objective 7: Our Character

To achieve our objective of Our Character, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Services

Service areas	Description of services provided	Expenditure
		(Revenue) Net Cost \$'000
Parks	Maintains open spaces including parks, gardens, reserves, foreshores and sporting ovals.	4,107
		<u>0</u>
		4,107
Planning and Character Management	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.	1,234
		<u>0</u>
		1,234
Building Services	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.	654
		<u>-339</u>
		315
Statutory Planning	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.	1,363
		<u>-705</u>
		658
Strategic Planning	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.	1,162
		<u>-149</u>
		1,013
Social and Community Planning	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.	1,206
		<u>-58</u>
		1,149

Major Initiatives

- I4) Commence review and redevelopment of Youth Action Plan (2020-2024)
- I5) Commence review and redevelopment of Municipal Early Years Plan (2020-2024)

Initiatives

There are no initiatives indicated for the 2019/20 year

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Measures
Community capacity building	<ul style="list-style-type: none">• Community building events
Overall Community Satisfaction	<ul style="list-style-type: none">• Community Satisfaction Survey
Representation on key planning issues	<ul style="list-style-type: none">• Representation at State Government
Statutory Planning decisions	<ul style="list-style-type: none">• Determinations at VCAT• Statutory Planning legislative timelines

Performance Indicators	Measures
Decision making	<ul style="list-style-type: none">• Planning decisions upheld at VCAT*

* Refer to table at section 4.8 for information on the calculation of Service Performance Outcome Indicators

4.8 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. (Number of successful animal management prosecutions)	Number of successful 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

4.9 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 132 of the Act and included in the 2018/19 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in Section 7) 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.

4.10 Reconciliation with budgeted operating result

	Net Cost (Revenue)	Expenditure	Revenue
	\$'000	\$'000	\$'000
Advocacy	1,427	1,427	-
Economic Development	2,551	3,186	(636)
Environment	11,589	14,098	(2,509)
Governance	6,844	15,280	(8,437)
Health and Wellbeing	1,187	3,360	(2,172)
Liveability	13,956	18,442	(4,486)
Our Character	8,476	9,726	(1,251)
Total	46,030	65,520	(19,490)

Expenses added in:

Depreciation	14,435
Finance costs	729

Deficit before funding sources **61,194**

Funding sources added in:

Rates and charges revenue	(61,397)
Capital Grants	(2,308)
Capital Contributions	(122)

Total funding sources **(63,827)**

Operating (surplus)/deficit for the year **(2,633)**

Long Term Strategies

5 Strategic Resource Plan (SRP)

5.1 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 2019/20 to 2022/23 and a Long Term Financial Plan (LTFP) for the ten years 2019/20 to 2028/29 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

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.

5.2 Financial resources

The following table summarises the projected key financial results for the next four years as set out in the SRP for years 2019/20 to 2022/23. Section 3 includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast	Budget	Strategic Resource Plan Projections		
	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000
Surplus/(deficit) for the year	1,548	2,633	8,180	22,767	6,050
Adjusted underlying result	(4,929)	697	3,795	5,161	5,403
Cash and investments balance	34,070	28,203	30,951	32,014	37,360
Cash flow from operations	15,804	19,316	25,635	41,444	27,041
Capital works expenditure	(31,479)	(21,163)	(27,496)	(46,411)	(27,209)

5.3 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.

Indicator	Measure	Notes	Actual	Forecast	Budget	Strategic Resource Plan Projections			Trend
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	+/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	2.04%	-6.3%	0.9%	4.6%	6.0%	6.0%	+
Liquidity									
Working Capital	Current assets / current liabilities	2	251.58%	173.7%	198.9%	216.3%	235.3%	255.4%	+
Unrestricted cash	Unrestricted cash / current liabilities	3	133.42%	102.6%	111.7%	127.2%	139.9%	167.0%	+
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	27.99%	31.1%	25.4%	36.0%	49.4%	60.3%	-
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		7.02%	2.8%	11.1%	2.1%	1.9%	2.4%	+
Indebtedness	Non-current liabilities / own source revenue		22.01%	24.0%	29.3%	38.3%	50.0%	59.4%	-
Asset renewal	Asset renewal expenses / Asset depreciation	5	46.43%	111.9%	82.0%	86.1%	86.4%	82.0%	-
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	6	73.06%	73.8%	76.1%	77.6%	78.0%	78.4%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.41%	0.4%	0.4%	0.4%	0.4%	0.4%	o
Efficiency									
Expenditure level	Total expenses/ no. of property assessments		\$2,399	\$2,676	\$2,504	\$2,481	\$2,552	\$2,664	o
Revenue level	Residential rate revenue / no. of residential property assessments		\$1,694	\$1,432	\$1,478	\$1,530	\$1,584	\$1,640	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		11.27%	10.81%	28.40%	11.76%	11.76%	11.76%	o

Key to Forecast Trend:

- + Forecasts improvement in Council's financial performance/financial position indicator
- o 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. Adjusted underlying result**

Projections for Council's adjusted underlying result reflect ongoing improvement in this performance metric due to a combination of cost constraint and revenue growth.

2. Working Capital

Council's working capital ratio is expected to underpin the adjusted underlying result as it benefits from increased levels in cash investments.

3. Unrestricted Cash

Unrestricted cash will increase relative to current liabilities over the term of the SRP. This is consistent with Council having ongoing adjusted surpluses.

4. Debt compared to rates

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

5. Asset renewal

Asset renewal is expected to remain at over 80% of asset depreciation over the life of the SRP. Once expenditure on asset enhancements as taken into account, Council is fully funding the asset depreciation.

6. Rates concentration

Council's dependence on rates revenue is expected to grow slowly over the term of the SRP. Council will be investigating options to broaden its revenue sources and reduce its dependence on rates to fund services and capital expenditure.

7. Workforce turnover

Workforce turnover is expected to increase in 2019-20 due to the once off impact of cessation of aged and disability services. Turnover then returns to industry average for the term of the SRP.

Rating Strategy

6 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. This section should be read in conjunction with Council's Rating Strategy which is available on Council's website.

6.1 Rating context

In developing the Strategic Resource Plan (referred to in Section 6), rates and charges were identified as an important source of revenue, accounting for 75% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the financial planning process. 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 Bass Coast community.

It is necessary to balance the importance of rate revenue as a funding source with community sensitivity to increases, particularly impacts arising from property valuations and higher rates for some properties in the municipality.

6.2 Current year rates and charges

The following table sets out future proposed total increases in revenue from rates and charges and the total rates to be raised, based on the forecast financial position of Council as at 30 June 2018. Please note that the total general rates 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 Applied Increase %	Total Rates and Charges Increase %	Garbage Charge Increase %	Total Rates and Charges Raised \$'000
2018/19	2.25	5.76	14.24	58,508
2019/20	2.50	4.94	10.37	61,397
2020/21	2.00	4.95	3.94	64,436
2021/22	2.00	4.92	3.94	67,606
2022/23	2.00	4.90	3.94	70,916

6.3 Rating Structure

Council proposes to apply various differential rates and a Garbage Charge, as follows:

a) Developed Land rate

The Developed Land rate applies to all developed land in the Shire and includes residential, commercial and industrial land.

b) Farm Land rate

The Farm rate (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* sets out the definition of Farm Land for valuation purposes and 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 is of the opinion that it 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.

Council also levies a Waste Services Charge.

More information on the rates and garbage charge is contained in Appendix B - Statutory Disclosures.

6.4 Consideration of Ministerial Guidelines for Differential Rates

On 26 April 2013, the Ministerial Guidelines for Differential Rates were gazetted. These Guidelines have been prepared to guide Councils in the application of differential rates under S.161 of the *Local Government Act 1989* (the Act). Council must have regard to these guidelines before declaring a differential rate for any land.

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.

6.5 General revaluation of properties

During the 2018/2019 year, a revaluation of all properties within the municipality was carried out and will apply from 1 July 2019 for the 2019/2020 year. The outcome of the general revaluation has been a minor change in property valuations throughout the municipality. Overall, property valuations (including the impact of supplementary valuations and new assessments) across the municipal district have increased by 14.9%. Of this increase, residential properties have increased by 16.7%, farms by 7.2%, commercial properties by 1.8%, industrial properties by 3.7% and vacant properties by 13.5%.

Council has chosen not to make any changes to the existing rate differential.

Summary of other strategies

7 Borrowings

In developing the Strategic Resource Plan (SRP) (see Section 6), borrowings was identified as an important funding source for capital works programs. In the past, Council has borrowed strongly to finance large infrastructure projects and since then has been in a phase of debt reduction. This has resulted in a reduction in debt servicing costs, but has meant that cash and investment reserves have been used as an alternate funding source to maintain robust capital works programs. With the adoption of the Long Term Financial Plan, principles are in place to responsibly guide the use of borrowings, with a focus on borrowing only for new intergenerational projects.

For the 2019/20 year, Council has decided to utilise an additional \$3.57 million in new borrowings to fund the capital works program and therefore, after making loan repayments of \$6.0 million, will reduce its total borrowings to \$15.4 million as at 30 June 2019. The following table sets out future borrowings, based on the forecast financial position of Council as at 30 June 2019.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2018/19	3,349	964	631	17,850
2019/20	3,570	6,026	729	15,394
2020/21	8,154	636	671	22,912
2021/22	10,350	242	1,059	33,020
2022/23	9,387	122	1,562	42,285

7.1 Statement of Borrowings

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

	2018/19 \$	2019/20 \$
Amount borrowed as at 30 June of the prior year	15,465	17,850
Amount proposed to be borrowed	3,349	3,570
Amount projected to be redeemed	(964)	(6,026)
Amount of borrowings as at 30 June	17,850	15,394

8 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 20 years by class of asset, and are a key input to the Long Term Financial Plan. The Plans predicts 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 sustainability index. This index measures the amount of funds spent on asset renewal compared to depreciation. A value of 100% or greater is considered an essential target.

Indicator	Budget	Strategic Resource Plan Projections		
	2019/20	2020/21	2021/22	2022/23
Asset renewal expenditure (\$'000)	11,736	12,581	12,868	12,454
Depreciation (\$'000)	14,319	14,606	14,898	15,196
Asset renewal sustainability index	82%	86%	86%	82%

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

Year	Total	Summary of funding sources			
	Capital Program \$'000	Grants \$'000	Contributions \$'000	Borrowings \$'000	Council cash \$'000
2018/19	31,479	3,358	2,361	22,411	3,349
2019/20	21,163	2,308	43	15,242	3,570
2020/21	27,496	4,778	0	14,563	8,154
2021/22	46,411	14,355	3,650	18,056	10,350
2022/23	27,209	719	333	16,769	9,387

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 either 'statutory' or 'discretionary' cash 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 cash reserves relate to those cash and investment balances that have been set aside by Council and can be used 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 years 2019/20 to 2022/23 has been extracted from the Strategic Resource Plan.

This section includes financial statements in accordance with the *Local Government Act 1989* and the Local Government Model Financial Report.

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.

9 Comprehensive Income Statement

For the four years ending 30 June 2023

	NOTES	Forecast	Budget	Strategic Resource Plan		
		Actual 2018/19	2019/20	Projections		
		\$'000	\$'000	2020/21	2021/22	2022/23
		\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Rates and charges	17.2	58,456	61,397	64,436	67,606	70,916
Statutory fees and fines	16.1	3,011	2,835	2,935	3,039	3,146
User fees	16.2	4,231	4,518	4,653	4,793	4,936
Grants - Operating	16.3	9,559	8,617	8,114	8,276	8,442
Grants - Capital	16.3	3,358	2,308	4,778	14,355	719
Contributions - monetary	16.4	3,078	305	298	3,956	647
Contributions - non-monetary		42	-	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		888	492	100	100	100
Other income	16.5	1,564	1,117	1,114	1,128	1,151
Total income		84,185	81,589	86,429	103,254	90,057
Expenses						
Employee costs	16.6	31,764	30,205	30,346	31,263	32,207
Materials and services	16.7	31,335	28,875	28,694	29,267	29,852
Bad and doubtful debts		16	11	9	9	11
Depreciation and amortisation	16.8	13,663	14,435	14,746	15,039	15,331
Borrowing costs		631	729	671	1,059	1,562
Other expenses	16.9	5,227	4,700	3,783	3,850	5,045
Total expenses		82,637	78,956	78,248	80,487	84,007
Surplus/(deficit) for the year		1,548	2,633	8,180	22,767	6,050
Other comprehensive income						
Items that will not be reclassified to surplus or deficit in future periods						
Net asset revaluation increment /(decrement)		(0)	-	-	-	-
Total comprehensive result		1,548	2,633	8,180	22,767	6,050

10 Balance Sheet

For the four years ending 30 June 2023

	NOTES	Forecast	Budget	Strategic Resource Plan		
		Actual		Projections		
		2018/19	2019/20	2020/21	2021/22	2022/23
		\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Current assets						
Cash and cash equivalents		34,070	28,203	30,951	32,014	37,360
Trade and other receivables		9,615	8,132	8,659	10,217	9,013
Other financial assets		40	40	40	40	40
Inventories		68	68	68	68	68
Total current assets		43,793	36,443	39,718	42,339	46,480
Non-current assets						
Investments in associates, joint arrangement and subsidiaries		1,463	1,463	1,463	1,463	1,463
Property, infrastructure, plant & equipment		634,149	640,320	652,845	682,984	694,613
Intangible assets		271	1,505	1,365	1,224	1,089
Total non-current assets		635,883	643,288	655,673	685,671	697,165
Total assets		679,675	679,731	695,391	728,010	743,645
Liabilities						
Current liabilities						
Trade and other payables		7,041	5,492	5,426	5,562	5,801
Trust funds and deposits		3,879	3,957	4,036	4,117	4,199
Provisions		8,256	8,240	8,661	8,189	8,189
Interest-bearing liabilities	7.1	6,029	636	242	122	10
Total current liabilities		25,206	18,325	18,366	17,990	18,199
Non-current liabilities						
Provisions		4,522	5,887	5,415	5,415	5,415
Interest-bearing liabilities	7.1	11,821	14,758	22,670	32,898	42,275
Total non-current liabilities		16,342	20,645	28,085	38,313	47,689
Total liabilities		41,548	38,971	46,451	56,302	65,888
Net assets		638,127	640,760	648,940	671,707	677,757
Equity						
Accumulated surplus		265,142	273,652	278,519	298,409	300,638
Reserves	16.1	372,986	367,108	370,421	373,298	377,119
Total equity		638,127	640,760	648,940	671,707	677,757

II Statement of Changes in Equity

For the four years ending 30 June 2023

		Total	Accumulat ed Surplus	Revaluation Reserve	Other Reserves
	NOTES	\$'000	\$'000	\$'000	\$'000
2019 Forecast Actual					
Balance at beginning of the financial year		636,579	250,119	344,373	42,087
Surplus/(deficit) for the year		1,548	1,548	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(6,194)	-	6,194
Transfers from other reserves		-	19,669	-	(19,669)
Balance at end of the financial year		638,127	265,142	344,373	28,613
2020 Budget					
Balance at beginning of the financial year		638,127	265,142	344,373	28,613
Surplus/(deficit) for the year		2,633	2,633	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves	16.1	-	(6,357)	-	6,357
Transfers from other reserves	16.1	-	12,234	-	(12,234)
Balance at end of the financial year		640,760	273,652	344,373	22,735
2021					
Balance at beginning of the financial year		640,760	273,652	344,373	22,735
Surplus/(deficit) for the year		8,180	8,180	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(4,855)	-	4,855
Transfers from other reserves		-	1,542	-	(1,542)
Balance at end of the financial year		648,940	278,519	344,373	26,048
2022					
Balance at beginning of the financial year		648,940	278,519	344,373	26,048
Surplus/(deficit) for the year		22,767	22,767	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(8,716)	-	8,716
Transfers from other reserves		-	5,839	-	(5,839)
Balance at end of the financial year		671,707	298,409	344,373	28,925
2023					
Balance at beginning of the financial year		671,707	298,409	344,373	28,925
Surplus/(deficit) for the year		6,050	6,050	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(8,972)	-	8,972
Transfers from other reserves		-	5,151	-	(5,151)
Balance at end of the financial year		677,757	300,638	344,373	32,746

12 Statement of Cash Flows

For the four years ending 30 June 2023

	Forecast	Budget	Strategic Resource Plan Projections		
	Actual	2019/20	2020/21	2021/22	2022/23
Notes	2018/19	2019/20	2020/21	2021/22	2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflow s (Outflow s)	Inflows (Outflows)	Inflow s (Outflow s)	Inflow s (Outflow s)	Inflow s (Outflow s)
Cash flows from operating activities					
Rates and charges	55,458	63,252	64,532	67,289	72,331
Statutory fees and fines	3,011	2,930	2,948	3,033	3,218
User fees	4,285	4,668	4,674	4,784	5,049
Grants - operating	9,559	8,904	8,150	8,261	8,634
Grants - capital	3,358	2,385	4,799	14,329	736
Contributions - monetary	3,078	-	-	-	-
Interest received	1,096	832	824	832	849
Trust funds and deposits taken	81	78	79	81	82
Other receipts	521	801	780	4,436	1,171
Net GST refund / payment	580	4,041	5,007	6,430	5,328
Employee costs	(30,053)	(32,476)	(31,933)	(32,806)	(33,768)
Materials and services	(29,706)	(31,016)	(30,194)	(30,712)	(31,299)
Other payments	(5,464)	(5,083)	(4,033)	(4,513)	(5,289)
Net cash provided by operating activities	15,804	19,316	25,635	41,444	27,041
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(31,479)	(23,280)	(30,245)	(51,052)	(29,929)
Proceeds from sale of property, infrastructure, plant and equipment	1,338	1,282	512	1,622	532
Net cash used in investing activities	(30,141)	(21,998)	(29,734)	(49,431)	(29,397)
Cash flows from financing activities					
Finance costs	(631)	(729)	(671)	(1,059)	(1,562)
Proceeds from borrowings	3,349	3,570	8,154	10,350	9,387
Repayment of borrowings	(964)	(6,026)	(636)	(242)	(122)
Net cash provided by/(used in) financing activities	1,754	(3,185)	6,847	9,050	7,703
Net increase/(decrease) in cash & cash equivalents	(12,583)	(5,867)	2,748	1,063	5,346
Cash and cash equivalents at beginning of year	46,653	34,070	28,203	30,951	32,014
Cash and cash equivalents at end of year	34,070	28,203	30,951	32,014	37,360

13 Statement of Capital Works

	NOTES	Forecast	Budget	Strategic Resource Plan Projections		
		Actual		2020/21	2021/22	2022/23
		2018/19	2019/20	\$'000	\$'000	\$'000
Property						
Land		2,698	-	-	-	-
Land improvements		1,732	-	-	-	-
Total land		4,430	-	-	-	-
Buildings		4,894	5,872	11,856	19,886	5,760
Total buildings		4,894	5,872	11,856	19,886	5,760
Total property		9,324	5,872	11,856	19,886	5,760
Plant and equipment						
Plant, machinery and equipment		2,604	1,552	1,584	1,615	1,638
Computers and telecommunications		361	368	375	383	390
Total plant and equipment		2,964	1,920	1,959	1,998	2,028
Infrastructure						
Roads		9,369	3,913	3,533	3,676	3,791
Bridges		41	84	588	591	94
Footpaths and cycleways		537	2,008	583	433	997
Drainage		951	605	651	804	1,051
Recreational, leisure and community facilities		3,532	3,722	3,316	14,825	12,711
Waste management		1,388	2,600	4,752	3,500	614
Off street car parks		2,348	144	164	603	116
Other infrastructure		1,025	294	95	96	47
Total infrastructure		19,191	13,371	13,681	24,528	19,421
Total capital works expenditure	19.1	31,479	21,163	27,496	46,411	27,209
Represented by:						
New asset expenditure		4,277	4,664	12,681	31,810	13,394
Asset renewal expenditure		15,152	11,736	12,581	12,868	12,454
Asset expansion expenditure		3,244	920	1,376	126	692
Asset upgrade expenditure		8,806	3,844	857	1,607	669
Total capital works expenditure	19.1	31,479	21,163	27,496	46,411	27,209
Funding sources represented by:						
Grants		3,343	2,308	4,778	14,355	719
Contributions		2,473	43	-	3,650	333
Council cash		22,314	15,242	14,563	18,056	16,769
Borrowings		3,349	3,570	8,154	10,350	9,387
Total capital works expenditure	19.1	31,479	21,163	27,496	46,411	27,209

I4 Funding Impact Statement

	Forecast	Budget	Strategic Resource Plan Projections		
	Actual		2020/21	2021/22	2022/23
	2018/19	2019/20	2020/21	2021/22	2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Rates and charges	58,456	61,397	64,436	67,606	70,916
Statutory fees and fines	3,011	2,835	2,935	3,039	3,146
User fees	4,231	4,518	4,653	4,793	4,936
Grants - operating	9,559	8,617	8,114	8,276	8,442
Contributions - monetary	137	184	106	108	110
Interest revenue	1,096	832	824	832	849
Other income	468	285	290	296	302
Total revenue	76,957	78,667	81,358	84,950	88,701
Proceeds					
Sale of assets	1,338	1,165	465	1,474	484
Total proceeds	1,338	1,165	465	1,474	484
Expenses					
Employee costs	(31,764)	(30,205)	(30,346)	(31,263)	(32,207)
Materials and services	(31,335)	(28,875)	(28,694)	(29,267)	(29,852)
Borrowing costs	(631)	(729)	(671)	(1,059)	(1,562)
Other expenses	(5,243)	(4,711)	(3,792)	(3,860)	(5,056)
Total expenses	(68,973)	(64,520)	(63,503)	(65,448)	(68,677)
Reserve fund movements					
Transfers from/(to) reserves	13,474	5,878	(3,313)	(2,877)	(3,821)
Net reserve movements	13,474	5,878	(3,313)	(2,877)	(3,821)
Capital expenditure and income					
Grants - capital	3,358	2,308	4,778	14,355	719
Contributions - monetary	2,940	122	192	3,848	537
Repayment of borrowings	(964)	(6,026)	(636)	(242)	(122)
New loans	3,349	3,570	8,154	10,350	9,387
Capital works	(31,479)	(21,163)	(27,496)	(46,411)	(27,209)
Net capital works and income	(22,796)	(21,190)	(15,007)	(18,100)	(16,687)
Surplus/(deficit)	0	(1)	0	0	(0)

15 Statement of Human Resources

For the four years ending 30 June 2023

	Forecast	Budget	Strategic Resource Plan Projections		
	Actual				
	2018/19	2019/20	2020/21	2021/22	2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	(31,764)	(30,205)	(30,346)	(31,263)	(32,207)
Employee costs - capital	(1,336)	(899)	(929)	(958)	(986)
Total staff expenditure	(33,100)	(31,104)	(31,276)	(32,220)	(33,193)
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	333	324	306	306	306
Total staff numbers	333.0	324.0	306.1	306.1	306.1

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

Division	Budget	Comprises			
		Permanent		Casual	Temporary
		Full Time	Part time		
2019/20	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Office	605	499	106	-	-
Corporate & Community	7,898	6,022	1,219	574	82
Advocacy, Economy and Liveability	11,780	10,632	1,025	0	122
Infrastructure & Environment	10,813	7,143	3,256	104	310
Total permanent staff expenditure	31,095	24,297	5,606	678	514
Other expenditure	177				
Capitalised labour costs	(1,069)				
Total expenditure	30,204				

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

Department	Budget	Comprises			
		Permanent		Casual	Temporary
		Full Time	Part time		
2019/20					
Chief Executive Office	3	2	1	-	-
Corporate & Community	74	53	13	7	1
Advocacy, Economy and Liveability	112	101	9	-	2
Infrastructure & Environment	126	86	34	1	5
Total permanent staff expenditure	315	242	57	8	8
Other expenditure	-				
Capitalised labour costs	9				
Total staff	324				

16 Notes to the financial statements

16.1 Statutory fees and fines

	Forecast	Budget	Change	
	Actual	2019/20		
	2018/19	2019/20	\$'000	%
	\$'000	\$'000	\$'000	%
Infringements and costs	(123)	(189)	(66)	53.15%
Court recoveries	(6)	-	6	-100.00%
Town planning fees	(1,346)	(1,085)	261	-19.39%
Land information certificates	(90)	(94)	(3)	3.81%
Permits	(1,445)	(1,468)	(23)	1.57%
Total statutory fees and fines	(3,011)	(2,835)	175	-5.83%

16.2 User Fees

	Forecast	Budget	Change	
	Actual	2019/20		
	2018/19	2019/20	\$'000	%
	\$'000	\$'000	\$'000	%
Aged and health services	(525)	(268)	258	-49.05%
Leisure centre and recreation	(872)	(943)	(71)	8.09%
Waste management services	(2,059)	(2,321)	(262)	12.73%
Other fees and charges	(1,597)	(986)	611	-38.25%
Total user fees	(5,054)	(4,518)	536	-10.61%

16.3 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 \$0.8 million compared to 2018/19. 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 has decreased by \$2.2 million compared to 2018/19 due mainly to specific funding for some large capital works projects. 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 2018/19 \$'000	Budget 2019/20 \$'000	Change	
			\$'000	%
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	8,279	7,831	(448)	-5%
State funded grants	4,638	3,093	(1,544)	-33%
Total grants received	12,917	10,925	(1,992)	-15%
Operating Grants				
Recurrent - Commonwealth Government				
Financial Assistance Grants	6,060	6,399	338	6%
Aged care	592	281	(310)	-52%
General home care	937	474	(463)	-49%
Recurrent - State Government				
Community health	26	25	(0)	-1%
General home care	236	83	(153)	-65%
Respite and carer support	124	34	(90)	-72%
Assessment	576	584	8	1%
Environment	16	51	35	215%
Community safety	182	200	18	10%
Other	57	38	(19)	-33%
Total recurrent grants	8,806	8,169	(637)	-7%
Non-recurrent - State Government				
Waste management	39	48	8	21%
Recreation	512	400	(112)	-22%
Other	649	-	(649)	-100%
Total non-recurrent grants	1,360	448	(912)	-67%
Total operating grants	10,166	8,617	(1,549)	-15%
Capital Grants				
Non-recurrent - Commonwealth Government				
Roads	691	678	(13)	-2%
Non-recurrent - State Government				
Buildings	218	500	282	129%
Open space	425	180	(245)	-58%
Transport	825	-	(825)	-100%
Waste management	287	300	13	5%
Recreation	110	650	540	491%
Other	195	-	(195)	-100%
Total non-recurrent grants	2,751	2,308	(443)	-16%
Total capital grants	2,751	2,308	(443)	-16%
Total Grants	12,917	10,925	(1,992)	-15%

16.4 Contributions

	Forecast	Budget	Change	
	Actual	2019/20		
	2018/19	2019/20	\$'000	%
	\$'000	\$'000	\$'000	%
Monetary	(3,078)	(305)	2,772	-90.07%
Total contributions	(3,078)	(305)	2,772	-90.07%

16.5 Other income

	Forecast	Budget	Change	
	Actual	2019/20		
	2018/19	2019/20	\$'000	%
	\$'000	\$'000	\$'000	%
Interest	(1,096)	(864)	231	-21.11%
Other rent	(161)	(122)	39	-24.25%
Other	516	(129)	(646)	-125.09%
Total other income	(741)	(1,117)	(376)	50.77%

16.6 Employee Costs

	Forecast	Budget	Change	
	Actual	2019/20		
	2018/19	2019/20	\$'000	%
	\$'000	\$'000	\$'000	%
Wages and salaries	31,127	24,235	(6,892)	-22.14%
Annual leave	-	2,289	2,289	100.00%
Long service leave	-	633	633	100.00%
WorkCover	389	424	35	8.93%
Superannuation	-	2,448	2,448	100.00%
Fringe benefits tax	248	177	(71)	-28.51%
Other	-	-	-	100.00%
Total employee costs	31,764	30,205	(1,558)	-4.91%

I6.7 Materials and services

	Forecast	Budget	Change	
	Actual	2019/20	\$'000	%
	2018/19	2019/20		
	\$'000	\$'000	\$'000	%
Contractor payments	12,035	8,828	(3,208)	-26.65%
Building maintenance	2	1	(1)	-50.69%
General maintenance	1,830	2,016	187	10.22%
Utilities	863	851	(12)	-1.39%
Office administration	439	394	(45)	-10.33%
Information technology	1,383	1,263	(121)	-8.73%
Insurance	570	611	41	7.13%
Consultants	1,711	1,387	(325)	-18.98%
Banking and financing Fees	135	163	27	20.26%
Subscriptions and memberships	188	221	33	17.68%
Advertising	225	209	(16)	-7.17%
Cost of goods sold	109	125	16	14.74%
Consumables	425	173	(252)	-59.35%
Legal and debt recovery	1,150	584	(566)	-49.20%
Staff development and recruitment	716	683	(33)	-4.55%
Waste management	6,268	8,380	2,112	33.70%
Communications	537	306	(230)	-42.91%
Other	616	446	(170)	-27.61%
Library services	1,822	1,861	40	2.17%
Property leases	311	374	62	20.02%
Total materials and services	31,335	28,875	(2,460)	-7.85%

I6.8 Depreciation and amortisation

	Forecast	Budget	Change	
	Actual	2019/20	\$'000	%
	2018/19	2019/20		
	\$'000	\$'000	\$'000	%
Property	2,726	1,495	(1,231)	-45.16%
Plant & equipment	1,150	1,780	630	54.82%
Infrastructure	9,662	11,044	1,383	14.31%
Intangible assets	126	116	(10)	-7.80%
Total depreciation and amortisation	13,663	14,435	772	5.65%

16.9 Other expenses

	Forecast	Budget	Change	
	Actual			
	2018/19	2019/20	\$'000	%
	\$'000	\$'000	\$'000	%
Auditors' remuneration - VAGO	2	70	68	3358.93%
Auditors' remuneration - Internal	79	62	(17)	-21.69%
Councillors' allowances	315	288	(27)	-8.59%
Operating lease rentals	7	-	(7)	-100.00%
Land management rebate	611	616	5	0.83%
Fire services levy	78	85	7	9.39%
Landfill levy	478	633	155	32.56%
Contributions to other organisations	3,622	2,914	(708)	-19.55%
Stamp duty	36	32	(4)	-10.36%
Total other expenses	5,227	4,700	(527)	-10.08%

16.10 Statement of Investment Reserves

For the four years ending 30 June 2023

	Forecast	Budget	Strategic Resource Plan Projections		
	Actual				
	2018/19	2019/20	2020/21	2021/22	2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000
Art in public places	87	87	87	87	87
Capital lease commitments	949	1,257	1,257	1,257	1,257
Car parking reserve	54	54	54	54	54
Drainage reserve	8	8	8	8	8
Future sustainability fund	100	100	100	100	(0)
LGFV sinking fund	7,653	3,836	6,333	10,309	15,458
Long service leave	3,148	3,763	3,930	4,103	4,282
Native vegetation offset reserve	89	129	169	211	253
Non-standard street lighting reserve	170	170	170	170	170
Resort and recreation reserve	2,560	1,612	1,362	493	493
Skate park	297	162	162	162	162
Specific development contributions	686	716	716	716	716
Strategic works	2,778	4,840	5,688	6,175	6,245
Unallocated surplus	4,733	680	690	1,231	1,051
Highball development	479	-	-	-	-
Wonthaggi North East Drainage	-	500	500	500	500
Landfill Rehabilitation Reserve	4,703	4,703	4,703	3,230	1,890
Total Reserves	28,613	22,735	26,048	28,925	32,746

Reserves (from a local government perspective) are a way to fund/pay for future activities and quarantines funds for those activities. A description of the reserves and their purpose is provided below.

Reserve	Description/purpose
Resort & Recreation	This reserve contains open space contributions from developers. It is a statutory reserve established under the <i>Subdivision Act 1988</i>
Drainage	This reserve contains funds received from developers for drainage works
Non-standard Street Lighting	This reserve contains funds received from developers for the replacement/renewal of non-standard street lights.
Car Parking	This reserve contains funds received from developers as part of planning permits. The purpose of the cash contributions is in lieu of providing car park spaces
Native Vegetation Offset	This reserve contains funds contributed as part of a planning permit where the permit requires a native vegetation offset due to the works (either by council, developer or private individual) removing native vegetation.
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.
Long Service Leave	This reserve contains the nominal value of the long service leave obligations to council staff. This reserve was required by regulation until relatively recent times.
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.
Capital Lease Commitments	This reserve contains council's commitment to funding future capital activities on the various caravan parks. The value is based on the lease agreements in place.
Constrained Works (Carry Forward)	This reserve contains the funding carried forward from prior financial years for works that have commenced but are not yet complete.
Specific Development Contributions	This reserve contains developer contributions that have been provided for specific projects, for example, Anderson to San Remo Path - Panorama to Bergin Gr
Future Sustainability Fund	This reserve contains funding towards several committed projects, such as the Korumburra Road Intersection Traffic lights.
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.
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.
Unallocated Surplus	This reserve contains any unallocated funds available for council use.
Highball facilities development	This reserve contains funds to support the development of high ball facilities.

Appendix 2 - Rates and charges

17 Rates and charges

17.1 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:

	2018/19	2019/20
Total Rates	\$ 45,846,511	\$ 47,479,776
Number of rateable properties	30,880	31,534
Base Average Rate	\$ 1,485	\$ 1,506
Maximum Rate Increase (set by the State Government)	2.25%	2.50%
Capped Average Rate	\$ 1,506	\$ 1,543
Maximum General Rates	\$ 46,866,709	\$ 48,666,770
Budgeted General Rates	\$ 46,866,709	\$ 48,666,770
Budgeted Supplementary Rates	\$ 546,694	\$ 500,000
Budgeted Total Rates	\$ 47,413,403	\$ 49,166,770

17.2 Reconciliation of total rates and charges

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

	2018/19	2019/20	Change	
	Forecast	Budget	\$'000	%
General rates*	46,559	48,667	2,108	4.53%
Waste management charge	10,826	11,949	1,123	10.37%
Special rates and charges	-	-	-	0.00%
Supplementary rates and rate adjustments	859	563	(296)	-34.45%
Interest on rates and charges	185	185	(0)	-0.14%
Revenue in lieu of rates	27	33	6	23.52%
Total rates and charges	58,456	61,397	2,941	5.03%

17.3 Rate in the dollar to be levied as general rates

The rate in the dollar to be levied as general rates under Section 158 of the Act for each type or class of land compared with the previous financial year:

Type or class of land	2018/19	2019/20	Change
	cents/\$CIV	cents/\$CIV	
General rate for rateable residential properties	0.34504	0.31170	-9.66%
General rate for rateable farm properties	0.27604	0.24936	-9.67%
General rate for rateable commercial properties	0.34504	0.31170	-9.66%
General rate for rateable industrial properties	0.34504	0.31170	-9.66%
General rate for rateable vacant land	0.51757	0.46755	-9.66%
General rate for rateable public housing	0.34504	0.31170	-9.66%
Rate concession for rateable recreational properties	0.20703	0.18702	-9.66%

17.4 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	2018/19	2019/20	Change	
	\$'000	\$'000	\$'000	%
Residential	37,098	39,121	2,024	5.46%
Farm	3,111	3,013	(98)	-3.15%
Commercial	2,337	2,150	(187)	-8.01%
Industrial	478	448	(30)	-6.30%
Vacant Land	3,802	3,898	96	2.51%
Recreational	41	37	(4)	-9.83%
Total amount to be raised by general rates	46,867	48,667	1,800	3.84%

17.5 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	2018/19	2019/20	Change	
	Number	Number	Number	%
Residential	25,904	26,478	574	2.22%
Farm	981	982	1	0.10%
Commercial	913	925	12	1.31%
Industrial	311	341	30	9.65%
Vacant Land	2,751	2,788	37	1.34%
Recreational	20	20	-	0.00%
Total number of assessments	30,880	31,534	654	2.12%

17.6 Basis of valuation

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

17.7 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	2018/19	2019/20	Change	
	\$M	\$M	\$M	%
Residential	10,752	12,551	1,799	16.74%
Farm	1,127	1,208	81	7.22%
Commercial	677	690	12	1.83%
Industrial	138	144	5	3.72%
Vacant Land	735	834	99	13.48%
Recreational	20	20	(0)	-0.18%
Total value of land	13,449	15,446	1,997	14.85%

17.8 Rate or unit amount to be levied

The rate or unit amount to be levied for each type of service rate or charge under Section 162 of the Act compared with the previous financial year:

Type of Charge	Per service	Per service	Change	
	2018/19	2019/20	\$	%
Garbage charge	412	449	37	8.98%
- 240 litre organics				
- 240 litre recycle				
- 120 litre landfill				
Additional recycle bin - annual charge	100	100	-	0.00%
Additional organics bin - annual charge	95	95	-	0.00%
Upgrade existing landfill bin (120 litre to 240 litre) - annual charge	56	56	-	0.00%

17.9 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	2018/19	2019/20	Change	
	\$000's	\$000's	\$000's	%
Garbage charge	10,709	11,949	1,240	11.58%

17.10 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	2018/19	2019/20	Change	
	\$'000	\$'000	\$'000	%
Supplementary rates	547	500	(47)	-8.54%
Supplementary garbage charges	98	63	(35)	-35.65%
Total Rates and charges	644	563	(82)	-12.65%

17.11 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	2018/19	2019/20	Change	
	\$'000	\$'000	\$'000	%
General rates	46,867	48,667	1,800	3.84%
Waste management charge	10,709	11,949	1,240	11.58%
Supplementary rates	859	563	(296)	0.00%
Revenue in lieu of rates	27	33	6	0.00%
Total Rates and charges	58,461	61,212	2,751	4.71%

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

17.12 Annualised amount to be raised by general rates

The annualised amount to be raised by general rates compared with the previous financial year:

Type or class of land	2018/19	2019/20	Change	
	\$'000	\$'000	\$'000	%
Residential	37,098	37,774	676	1.82%
Farm	3,111	3,093	(18)	-0.58%
Commercial	2,337	2,329	(8)	-0.34%
Industrial	478	494	16	3.35%
Vacant Land	3,802	3,750	(52)	-1.37%
Recreational	41	40	(1)	-2.44%
Total amount to be raised by general rates	46,867	47,480	613	1.31%

The annualised amount is calculated by applying 2018/19 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 2018/19 financial year. This establishes the base position from which to apply any change to the rates for the 2019/20 financial year.

17.13 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.

18 Differential rates

18.1 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.

18.2 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 0.3117% (0.31170 cents in the dollar) of CIV for all rateable residential, commercial and industrial properties
- A general rate of 0.24936% (0.24936 cents in the dollar) of CIV for all rateable farm properties
- A general rate of 0.46755% (0.46755 cents in the dollar) of CIV for rateable vacant land from all categories
- A general rate of 0.18702% (0.18702 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.

18.3 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 2019/20 financial year.

18.4 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 2019/20 financial year.

18.5 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 2019/20 financial year.

18.6 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 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 2019/20 financial year.

18.7 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 2019/20 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.

18.8 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 2019/20 financial year.

Appendix 3 - Detailed list of Capital Works

19 Capital works program

For the year ending 30 June 2020

19.1 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 & Recreation renewal program	5,172	-	5,172	-	-	-	-	5,172	-
Phillip Island Community and Learning Building Upgrade	700	-	-	700	-	-	-	700	-
Buildings Total	5,872	-	5,172	700	-	-	-	5,872	-
Property Total	5,872	-	5,172	700	-	-	-	5,872	-
Plant and Equipment									
Computers and telecommunications									
Computers and telecommunications renewal program	368	-	368	-	-	-	-	368	-
Computers and telecommunications Total	368	-	368	-	-	-	-	368	-
Plant, machinery and equipment									
Plant, Fleet & Equipment renewal program	1,552	-	1,552	-	-	-	-	1,552	-
Plant, machinery and equipment Total	1,552	-	1,552	-	-	-	-	1,552	-
Plant and Equipment Total	1,920	-	1,920	-	-	-	-	1,920	-
Infrastructure									
Bridges									
Bridges renewal program	84	-	84	-	-	-	-	84	-
Bridges Total	84	-	84	-	-	-	-	84	-
Drainage									
Pioneer Bay roads and drainage upgrade	87	-	-	87	-	-	43	-	44
Storm Water renewal program	518	-	518	-	-	-	-	518	-
Drainage Total	605	-	518	87	-	-	43	518	44
Footpaths and cycleways									
Aspirational Pathways	126	126	-	-	-	-	-	-	126
Cowes/Rhyll Shared Pathway (Design)	100	100	-	-	-	-	-	-	100
Footpath gaps program (RSAMP)	70	-	-	-	70	-	-	70	-
Pathways renewal program	212	-	212	-	-	-	-	212	-
PBN Surf Parade Inverloch - Veronica St to Goroke St	1,500	-	-	1,500	-	-	-	-	1,500
Footpaths and cycleways Total	2,008	226	212	1,500	70	-	-	282	1,726

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
Off street car parks									
Carparks renewal program	144	-	144	-	-	-	-	144	-
Off street car parks Total	144	-	144	-	-	-	-	144	-
Other infrastructure									
Bass Coast Entry Signage	200	200	-	-	-	-	-	200	-
Public Art	50	-	-	-	50	-	-	50	-
Other infrastructure renewal program	44	-	44	-	-	-	-	44	-
Other infrastructure Total	294	200	44	-	50	-	-	294	-
Rec, leisure and community facilities									
Bass Coast Regional Skate Park	1,523	1,523	-	-	-	650	-	873	-
Bass Field Lighting	44	44	-	-	-	-	-	44	-
Beachcomber YCW Activity Area Master Plan, BBQ Shelter	116	-	-	116	-	-	-	116	-
Corinella Harold Hughes Reserve	150	150	-	-	-	-	-	150	-
Coronet Bay Wetlands (Design)	50	50	-	-	-	-	-	50	-
Cowes Activity Centre Plan	100	100	-	-	-	-	-	100	-
Cuttriss Street Activity Plan Grassed Swale	71	71	-	-	-	-	-	71	-
Recreation Reserve Projects - Inverloch Netball	899	-	-	899	-	500	-	399	-
Wonthaggi Activity Centre Plan priorities	500	500	-	-	-	-	-	-	500
Wonthaggi Recreation Reserve Multi Use Space (Synthetic)	270	-	-	270	-	180	-	90	-
Rec, leisure and community facilities Total	3,722	2,438	-	1,285	-	1,330	-	1,892	500
Roads									
Local Road Safety Improvement Program	100	-	-	100	-	-	-	100	-
Road Services Asset Management Plan (RSAMP)	172	-	-	172	-	-	-	172	-
Rural Roads renewal program	2,167	-	2,167	-	-	222	-	1,945	-
Unsealed Roads renewal program	456	-	456	-	-	456	-	-	-
Urban Roads renewal program	1,018	-	1,018	-	-	-	-	1,018	-
Roads Total	3,913	-	3,641	272	-	678	-	3,235	-
Waste management									
Other Waste/Depot Infrastructure	800	-	-	-	800	300	-	-	500
Phillip Island Transfer Station	1,800	1,800	-	-	-	-	-	1,000	800
Waste management Total	2,600	1,800	-	-	800	300	-	1,000	1,300
Infrastructure Total	13,371	4,664	4,643	3,144	920	2,308	43	7,450	3,570
Total capital works program	21,163	4,664	11,736	3,844	920	2,308	43	15,242	3,570

19.2 Summary

	Forecast	Budget	Change	%
	Actual			
	2018/19	2019/20		
	\$'000	\$'000	\$'000	
Property	9,324	5,872	(3,452)	-37%
Plant and equipment	2,964	1,920	(1,044)	-35%
Infrastructure	19,191	13,371	(5,820)	-30%
Total	31,479	21,163	(10,316)	-33%

	Asset expenditure types					Summary of funding sources Council			
	Project Cost	New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	cash \$'000	Borrowings \$'000
Property	5,872	-	5,172	700	-	-	-	5,872	-
Plant and equipment	1,920	-	1,920	-	-	-	-	1,920	-
Infrastructure	13,371	4,664	4,643	3,144	920	2,308	43	7,450	3,570
Total capital works program	21,163	4,664	11,736	3,844	920	2,308	43	15,242	3,570

End of Bass Coast Shire Council Budget Report