



Hobsons Bay City Council Proposed Annual Budget Report: 2020-21

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Mayor's Foreword – Building a strong, resilient Hobsons Bay community and economy

Communities across Australia and the world, have faced unprecedented times resulting from the Coronavirus (COVID-19) pandemic and have been required to adjust and respond at a rapid pace.

In this environment, Council has played a vital role in providing community health and safety services, and coordinating a city wide response to the changing landscape.

Throughout the pandemic, Council has remained committed to providing essential services and supporting our community and local businesses, while conforming to requirements from the state and federal governments.

In times of crisis, community demand and expectations for council services increase. There was an increase in demand for immunisations, Meals on Wheels services, youth counselling, waste services, online library services and support for local businesses.

Council also moved ahead with delivering on-the-ground infrastructure projects to a level never before seen, which provided a boost for local jobs, and ensured our city and economy kept a sense of momentum, remaining well positioned for success as restrictions eased with each phase.

Following the Victorian Government's two month extension for all councils to complete their 2020-21 Budgets, which was taken up by Hobsons Bay, Council has reshaped the Proposed Annual Budget 2020-21 to ensure it delivers programs that support our community in remaining resilient during the pandemic and in the recovery phase. Council was relieved to have this additional two months to proactively work with our community to source meaningful ways on how to best assist both residential and business community members hardest hit by the pandemic. Our engagement included the following:

- We held nine pre-budget Coronavirus recovery ideas sessions in May 2020 with our Portfolio Advisory Committee members, Interagency members, young people and the newly established Hobsons Bay Business Roundtable.
- The Mayor contacted community groups and sporting clubs across the municipality to seek their views on the potential support needs for community and/or the services and functions they provide to their members.
- During the announcement of the first and second Community Support Packages, Council also invited the community to submit general ideas on how we can respond during, and in the future recovery phase, of the pandemic.

This engagement ensured Council's proposed response and expenditure in the budget was targeted to enable us to be agile and responsive to the community's needs, as seen by them, and provide the most effective and lasting support services for our residents.

As a result, Council applied a direct approach to support the most impacted community members by COVID-19 and those residents that are truly in need of help, rather than providing rate cuts for all residents, some of who may not have been financially impacted as significantly.

To provide a responsible budget that meaningfully supports the community in the recovery phase, and continues to deliver essential services and a high capital works spend that benefits our community, the average general rate will increase by slightly less than \$1 per week across all property types in Hobsons Bay. This reflects a two per cent increase, in line with the Victorian Government's Fair Go Rates System.

Previously, Council released two community support packages. The first and second support packages, worth approximately \$3 million combined, focused on immediate needs, with financial assistance and support funding being derived from a reprioritisation of funds in the 2019-20 financial year. These packages did not include any funds that may be required from the Proposed Annual Budget 2020-21 year.

The Proposed Annual Budget 2020-21 includes our third Community Support Package. This package is worth at least \$3 million and returns 150 per cent of the rate increase directly back to the community in various forms of financial relief.

Our third Community Support Package invests \$943,000 into community and local business recovery and includes: a program to support local connections (\$100,000); and incentives to use Council venues including the Williamstown Town Hall and Altona Theatre (\$132,000); waiver of summer sports ground rentals (\$72,000); strategic planning support for sports clubs to resume training and competition (\$60,000); sports pavilion cleaning program (\$20,000); and 'loan to own' iPads program at the libraries (\$60,000).

Additionally, a COVID-19 Recovery Grants program worth \$500,000 has been added to our existing \$850,000 Annual Community Grants Programs, to enable flexible and responsive support to the community over the coming year as it is required. This totals in excess of \$1.2 million.

Community grants, as part of the proposed budget, will be rolled out in intervals to meet the emerging needs of our community groups, organisations and clubs. Grants can provide support with normal and new needs to deliver diverse programs and projects in our community. In addition to the COVID-19 Recovery Grants as part of Council's Annual Community Grants Program, the Art Apart Rapid Response Grants aim to generate creative and innovative content to engage the diverse Hobsons Bay community at this challenging time.

The proposed Community Support Package also provides significant financial relief for businesses. As part of our third package, almost \$2 million will be dedicated to business and economic recovery, including rebates for the 2020-21 food registration (\$595,000), public health fees (\$63,000) and footpath trading permit fees (\$150,000), extending the waiver of paid parking in Nelson Place until 31 December 2020 (customers of businesses located at Williamstown Beach will also be provided dedicated permits for free parking during this period) (\$520,000), rent relief in Council owned property (\$210,000), town planning rebates (\$177,000), and rolling out a business precinct support campaign (\$250,000).

In addition to these support packages, to support residents and businesses impacted by the pandemic, Council has also reviewed and refreshed the Financial Hardship Policy making it accessible to a broader audience and with various options available for rate deferral through to waivers depending on the financial circumstances of the individual or business. Residents and businesses are encouraged to apply for financial hardship relief should they be experiencing difficulties during this time of need.

Throughout the crisis, Hobsons Bay has shown its strong community spirit, resilience, kindness to one another and desire to support local businesses. Council will continue to consult with the community and help our residents, ratepayers, local businesses and industry with services and programs to recover and get through the pandemic.

Have your say on the proposed budget

Our budget consultation process started early with the call for community to pitch their ideas and projects prior to Christmas last year. Since that time, considerable work has been undertaken to review these submissions, in addition to mapping out all other operational and capital works budget considerations, as well as reshaping the proposed budget in the wake of the Coronavirus pandemic. Our budget is now ready for the last stage of consultation with our community.

The Proposed Annual Budget 2020-21 will be placed on public exhibition for a four week consultation period until 24 July 2020.

Council invites community feedback on the Proposed Annual Budget 2020-21 through our online community engagement platform, Participate Hobsons Bay participate.hobsonsbay.vic.gov.au

Written submissions are also invited. Your feedback is valuable and we encourage residents and businesses alike to have a say.

Cr Colleen Gates Mayor of Hobsons Bay



Introduction

Hobsons Bay City Council's Proposed Annual Budget 2020-21 has been developed and released in unprecedented times.

Although in the midst of the global Coronavirus (COVID-19) pandemic, this is a budget that will continue to deliver more than 100 vital community services and capital works improvements across Hobsons Bay, while also tailored to support the community and local business through the recovery phase of the pandemic.

The Proposed Annual Budget 2020-21 has been developed with the community and their views at its centre. Despite the challenges encountered in a unique pandemic environment, the Hobsons Bay community, once again, played an important role in shaping the Proposed Annual Budget 2020-21 through Council's Pitch Your Idea consultation process and additionally through input that enabled development of the proposed COVID-19 Community Support Package in response to the pandemic.

Through the 'Pitch Your Idea' consultation process, residents, local groups and organisations submitted budget ideas for consideration. A variety of submissions were received from across the city, and the majority have been included in the Proposed Annual Budget 2020-21. Community members also played a significant role in developing the third Community Support Package, which is embedded in the Proposed Annual Budget 2020-21, and represents tangible outcomes to assist the community and businesses to recover from the Coronavirus (COVID-19) pandemic, returning a minimum of \$3 million back to our community directly.

Councils are entrusted with the maintenance of more than 30 per cent of all of 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 upkeep and replacement of these valuable community assets to ensure the quality of public infrastructure is maintained at the level the community expects and deserves. This is why Council's infrastructure spend is so crucial.

Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of government in Australia. Alarming, for every \$100 in taxes paid by Victorian residents, rates make up approximately \$3.60. The other \$96.40 goes to the state and federal governments.

To keep delivering essential services and projects that benefit our community, Hobsons Bay has increased rates in accordance with the Victorian State Government's Fair Go Rates System. This reflects an average general increase of less than \$1 per week across all property types in Hobsons Bay.

The two per cent rate increase is applied to the total amount collected from rateable properties across the municipality and is not applied equally to individual properties. All properties are revalued each year by a state government appointed independent valuer with the revaluation process attempting to ensure rates are fairly redistributed across all properties in the city.

For this reason, rates are distributed amongst each property in Hobsons Bay based on the valuation of that individual property.

Council's third Community Support Package has been incorporated into the Proposed Annual Budget 2020-21 and ensures that more than 150 per cent of this year's rate increase provides a significant level of support for residents and businesses affected by the pandemic and most in need.

Our current approach has enabled us to lift the standard of what matters most to our community including five libraries, local business and economic development, protecting conservation areas, providing and maintaining 86 playgrounds, supporting our vulnerable residents, inspecting and maintaining over 430kms of local roads and drainage across the city and providing waste and recycling services.

In addition to core services, the Proposed Annual Budget 2020-21 contains a total capital spend of \$67.866 million. Highlights of this capital budget include:

- roads and drains (\$15.605 million) – including the road rehabilitation program (\$6.307 million), road resurfacing program (\$2 million), local area movement plans (\$1.23 million) Black Spot funding program (\$1.488 million), the drainage renewal program (\$1.03 million) and new/upgraded drainage program (\$530,000)
- footpaths and cycleways (\$1.515 million) – including the footpath renewal program (\$1.07 million), new footpaths (\$150,000) and the shared trails upgrade program (\$100,000)
- recreation and open space (\$16.333 million) – including parks, open space and streetscapes (\$7.982 million), recreational, leisure and community facilities (\$8.001 million), off street carparks (\$195,000) and bridges (\$155,000)
- buildings (\$29.958 million) – including sporting and recreational facilities (\$21.4 million), civic and community facilities (\$4.96 million), building renewal program (\$1.39 million), greenhouse strategy (\$1 million) and the public toilet program (\$275,000)
- plant and equipment (\$4.455 million) – including scheduled replacement of Council's vehicle and plant fleets (\$2.39 million), library resources (\$930,000) and information technology (\$865,000)

The Capital Works Program is the highest investment Council has ever committed for capital works projects and aims to boost our local economy in the recovery phase of the Coronavirus pandemic.

The Proposed Annual Budget 2020-21 includes an operational surplus of \$25.3 million for the year. This may seem like a significant windfall for Council but does not represent cash in the bank. Council surpluses are provided to partly fund Council's capital works program and without it, Council would not be able to close the gap on ageing assets and keep up with community demand for new infrastructure. More detail on Council's Capital Works Program is available in section 4.5 (Capital Works Program).

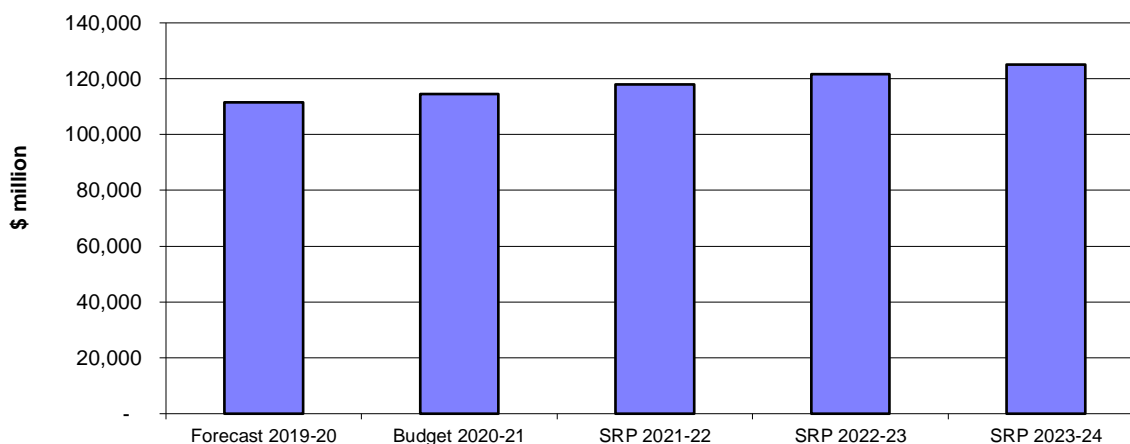
Council remains committed to focussing on efficiencies, best practice and value for money for the Hobsons Bay community. Council continues its advocacy work towards state and federal governments to identify future funding opportunities that will assist in delivering an ongoing high standard of services and infrastructure for local residents, workforce and visitors.

Council invites community feedback on the Proposed Annual Budget 2020-21 through our online community engagement platform Participate Hobsons Bay participate.hobsonsbay.vic.gov.au

Financial snapshot

Council has prepared a Budget for the 2020-21 financial year, which seeks to balance the demand for services and infrastructure with the community's capacity to pay and *The Fair Go Rates System*. Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, long term financial position, financial sustainability and the strategic objectives of the Council.

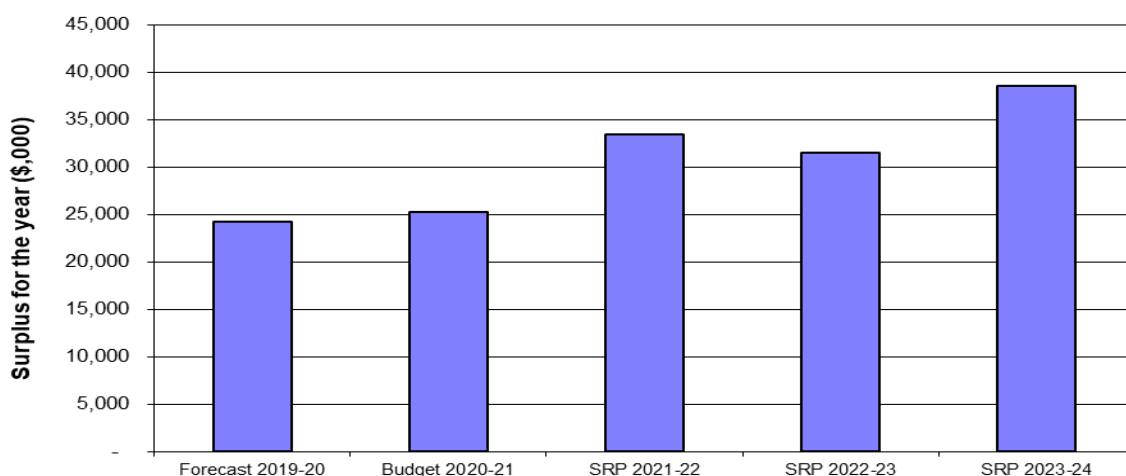
Total rates and charges



The average general rate will be increased by 2 per cent for the 2020-21 year, in line with the rate cap set by the Minister for Local Government. (2019-20: 2.5 per cent). The base waste service charge has also been increased by 2 per cent. The waste charges for 2020-21 do not cover the cost of providing the waste service, as Council has decided to re-coup its considerable investment in the expansion of its waste services over future years. Council has also included \$400,000 generated from supplementary rates (new properties), resulting in total rates of \$114.452 million, an increase in total revenue from rates and waste service charges of \$2.997 million (2.69 per cent).

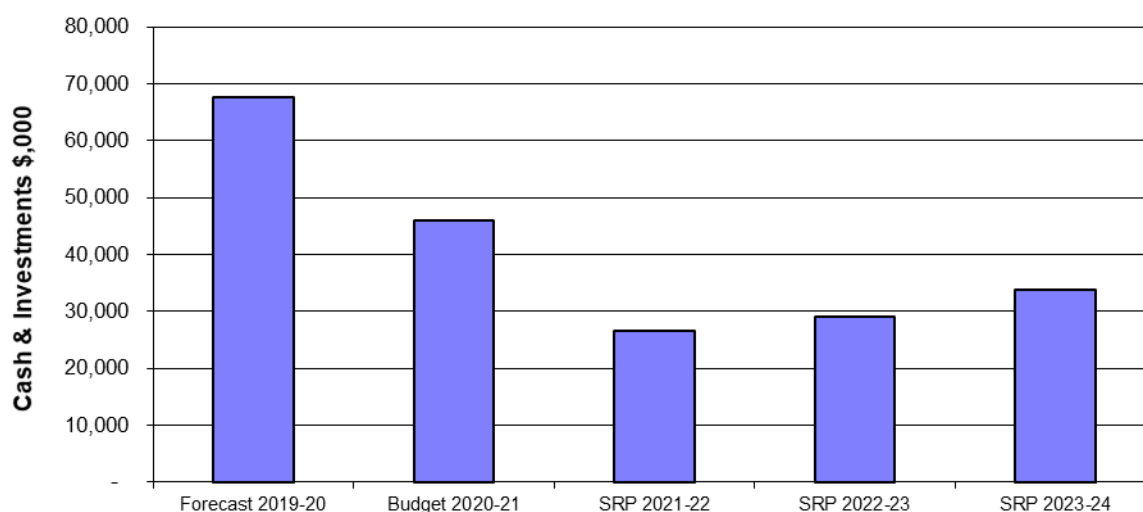
The increase will go towards funding the COVID-19 Community Support Package 3, maintaining service levels, meeting the cost of changing external influences affecting the operating budget and supporting capital works necessary to address the asset renewal needs of the City.

Operating result



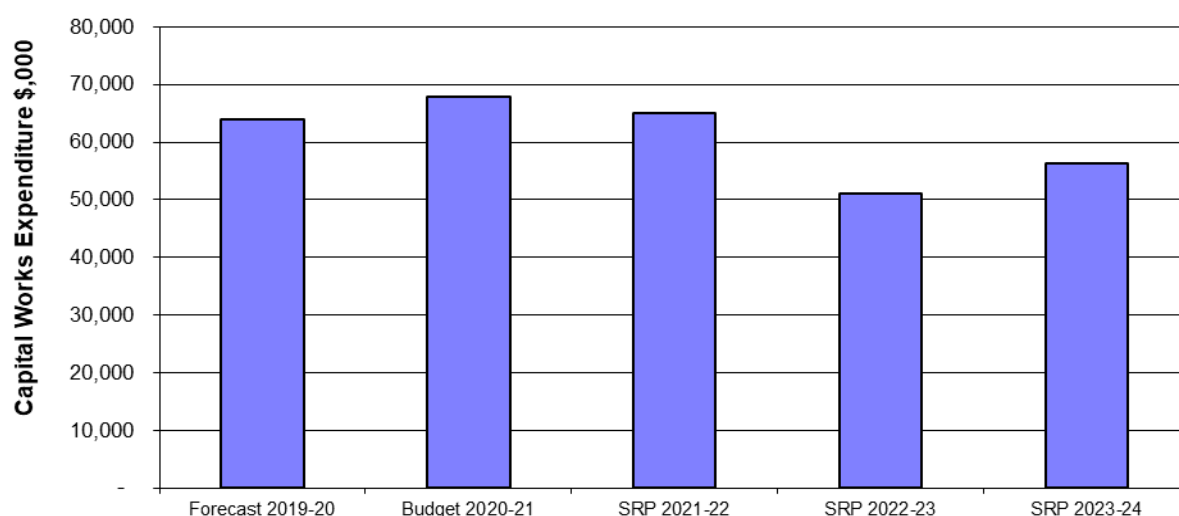
The expected operating result for the 2020-21 year is a surplus of \$25.3 million, an increase of \$1.107 million compared to 2019-20.

Cash and investments



Cash and investments are expected to decrease by \$21.556 million during the year to \$45.987 million as at 30 June 2021. The decrease in cash is consistent with the significant capital works investment during 2020-21. Cash is also predicted to decline in 2021-22, due to the ongoing significant capital works investment which will be partially funded by the infrastructure, recreation and waste management reserves. Cash has also been set aside to fund future commitments, in particular the loan repayment reserve. Cash and investments are forecast to be \$67.543 million as at 30 June 2020.

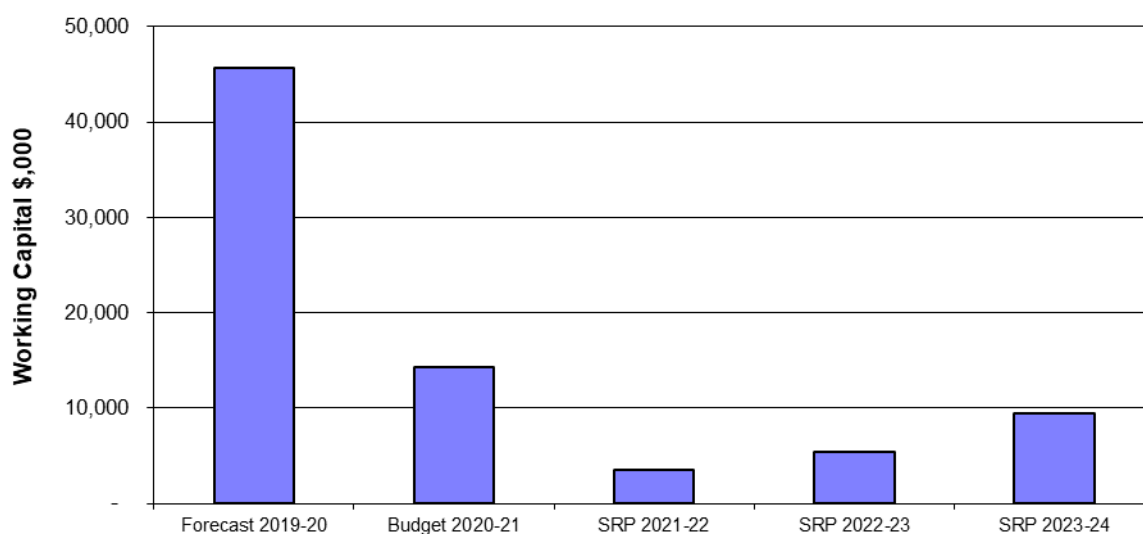
Capital works



The capital works program for the 2020-21 year is expected to be \$67.866 million, of which \$1.303 million relates to projects which will be carried over from 2019-20. The carried over component is fully funded from the 2019-20 budget. Of the \$66.563 million capital funding required, \$11.512 million will come from external grants, \$21.472 million from reserves and the balance from Council's unrestricted cash. The capital expenditure program has been set and prioritised based on a rigorous process of consultation with the community which has enabled Council to assess needs and develop sound business justification for each project. Capital works expenditure is forecast to be \$64.035 million in 2019-20.

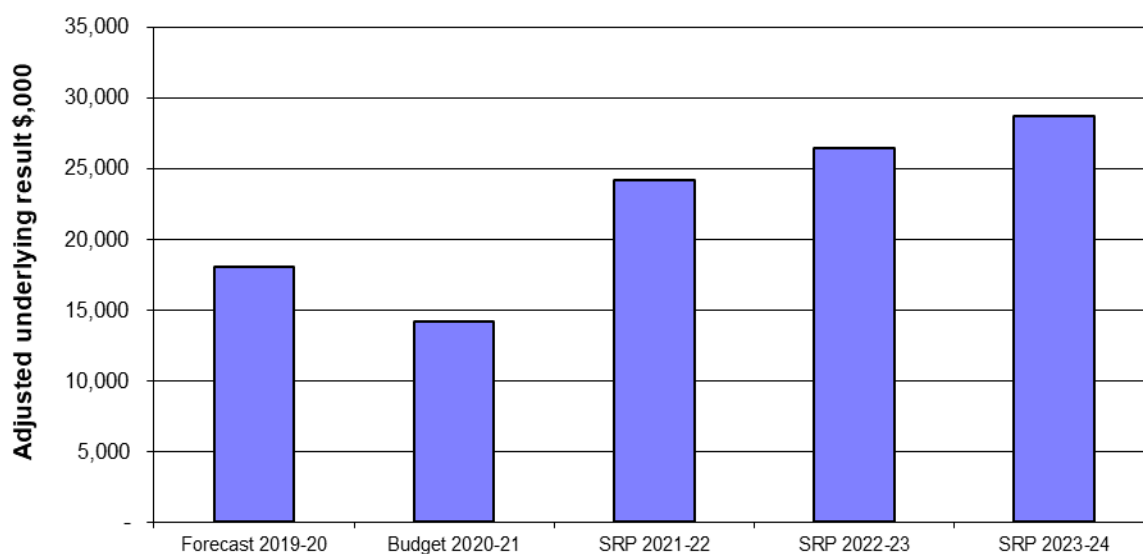
The asset renewal program of \$21.023 million in 2020-21 highlights the continued focus on the reduction of Council's asset renewal backlog.

Financial position



The financial position of Council is expected to improve in 2020-21 with net assets (net worth) to increase by \$25.3 million to \$1,317.916 million. Net current assets (working capital) is expected to decrease by \$31.375 million as at 30 June 2021, significantly impacted by the expected decline in cash reserves. Net assets are forecast to be \$1,292.617 million as at 30 June 2020.

Financial sustainability



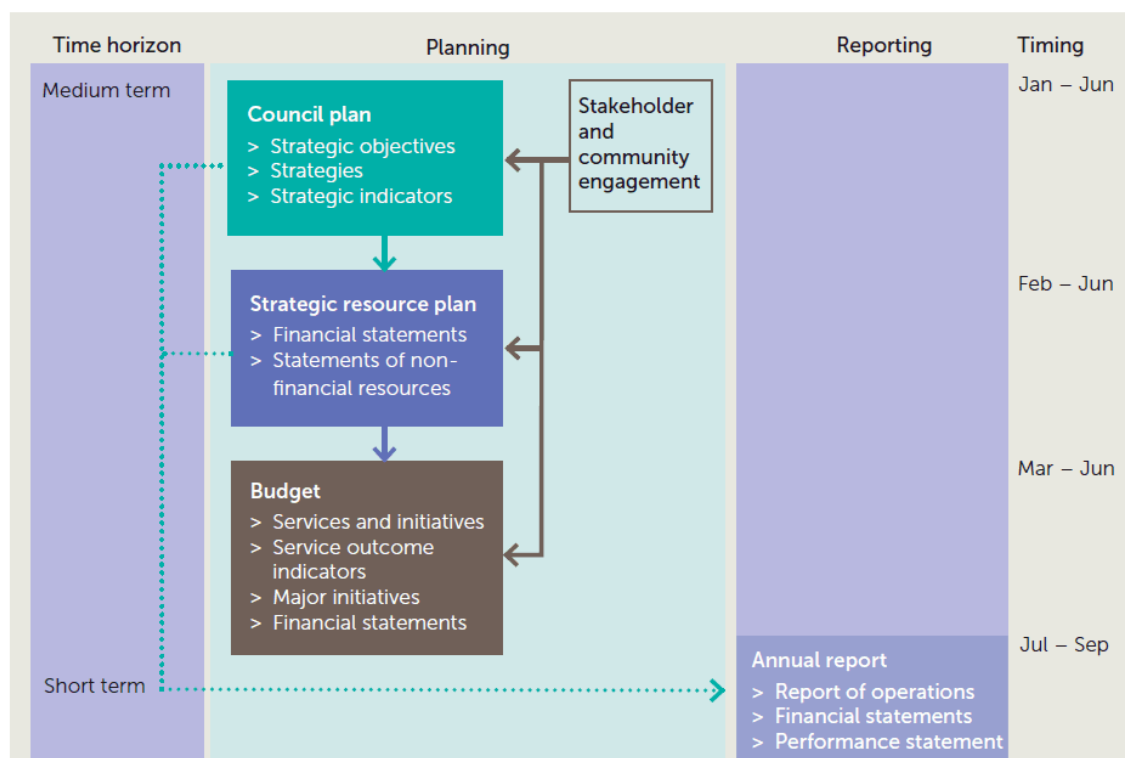
A high level Strategic Resource Plan for the years 2019-20 to 2023-24 has been developed to assist Council in establishing a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. The adjusted underlying result, which is a measure of financial sustainability, is predicted to grow over the next four years.

1. 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, medium term (Council Plan) and short term (Annual Budget) ensuring that it is holding itself accountable (Annual Report).

1.1 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, considering 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

The above diagram shows the standard planning and accountability framework. The above timing has been adjusted in 2020-21 in-line with the additional time provided by the State Governments for Council to delay the adoption of its Annual Budget 2020-21 until August 2020 as a result of COVID-19.

In addition to the above, Council has a long term plan 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.

1.1.2 Key planning considerations

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 change. Therefore councils need to have robust processes for service planning and review of all services in order to continue to provide

value for money in line with community expectations. In doing so, councils engage with communities to determine how to prioritise resources and balance service provision against other responsibilities such as asset maintenance and capital works.

1.2 Our purpose

The Community's Vision - Hobsons Bay 2030

By 2030, embracing our heritage, environment and diversity, we – the community of Hobsons Bay – will be an inclusive, empowered, sustainable and visionary community led and supported by a progressive Council of excellence.

The Council's Mission

We will listen, engage and work with our community to plan, deliver and advocate for Hobsons Bay to secure a happy, healthy, fair and sustainable future for all.

Our values

Excellence at Hobsons Bay means that both Councillors and employees are:

RESPECTFUL: *treating everyone fairly and respecting different views*

COMMUNITY DRIVEN AND FOCUSED: *delivering results which demonstrate that we understand community needs and put people first*

TRUSTED AND RELIABLE: *work hard to be responsive and meet expectations; delivering on what we promise and achieving in the best interest of the community*

EFFICIENT AND RESPONSIBLE: *engaged and taking pride in our work, wanting to continually review and improve in order to provide good value, cost effective services*

BOLD AND INNOVATIVE: *proactive, adaptable, open to change and taking calculated risks, not afraid to try new things and learn from mistakes*

ACCOUNTABLE AND TRANSPARENT: *making well-informed decisions based on best practice and evidence, which take into account what our community tells us*

RECOGNISED: *as working for an employer of choice, with leadership that recognises and values the contributions, skills and the expertise of its workforce and inspires people to develop and do their best*

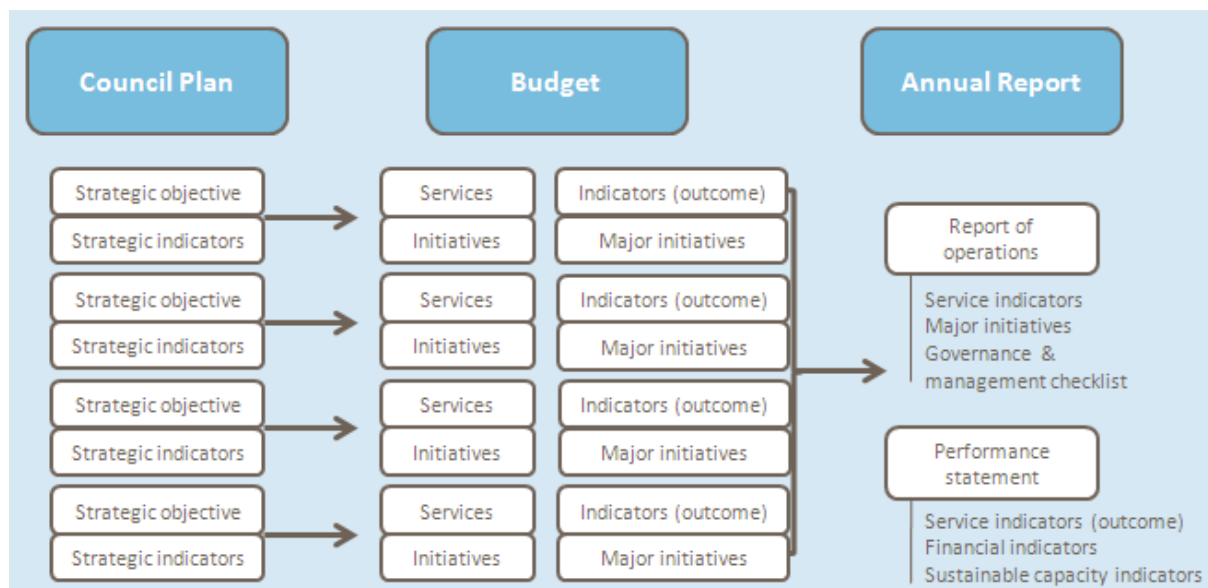
1.3 Strategic objectives

Council delivers services and initiatives under 54 major service categories. Each contributes to the achievement of one of the four Strategic Objectives as set out in the Council Plan for the years 2017-21. The following table lists the four Strategic Objectives as described in the Council Plan.

Strategic Objective	Description
1. <i>An Inclusive and Healthy Community</i>	Enhancing the health and quality of life of the community through the equitable provision of quality services and opportunities for greater wellbeing.
2. <i>A Great Place</i>	Ensure Hobsons Bay is a vibrant place to live, work and visit.
3. <i>A Well Designed, Maintained and Environmentally Sustainable Place</i>	Manage future growth and development to ensure it is well designed and accessible whilst protecting our natural and built environments.
4. <i>A Council of Excellence</i>	We will be a leading and skilled council that is responsible innovative and engaging to deliver excellence in all we do.

2. Services, initiatives and service performance outcome indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2020-21 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes several initiatives and service performance outcome indicators for key areas of Council operations. Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and to report against these in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is outlined below.



Source: Department of Environment, Land, Water and Planning

2.1 Strategic Objective 1: An Inclusive and Healthy Community

To achieve our goal of an Inclusive and Healthy Community, we will enhance the health and quality of life of the community through the equitable provision of quality services and opportunities for greater wellbeing.

Council will work towards achieving this through the following objectives to:

- provide access to high quality services that enhance community health and wellbeing
- deliver, support and facilitate projects and programs that encourage equity and diversity so everyone can reach their full potential
- all community members will have access to quality community, sport and recreation facilities, cultural experiences and open spaces to encourage a healthy and active lifestyle
- work in partnership with stakeholders to advocate to all levels of government for quality education, training, and lifelong learning opportunities for all community members
- understand the current and future needs of our community, and work to ensure those most vulnerable in our community are safe and have equitable and timely access to the support they need

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

Services

Service area	Description of services provided	2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000
Active Community Support	Provision of social support and activity options for older residents and respite for carers through centre based activities, recreational and social events and outings.	3,031 (2,970) 60	2,669 (2,930) (260)	2,463 (2,433) 30
Community Care Service Delivery	Provision of high quality in home support services and food services to frail older adults, younger people with disabilities and or their carers.	7,190 (5,130) 2,060	5,109 (3,882) 1,226	1,424 (802) 622
Early Years	Provides access to affordable and high quality children's services for people who live and/or work in Hobsons Bay as well as providing support, mentoring, management and advocacy for local early years' service providers.	1,231 (649) 582	1,249 (369) 880	1,166 (403) 762
Community Child Health	Provides a universal primary health and immunisation service available to all Hobsons Bay families with children from birth to school age.	2,628 (1,068) 1,560	2,948 (1,127) 1,821	2,924 (1,128) 1,797
Youth Services	Sole generalist support service available for young people in Hobsons Bay providing a range of high quality support, information, referral, educational, social and recreational services for local young people aged 12 to 25 years.	1,319 (394) 925	1,614 (532) 1,082	1,438 (185) 1,253
Libraries	Running of 5 library branches which facilitate and guide access to information, lifelong learning, reading and recreation; inspiring, empowering and enriching the community through industry leading programs, collections and service.	4,827 (801) 4,026	5,056 (801) 4,254	4,982 (758) 4,224

Service area	Description of services provided	2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000
Community Centres	Provision of services through two Community Centres - Laverton Community Hub and Seabrook Community Centre.	754 (486) 268	766 (341) 425	696 (196) 500
Community Development	Generates key community projects and builds internal and external capacity to deliver inclusive and responsive services that meet the needs of diverse and disadvantaged communities.	1,934 (92) 1,842	2,005 (38) 1,967	2,661 (30) 2,631

Major Initiatives

- 1) Extend the Altona Sports Centre by providing for new indoor courts, new amenities, upgraded outdoor netball courts and car parking.

Other Initiatives

*Continuing initiative from 2019/20

- 2) New Library Management System (LMS) planning, implementation and integration with current library technologies*
- 3) Co-design, plan and deliver a Creative Technology Hub at Seaworks

Service Performance Outcome Indicators**

Service	Indicator	2018/19 Actual	2019/20 Forecast	2020/21 Budget
Maternal and Child Health	Participation			
	Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)	73%	66%	
	Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	62%	57%	
Libraries	Participation	20%	20%	
Aquatic Facilities	Utilisation	N/A	N/A	N/A

**refer to table in section 2.5 for information on the calculation of Service Performance Outcome Indicators.

2.2 Strategic Objective 2: A Great Place

To achieve our objective of A Great Place, we will ensure Hobsons Bay is a vibrant place to live, work and visit.

Council will work towards achieving this through the following objectives to:

- protect and promote public health and community safety
- celebrate and promote the diversity of our community
- support the growth of our local economy, and encourage business investment that creates and maintains local jobs
- deliver, support and promote arts, cultural, heritage, recreational and sporting events and programs that foster a sense of belonging and contribute to the liveability of the city
- work with the all levels of government and other stakeholders to improve our transport networks and to address gaps and capacity in public transport, our roads, foot paths and cycling routes

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

Services

Service area	Description of services provided	2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000
<i>Risk, Audit and Emergency</i>	<i>Facilitate Council's risk management, emergency planning, preparedness, response and recovery in accordance with the Emergency Management Act 1986 and Emergency Management Act 2013 as detailed in the Emergency Management Manual of Victoria.</i>	334 -	390 -	416 -
		334	390	416
<i>Community Safety and Compliance</i>	<i>To ensure that parking regulations are enforced, implementation of local laws, provision of an animal control service for residents, assist in the protection of the community from the threat of wild fire and ensure that all school crossings are staffed by school crossing supervisors.</i>	4,110 (5,080) (970)	4,068 (3,654) 414	4,233 (3,499) 734
<i>Building Control</i>	<i>Issue building permits and carry out mandated responsibilities in accordance with the Building Act 1993 and the Building Regulations 2006.</i>	662 (382) 280	662 (451) 211	649 (513) 136
<i>Public Health</i>	<i>To ensure the public health of the community by undertaking the responsibilities outlined in the Public Health and Wellbeing Act 1987, Food Act 1984, Tobacco Act 1987 and Environment Protection Act 1970.</i>	991 (607) 383	975 (88) 887	1,009 (32) 977

Service area	Description of services provided	2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000
<i>Economic Development and Social Planning</i>	<i>Provision of business development, investment attraction and facilitation, training workshops and programs, support to the business community, industry partnerships, tourism and sister cities. Social Planning stays abreast of policy changes, investigates and expands Council's understanding of the current and future population needs, inequities within and between population groups, develops Council positions to inform high level strategic decisions and whole of government responses, and supports community and stakeholders to undertake collaborative action.</i>	1,465 (299) <hr/> 1,165	1,513 (171) <hr/> 1,342	1,755 (30) <hr/> 1,725
<i>Events and Visitor Services</i>	<i>Provides opportunities for community celebration, encourage visitation and to support and promote tourism development through a diverse and dispersed calendar of events and festivals, as well as operation of the Visitor Information Centre which includes the management of volunteers, promotion of local activities and events, industry partnerships and support to local traders and familiarisation tours of Hobsons Bay.</i>	892 (75) <hr/> 817	927 (53) <hr/> 874	1,084 (65) <hr/> 1,019
<i>Venues</i>	<i>Management of Council owned venues, coordination of functions and bookings, performing arts program, support to local theatre companies and heritage asset management</i>	720 (285) <hr/> 435	716 (247) <hr/> 470	767 (125) <hr/> 642
<i>Arts and Culture</i>	<i>Provision of visual arts, public art, cultural development, heritage. Indigenous culture, cultural collections, festival and events, arts spaces, policy strategy and development</i>	1,187 (57) <hr/> 1,129	1,239 (61) <hr/> 1,178	1,275 (22) <hr/> 1,253

Major Initiatives

Other Initiatives

*Continuing initiative from 2019/20

- 1) Creative City - Creative Spaces
- 2) Creative City -Public Art Strategy 2021 - 2025

Service Performance Outcome Indicators**

Service	Indicator	2018/19 Actual	2019/20 Forecast	2020/21 Budget
Animal Management	Health and safety	0%	86%	
Food safety	Health and safety	91%	98%	

**refer to table in section 2.5 for information on the calculation of Service Performance Outcome Indicators.

2.3 Strategic Objective 3: A Well Designed, Maintained and Environmentally Sustainable Place

To achieve our objective of A Well Designed, Maintained and Environmentally Sustainable Place we will manage future growth and development to ensure it is well-designed and accessible whilst protecting our natural and built environments.

Council will work towards achieving this through the following objectives to:

- work with all levels of government, key stakeholders and the community to ensure urban development is appropriate and considers neighbourhood character and heritage
- deliver and maintain well-designed, accessible and environmentally sustainable community assets
- protect and enhance our coastal environment, biodiversity and natural areas in partnership with major stakeholders and the community
- maintain a clean city and encourage the community, business and industry to reduce, reuse and recycle
- work with the community, businesses and government to actively and innovatively address climate change and promote sustainable living

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

Services

Service area	Description of services provided	2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000
<i>Environment and Sustainability</i>	<i>Deliver municipal waste and recycling services to the Hobsons Bay community, develop and deliver waste and litter policy, strategy and programs, develop policies and strategies (and support their implementation) that mitigate the effects of climate change by reducing greenhouse gas emissions whilst identifying adaptation initiatives for energy, waste and water management, and provide internal and external leadership through the provision of technical expertise and ongoing consultation to embed sustainability</i>	9,052 (105) 8,947	12,673 (266) 12,407	13,424 (418) 13,007
<i>Strategic Planning</i>	<i>Considers planning scheme amendments, works through planning projects and develops policy that directs future land use outcomes within the municipality.</i>	1,099 (21) 1,078	1,190 (31) 1,159	1,785 (42) 1,743
<i>Statutory Planning</i>	<i>Assessment, provision of advice and enforcement in relation to planning approvals under the Hobsons Bay Planning Scheme, the Planning and Environment Act 1987 and the Subdivision Act 1988.</i>	3,758 (1,864) 1,894	3,733 (1,525) 2,208	4,075 (1,624) 2,451
<i>Planning Operations</i>	<i>Oversee the efficient and effective operation of the Planning, Building and Health services department and management of the Statutory Planning administration support team.</i>	268 - 268	359 - 359	251 - 251

Service area	Description of services provided	2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000
<i>Recreation Planning and Projects</i>	<i>Identify, plan and scope sport and recreation projects within the capital works program, as well as manage and optimise the use of Council's sport, recreation and community facilities and increase participation in sport and recreation.</i>	1,353 (314) 1,040	948 (140) 808	1,020 (61) 959
<i>Property and Insurance</i>	<i>To effectively administer Council's property and insurance portfolio and achieve Council's objectives of a sustainable and financially viable portfolio.</i>	592 (2,275) (1,684)	723 (2,195) (1,473)	1,673 (2,407) (734)
<i>Parks, Gardens and Conservation</i>	<i>Responsible for the management and maintenance of open space assets including parks and gardens, sporting grounds, playgrounds, irrigation and park infrastructure (furniture and fencing) providing pleasant recreational and relaxation areas for local enjoyment.</i>	9,896 (261) 9,635	10,608 (111) 10,498	11,415 (111) 11,303
<i>Works and City Amenity</i>	<i>Provision of infrastructure maintenance services including Council buildings and facilities, city maintenance (ensure street and park furniture and signage is maintained to an appropriate standard), roads and drainage, and home maintenance services to residents who qualify for this resource.</i>	18,414 (1,155) 17,259	18,658 (1,588) 17,069	17,823 (1,506) 16,317
<i>Strategic Projects</i>	<i>Responsible for the delivery of infrastructure strategic projects to address priority gaps ensuring consistency with the Council Plan objectives and compliance requirements.</i>	417 (228) 189	955 (857) 98	1,400 (960) 440
<i>Open Space and City Design</i>	<i>Lead the development of key strategies, master plans and designs of open space and develop design guidelines and technical standards for the public realm.</i>	850 - 850	961 - 961	1,134 - 1,134
<i>Assets</i>	<i>Develop and maintain Council's asset systems and registers, including asset accounting, valuations, capitalisation and associated reporting.</i>	942 - 942	850 - 850	746 - 746
<i>Capital Works</i>	<i>Deliver capital infrastructure development services to the community.</i>	1,381 - 1,381	434 - 434	171 - 171
<i>Engineering Services</i>	<i>Deliver the civil engineering services for both capital and operational projects, including engineering design, drainage works, and traffic and transport management.</i>	3,252 (85) 3,167	3,001 (115) 2,886	3,223 (111) 3,112
<i>Projects Management Office</i>	<i>Coordinate the planning, administration and reporting of annual capital works program.</i>	411 - 411	448 - 448	515 - 515

Major Initiatives

- 1) *Upgrade to the Altona Civic Centre, Customer Service and Community Meeting Space.*
- 2) *Implementation of the Digman Reserve Master Plan including building a new pavilion and play area and upgrading the playing fields, floodlighting and car park.*
- 3) *Design and construct a new regional multi-use community sports facility at JT Gray Reserve.*
- 4) *Open Space Enhancement and Access Package at WLJ Croft Reserve including a new sporting pavilion, car parks, cricket practice nets, redevelopment works and installation of new floodlighting.*
- 5) *Open Space Enhancement and Access Package at WLJ Croft Reserve including redevelopment works to ovals 2 and 3 and installation of new sportsground floodlighting.*
- 6) *Stage 2 of the Paine Reserve, Newport Community Park Upgrade.*
- 7) *Open Space Enhancement and Access Package at Don McLean Reserve, Spotswood including redevelopment of ovals, new floodlighting, new multi-lined courts, upgrades to pavilion, playground and car parking.*
- 8) *The Solar Program includes the installation of solar systems on 43 identified Council sites.*

Other Initiatives

- 9) *Engineer Integrated Parking across Municipality*
- 10) *Implementation of Urban Forest Strategy 2020-2021*
- 11) *Contamination Inspections - Recycling 2.0 - 2020-2021*

Service Performance Outcome Indicators**

Service	Indicator	2018/19 Actual	2019/20 Forecast	2020/10 Budget
Waste collection	Waste diversion	41%	36%	
Roads	Satisfaction	63	63	
Statutory Planning	Decision making	53%	67%	

**refer to table in section 2.5 for information on the calculation of Service Performance Outcome Indicators.

2.4 Strategic Objective 4: A Council of Excellence

To achieve our objective of A Council of Excellence, we will be a leading and skilled council that is responsible, innovative and engaging to deliver excellence in all we do.

Council will work towards achieving this through the following objectives to:

- collaborate with all levels of government, service providers, not for profit organisations and the private sector to address the concerns of our community
- be a more efficient and effective organisation by having a strong focus on continuous improvement, innovation, strategic planning and responsible financial management
- provide excellent customer service whilst ensuring all our communications are clear and easy to understand
- actively seek the community's views by providing a range of opportunities for the community to contribute to Council's decision making
- support and develop an engaged, skilled and professional workforce who are committed to maintaining a high performing and sustainable organisation

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

Services

Service area	Description of services provided	2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000
<i>Customer Service</i>	<i>Provision of a consistent excellent customer experience for every customer contact. The Customer Service department is the interface of Council with the community. It is the face, and first touch-point of Council and it sets the scene for the community customer experience with the organisation.</i>	1,282 - 1,282	1,305 - 1,305	1,269 - 1,269
<i>Legal and Performance Reporting Services</i>	<i>Coordinate Council's organisational performance reporting activities which aims to ensure that Council continues to improve in everything it does and meets the legislated planning and reporting requirements, as well as provide legal advice to the internal organisation.</i>	550 - 550	454 - 454	449 - 449
<i>Strategic Communications</i>	<i>Responsible for all communications, community relations advice, policy, protocol and delivery.</i>	1,532 - 1,532	1,536 - 1,536	1,701 - 1,701
<i>Finance</i>	<i>Ensure that the Council meets its financial obligations and legislative requirements, maintenance of the organisations financial controls, including processes, databases or systems within the department and provision of internal financial support services to other departments within the Council.</i>	449 (390) 60	1,031 (319) 713	902 (278) 625

Service area	Description of services provided	2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000
<i>Governance and Information Management</i>	<i>Responsible for the provision of a range of governance functions and administrative support to Council and leadership team, including Council meetings and other statutory responsibilities, as well as providing efficient information and record management services, overseeing the application of information privacy principles, and the management of privacy related issues.</i>	1,494 (9) 1,484	1,253 (8) 1,244	1,654 (71) 1,583
<i>Digital Services</i>	<i>To provide a cost-effective, secure, and robust Information and Communication Technology (ICT) platform that supports Council's business needs, and to provide sound advice and support for ICT projects across the organisation.</i>	3,036 - 3,036	3,434 - 3,434	4,011 - 4,011
<i>Human Resources and Safety</i>	<i>The operational delivery of the full range of human resources, industrial relations, WorkCover, injury management and Occupational Health and Safety (OHS) services to management and staff.</i>	1,597 (3) 1,594	1,729 - 1,729	1,927 - 1,927
<i>Organisational Culture and Development</i>	<i>Development and implementation of organisational learning and development programs that are sustainable, relevant and building on the learning organisation concept.</i>	281 - 281	282 - 282	489 - 489
<i>Mayor and Councillor Support</i>	<i>Provide administration support and advice to the Mayor and Councillors and the Executive Leadership Team, to enhance the effectiveness of the organisation as a whole.</i>	2,838 - 2,838	3,217 - 3,217	3,350 - 3,350

Major Initiatives

Other Initiatives

- 1) *Mayoral Program short film series - 2020-2021*
- 2) *Digital Transformation Implementation - 2020-2021*
- 3) *Learning Management*

*Continuing initiative from 2019/20

- 4) *'Coordinate the Altona Civic Centre, Customer Service, and Community Meeting Space Redevelopment*
- 5) *Implement Youth Digital Engagement Strategy.*
- 6) *Organisational Gender Equity Framework*

Service Performance Outcome Indicators**

Service	Indicator	2018/19 Actual	2019/20 Forecast	2019/20 Budget
Governance	Satisfaction	63	63	

**refer to table in section 2.5 for information on the calculation of Service Performance Outcome Indicators.

2.5 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 outcome notifications (Percentage of critical and major non-compliance outcome notifications that are followed up by Council)	[Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises] x100
Maternal and Child Health	Participation	Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100
		Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100

2.6 Reconciliation with budgeted operating result

Strategic Objectives	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
An Inclusive and Healthy Community	11,819	17,753	5,934
A Great Place	6,900	11,187	4,287
A Well Designed, Maintained and Environmentally Sustainable Place	51,414	58,655	7,241
A Council of Excellence	15,405	15,754	348
Total	85,539	103,349	17,811
<i>Expenses added in:</i>			
Depreciation	19,975		
Finance costs	626		
Other	984		
<i>Deficit before funding sources</i>	107,124		
<i>Funding sources added in:</i>			
Rates & charges revenue	104,902		
Waste charge revenue	9,549		
Other	6,460		
Capital grants and contributions	11,512		
<i>Total funding sources</i>	132,424		
Surplus/(deficit) for the year	25,300		

3. Financial statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2019-20 has been supplemented with projections to 2023-24 extracted from the Strategic Resource Plan.

This section includes the following financial statements prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

Comprehensive Income Statement
Balance Sheet
Statement of Changes in Equity
Statement of Cash Flows
Statement of Capital Works
Statement of Human Resources

Pending Accounting Standards

The 2020-21 budget has been prepared based on the accounting standards applicable at the date of preparation. This means that pending accounting standards that will be in effect from the 2020-21 financial year have not been considered in the development of the budget.

Standards that are likely to impact on the 2020-21 financial statements, not considered in the preparation of the budget include:

- AASB 1059 Service Concession Arrangements: Grantors

While it is not possible to determine the precise impact of this standards at this time, the broad impact on Council is estimated to be as follows:

- AASB 1059 - applies where Council is a “grantor” in a service concession arrangement (generally infrastructure projects), whereby an operator has the right of access to a Council asset to provide a public service on behalf of the Council for a contract period and is responsible for the management of the public services provided by the asset and receives compensation for its services over a period.

Comprehensive Income Statement

For the four years ending 30 June 2024

		Forecast Actual	Budget	Strategic Resource Plan Projections		
		2019/20	2020/21	2021/22	2022/23	2023/24
	NOTES	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Rates and charges	4.1.1	111,455	114,452	117,968	121,515	124,990
Statutory fees and fines	4.1.2	4,258	4,345	4,963	4,977	5,127
User fees	4..1.3	3,180	2,638	4,079	4,120	4,243
Grants – operating	4.1.4	13,973	10,413	10,674	10,941	11,214
Grants – capital	4.1.4	6,482	11,512	9,659	5,395	10,195
Contributions - monetary	4.1.5	3,060	3,614	3,070	5,270	7,070
Contributions – non-monetary	4.1.5	-	-	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		374	50	50	50	50
Fair value adjustments for investment property		-	-	-	-	-
Share of net profits/(losses) of associates and joint ventures		-	-	-	-	-
Other income	4.1.6	4,011	3,211	4,546	4,381	4,635
Total income		146,792	150,235	155,009	156,649	167,523
Expenses						
Employee costs	4.1.7	52,447	53,401	53,400	55,269	57,203
Materials and services	4.1.8	48,405	49,373	45,769	47,077	48,424
Depreciation	4.1.9	19,488	19,975	20,475	20,986	21,511
Bad and doubtful debts		203	213	213	213	213
Borrowing costs		628	626	357	199	199
Other expenses	4.1.10	1,428	1,346	1,380	1,414	1,450
Total expenses		122,598	124,935	121,592	125,158	128,999
Surplus/(deficit) for the year		24,193	25,300	33,417	31,491	38,524
Other comprehensive income						
Items that will not be reclassified to surplus or deficit in future periods		-	-	-	-	-
Net asset revaluation increment /(decrement)		-	-	-	-	-
Share of other comprehensive income of associates and joint ventures		-	-	-	-	-
Items that may be reclassified to surplus or deficit in future periods		-	-	-	-	-
Total comprehensive result		24,193	25,300	33,417	31,491	38,524

Balance Sheet

For the four years ending 30 June 2024

		Forecast Actual	Budget	Strategic Resource Plan Projections		
		2019/20	2020/21	2021/22	2022/23	2023/24
NOTES		\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Current assets						
		5,186	3,630	3,779	3,257	3,513
		8,988	9,306	9,659	10,022	10,392
		62,357	42,357	22,857	25,857	30,357
		30	30	30	30	30
		-	-	-	-	-
		1,443	1,443	1,443	1,443	1,443
Total current assets	4.2.1	78,004	56,766	37,768	40,609	45,736
Non-current assets						
		127	127	85	42	43
		-	-	-	-	-
		1,248,420	1,295,922	1,340,172	1,369,888	1,404,338
		13,404	13,404	13,404	13,404	13,404
Total non-current assets	4.2.1	1,261,951	1,309,453	1,353,661	1,383,334	1,417,786
Total assets		1,339,955	1,366,220	1,391,429	1,423,943	1,463,522
Liabilities						
Current liabilities						
		12,216	12,521	12,834	13,155	13,484
		7,320	7,503	7,690	7,882	8,079
		12,824	13,272	13,737	14,218	14,715
	4.2.3	-	9,200	-	-	-
Total current liabilities	4.2.2	32,359	42,496	34,262	35,255	36,279
Non-current liabilities						
		779	807	835	864	894
	4.2.3	14,200	5,000	5,000	5,000	5,000
Total non-current liabilities	4.2.2	14,979	5,807	5,835	5,864	5,894
Total liabilities		47,339	48,303	40,096	41,120	42,173
Net assets		1,292,617	1,317,916	1,351,333	1,382,824	1,421,348
Equity						
		527,042	571,783	625,502	655,489	690,210
		765,575	746,134	725,831	727,335	731,139
Total equity		1,292,617	1,317,916	1,351,333	1,382,824	1,421,348

Statement of Changes in Equity

For the four years ending 30 June 2024

	NOTES	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2020 Forecast Actual					
Balance at beginning of the financial year		1,268,424	482,695	721,187	64,541
Surplus/(deficit) for the year		24,193	24,193	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		36,702	28,428	-	8,274
Transfers from other reserves		(36,702)	(8,274)	-	(28,428)
Balance at end of the financial year		1,292,617	527,042	721,187	44,388
2021 Budget					
Balance at beginning of the financial year		1,292,617	527,042	721,187	44,388
Surplus/(deficit) for the year		25,300	25,300	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves	4.3.1	32,750	26,095	-	6,655
Transfers from other reserves	4.3.1	(32,750)	(6,655)	-	(26,095)
Balance at end of the financial year	4.3.2	1,317,916	571,783	721,187	24,947
2022					
Balance at beginning of the financial year		1,317,916	571,783	721,187	24,947
Surplus/(deficit) for the year		33,417	33,417	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		32,601	26,452	-	6,149
Transfers from other reserves		(32,601)	(6,149)	-	(26,452)
Balance at end of the financial year		1,351,333	625,502	721,187	4,644
2023					
Balance at beginning of the financial year		1,351,333	625,502	721,187	4,644
Surplus/(deficit) for the year		31,491	31,491	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		16,601	7,548	-	9,053
Transfers from other reserves		(16,601)	(9,053)	-	(7,548)
Balance at end of the financial year		1,382,824	655,489	721,187	6,148
2024					
Balance at beginning of the financial year		1,382,824	655,489	721,187	6,148
Surplus/(deficit) for the year		38,524	38,524	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		15,112	5,654	-	9,458
Transfers from other reserves		(15,112)	(9,458)	-	(5,654)
Balance at end of the financial year		1,421,348	690,210	721,187	9,952

Statement of Cash Flows

For the four years ending 30 June 2024

	NOTES	Forecast	Budget	Strategic Resource Plan		
		Actual		Projections		
		2019/20	2020/21	2021/22	2022/23	2023/24
		\$'000	\$'000	\$'000	\$'000	\$'000
		Inflows	Inflows	Inflows	Inflows	Inflows
		(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
Cash flows from operating activities						
Rates and charges		111,455	114,452	117,968	121,515	124,990
Statutory fees and fines		4,258	4,345	4,963	4,977	5,127
User fees		5,043	2,346	3,768	3,799	3,872
Grants – operating		13,973	10,413	10,674	10,941	11,214
Grants - capital		6,482	11,512	9,659	5,395	10,195
Contributions - monetary		3,060	3,614	3,070	5,270	7,070
Interest received		1,462	600	1,120	933	1,082
Trust funds and deposits taken		-	-	-	-	-
Other receipts		2,549	2,611	3,427	3,449	3,552
Net GST refund / payment		-	-	-	-	-
Employee costs		(51,987)	(52,925)	(52,907)	(54,758)	(56,675)
Materials and services		(51,286)	(50,231)	(46,648)	(47,978)	(49,347)
Trust funds and deposits repaid		-	-	-	-	-
Other payments		-	-	-	-	-
Net cash provided by/(used in) operating activities	4.4.1	45,008	46,736	55,094	53,541	61,080
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment		(64,035)	(67,866)	(65,088)	(51,065)	(56,325)
Proceeds from sale of property, infrastructure, plant and equipment		624	200	200	200	200
Payments for investments		23,000	20,000	19,500	(3,000)	(4,500)
Net cash provided by/ (used in) investing activities	4.4.2	(40,412)	(47,666)	(45,388)	(53,865)	(60,625)
Cash flows from financing activities						
Finance costs		(628)	(626)	(357)	(199)	(199)
Proceeds from borrowings		-	-	-	-	-
Repayment of borrowings		-	-	(9,200)	-	-
Net cash provided by/(used in) financing activities	4.4.3	(628)	(626)	(9,557)	(199)	(199)
Net increase/(decrease) in cash & cash equivalents		3,968	(1,556)	149	(523)	257
Cash and cash equivalents at the beginning of the financial year		1,218	5,186	3,630	3,779	3,257
Cash and cash equivalents at the end of the financial year		5,186	3,630	3,779	3,257	3,513

Statement of Capital Works

For the four years ending 30 June 2024

	NOTES	Forecast	Budget	Strategic Resource Plan		
		Actual 2019/20 \$'000	2020/21 \$'000	Projections 2021/22 \$'000	2022/23 \$'000	2023/24 \$'000
Property						
Land		-	-	-	-	-
Land improvements		-	-	-	-	-
Total land		-	-	-	-	-
Buildings		21,723	29,863	22,625	8,040	11,443
Heritage buildings		271	95	50	50	50
Building improvements		-	-	-	-	-
Leasehold improvements		-	-	-	-	-
Total buildings		21,994	29,958	22,675	8,090	11,493
Total property		21,994	29,958	22,675	8,090	11,493
Plant and equipment						
Heritage plant and equipment		-	10	-	-	-
Plant, machinery and equipment		1,050	2,390	2,487	1,730	1,360
Fixtures, fittings and furniture		919	100	100	100	100
Computers and telecommunications		1,718	865	570	605	960
Library books		775	930	960	975	1,000
Total plant and equipment		4,463	4,295	4,117	3,410	3,420
Infrastructure						
Roads		5,375	13,605	11,424	13,080	11,142
Bridges		292	155	1,750	715	280
Footpaths and cycleways		3,205	1,515	5,460	2,875	1,420
Drainage		4,276	2,000	2,305	5,460	3,400
Recreational, leisure and community facilities		2,226	8,001	8,145	7,630	17,775
Parks, open space and streetscapes		17,794	7,982	7,563	5,690	5,350
Waste management		2,362	-	-	1,825	-
Off street car parks		884	195	744	1,455	1,750
Other infrastructure		1,165	160	905	835	295
Total infrastructure		37,579	33,613	38,296	39,565	41,412
Total capital works expenditure	4.5.1	64,035	67,866	65,088	51,065	56,325
Expenditure types represented by:						
New asset expenditure		7,933	11,945	9,642	10,870	15,920
Asset renewal expenditure		22,463	21,023	22,372	22,090	25,170
Asset upgrade expenditure		33,639	34,898	33,074	18,105	15,235
Total capital works expenditure	4.5.1	64,035	67,866	65,088	51,065	56,325
Funding sources represented by:						
Grants		6,482	11,512	9,659	5,395	10,195
Contributions		-	-	-	-	-
Council cash		57,553	56,354	55,429	45,670	46,130
Borrowings		-	-	-	-	-
Total capital works expenditure	4.5.1	64,035	67,866	65,088	51,065	56,325

Statement of Human Resources

For the four years ending 30 June 2024

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000	Strategic Resource Plan Projections		
			2021/22 \$'000	2022/23 \$'000	2023/24 \$'000
Staff expenditure					
Employee costs - operating	52,447	53,401	53,400	55,269	57,203
Employee costs - capital	1,440	2,170	2,246	2,325	2,406
Total staff expenditure	53,887	55,571	55,646	57,593	59,609
Staff numbers					
Employees	499.8	519.1	519.1	519.1	519.1
Total staff numbers	499.8	519.1	519.1	519.1	519.1

The above table reflects staffing levels (Full Time Equivalent – FTE) from one financial year to another. The increase in 2020-21 FTE compared to 2019-20 relates to both operating (15.1 FTE) and capital (4.1 FTE) employees. (2018-19: 538.3 FTE and 2017-18: 523.2 FTE).

The increase in operating FTE in 2020-21 is a result of a full year budget allocation compared to short term vacancies and reduced hours in 2019-20. A number of agency staff have also been converted into positions in the 2020-21 annual budget, with a noted decrease in agency and casual costs. New positions have been included in 2020-21 for an urban forest management officer (1.0 FTE) and a graphic design assistant (0.4 FTE).

The increase in capital FTE in 2020-21 relates to project managers included in the capital works program. A new position has been included in the 2020-21 annual budget for a civil designer (1.0 FTE).

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

Department	Budget 2020/21 \$'000	Comprises			
		Permanent		Casual	Temporary
		Full time \$'000	Part Time \$'000	\$'000	\$'000
Chief Executive's Office	1,872	1,648	160	0	64
Corporate Services	16,697	11,727	2,872	1,329	770
Sustainable Communities	18,492	10,961	5,554	680	1,296
Infrastructure & City Services	16,340	14,795	279	534	732
Total permanent staff expenditure	47,995	39,130	8,865	2,543	2,863
Casuals, temporary and other expenditure	5,406				
Capitalised Labour costs	2,170				
Total expenditure	55,571				

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

Department	Budget 2020/21 FTE	Comprises			
		Permanent		Casual	Temporary
		Full time	Part Time		
Chief Executive's Office	14.3	11.9	1.8	0.0	0.6
Corporate Services	159.1	109.9	31.0	12.1	6.1
Sustainable Communities	168.3	96.5	54.3	4.3	13.3
Infrastructure & City Services	159.5	148.0	3.0	0.5	8.0
Total permanent staff	456.2	366.2	90.0	16.9	28.0
Casuals, temporary and other expenditure	44.9				
Capitalised Labour costs	18.0				
Total staff	519.1				

4. Notes to the financial statements

This section presents detailed information on material components of the financial statements. *Council needs to assess which components are material, considering the dollar amounts and nature of these components.*

4.1 Comprehensive Income Statement

4.1.1 Rates and charges

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

In developing the Strategic Resource Plan, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2020-21 the FGRS cap has been set at 2 per cent. The cap applies to both general rates and municipal charges (which Hobsons Bay does not have) and is calculated on the basis of council's average rate.

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

To achieve Council's objectives whilst maintaining service levels and a strong capital expenditure program, the average general rate will increase by 2 per cent in line with the rate cap.

Waste service charges are exempt from the rate cap but a 2 per cent increase is also planned to the base waste service charge. The waste income for 2020-21 does not cover the cost of providing the waste service as Council has decided to re-coup its considerable investment to expand its waste service over a number of years.

Whilst the average general rate increase is 2 per cent as mentioned above, total rate income is expected to increase by 2.69 per cent, due to waste service charges and supplementary growth, raising total rates and charges for 2020-21 to \$114.452 million.

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

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000	Change	
			\$'000	%
General rates*	101,377	104,129	2,753	2.72%
Municipal charge*	-	-	-	-
Waste management charge	9,116	9,549	433	4.75%
Service rates and charges	-	-	-	-
Special rates and charges	-	-	-	-
Supplementary rates and rate adjustments	400	400	-	0.00%
Interest on rates and charges	361	350	(11)	(3.05%)
Revenue in lieu of rates	520	344	(176)	(33.83%)
Council rebates	(319)	(321)	(2)	0.61%
Total rates and charges	111,455	114,452	2,997	2.69%

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

4.1.1(b) 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	2019/20 cents/\$CIV	2020/21 cents/\$CIV*	Change
General rate for rateable residential properties	0.2128	0.2158	1.43%
General rate for rateable residential vacant land properties	0.3405	0.3454	1.43%
General rate for rateable commercial properties	0.5107	0.5180	1.43%
General rate for rateable industrial properties	0.7597	0.7706	1.43%
General rate for rateable petro-chemical properties	0.8512	0.8634	1.43%
Rate concession for rateable cultural & recreational properties	0.0958	0.0972	1.43%

4.1.1(c) 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	2019/20	2020/21	Change	
			\$	%
Residential	67,045,139	67,357,875	312,736	0.47%
Residential vacant land	649,653	634,452	(15,201)	(2.34%)
Commercial	7,865,616	8,324,782	459,166	5.84%
Industrial	22,927,185	25,031,321	2,104,136	9.18%
Petro-chemical	2,672,264	2,702,800	30,536	1.14%
Cultural and recreational	79,982	78,062	(1,920)	(2.40%)
Total amount to be raised by general rates	101,239,839	104,129,292	2,889,453	2.85%

4.1.1(d) 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	2019/20 Number	2020/21 Number	Change	
				%
Residential	38,862	39,293	431	1.11%
Residential vacant land	247	243	(4)	(1.62%)
Commercial	1,420	1,450	30	2.11%
Industrial	1,708	1,838	130	7.61%
Petro-chemical	18	18	0	0.00%
Cultural and recreational	40	40	0	0.00%
Total number of assessments	42,295	42,882	587	1.39%

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

4.1.1(f) 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	2019/20 \$'000	2020/21 \$'000	Change	
			\$'000	%
Residential	31,507,998	31,213,103	(294,896)	(0.94%)
Residential vacant land	190,816	183,740	(7,077)	(3.71%)
Commercial	1,540,193	1,607,411	67,218	4.36%
Industrial	3,017,789	3,249,133	231,344	7.67%
Petro-chemical	313,959	313,114	(845)	(0.27%)
Cultural and recreational	83,528	80,311	(3,217)	(3.85%)
Total value of land	36,654,283	36,646,811	(7,472)	(0.02%)

4.1.1(g) The municipal charge under Section 159 of the Act compared with the previous financial year

Type of Charge	Per Rateable Property 2019/20	Per Rateable Property 2020/21	Change	
	\$	\$	\$	%
Municipal		Not applicable		

4.1.1(h) The estimated total amount to be raised by municipal charges compared with the previous financial year

Type of Charge	2019/20	2020/21	Change	
	\$	\$	\$	%
Municipal		Not applicable		

4.1.1(i) 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 Rateable Property 2019/20	Per Rateable Property 2020/21	Change	
	\$	\$	\$	%
Rubbish & recycling, incl. 240L greenwaste (group A)	234.00	-	-	-
Rubbish & recycling, incl. 120L greenwaste (group B)	231.75	-	-	-
Rubbish recycling, private greenwaste (group C)	222.70	-	-	-
Rubbish & recycling (group D)	222.70	-	-	-
Additional Garbage (group E)	176.25	-	-	-
Additional Recycle (group F)	92.00	-	-	-
Additional Green (group G)	92.00	-	-	-
Additional Private (group H)	75.00	-	-	-
"Base Waste Service Charge for four bins	-	227.00	-	-
(120L green - food & garden, 120L waste, 240L mixed recycle, 120L glass)"	-	193.00	-	-
Waste Service Charge for properties in MUDs/apartment blocks/villages with shared bins	-	90.00	-	-
Upsize waste to 240L	-	30.00	-	-
Upsize green - food & garden to 240L	-	230.00	-	-
Additional 240L waste	-	140.00	-	-
Additional 120L waste	-	90.00	-	-
Additional 240L recycle	-	140.00	-	-
Additional 240L green - food & garden	-	110.00	-	-
Additional 120L green - food & garden	-	60.00	-	-

4.1.1(j) 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	2019/20	2020/21	Change	
	\$	\$	\$	%
Rubbish & recycling, incl. 240L greenwaste (group A)	3,718,026	-	-	-
Rubbish & recycling, incl. 120L greenwaste (group B)	1,226,885	-	-	-
Rubbish recycling, private greenwaste (group C)	1,077,423	-	-	-
Rubbish & recycling (group D)	2,860,359	-	-	-
Additional Garbage (group E)	129,368	-	-	-
Additional Recycle (group F)	30,728	-	-	-
Additional Green (group G)	12,052	-	-	-
Additional Private (group H)	150	-	-	-
"Base Waste Service Charge for four bins	-	8,750,850	-	-
(120L green - food & garden, 120L waste, 240L mixed recycle, 120L glass)"	-	111,940	-	-
Waste Service Charge for properties in MUDs/apartment blocks/villages with shared bins	-	36,990	-	-
Upsize waste to 240L	-	483,000	-	-
Upsize green - food & garden to 240L	-	7,130	-	-
Additional 240L waste	-	105,140	-	-
Additional 120L waste	-	30,600	-	-
Additional 240L recycle	-	21,000	-	-
Additional 240L green - food & garden	-	1,210	-	-
Additional 120L green - food & garden	-	1,440	-	-
Total	9,054,991	9,549,300	494,309	5.46%

4.1.1(k) The estimated total amount to be raised by all rates and charges compared with the previous financial year

	2019/20	2020/21	Change	
	\$'000	\$'000	\$'000	%
General rates	101,240	104,129	2,889	2.85%
Service charge – rubbish & refuse	9,055	9,549	494	5.46%
Sub-total	110,295	113,679	3,384	3.07%
Payment in lieu of rates	344	344	0	0.00%
Supplementary Rates	400	400	0	0.00%
Council rebates	(328)	(321)	7	(2.15%)
Interest on rate and charges	450	350	(100)	(22.22%)
Total rates and charges	111,161	114,452	3,291	2.96%

4.1.1(l) Fair Go Rates System Compliance

Hobsons Bay City Council is fully compliant with the State Government's Fair Go Rates System.

	2019/20	2020/21
Total Rates	\$101,159,857	\$104,051,230
Number of rateable properties	42,255	42,842
Base Average Rate	\$2,394.03	\$2,428.72
Maximum Rate Increase (set by the State Government)	2.47%	2.00%
Capped Average Rate	\$2,394.03	\$2,428.72
Maximum General Rates and Municipal Charges Revenue	\$101,165,524	\$104,068,651
Budgeted General Rates and Municipal Charges Revenue	\$101,159,857	\$104,051,230
Budgeted Supplementary Rates	400,000	\$400,000
Budgeted Total Rates and Municipal Charges Revenue	\$101,559,857	\$104,451,230

* The Maximum Rate Increase of 2.50 per cent in 2019-20 (set by the State Government) was reduced to 2.47 per cent in line with Council's commitment to reduce its rate increase to 0.03 per cent below the rate cap to refund ratepayers for the immaterial non-compliance (an average of 75 cents per property) in 2018-19.

* The figures above do not include cultural and recreational properties or waste service charges as these items are excluded from the rate cap.

4.1.1(m) 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 (2019-20: est.\$400,000 and 2018-19: \$466,000)
- the variation of returned levels of value (e.g. valuation appeals)
- changes of use of land such that rateable land becomes non-rateable land and vice versa
- changes of use of land such that residential land becomes business land and vice versa
- any rate relief resolved by Council in an attempt to relief financial hardship created by the COVID-19 pandemic

4.1.1(n) Differential rates

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 0.2158 (0.2158 cents in the dollar of CIV) for all rateable residential properties
- a general rate of 0.3454 (0.3454 cents in the dollar of CIV) for all rateable vacant residential properties
- a general rate of 0.5180 (0.5180 cents in the dollar of CIV) for all rateable commercial properties
- a general rate of 0.7706 (0.7706 cents in the dollar of CIV) for all rateable industrial properties
- a general rate of 0.8634 (0.8634 cents in the dollar of CIV) for all rateable petro chemical properties
- a rate (concession) of 0.0972 (0.0972 cents in the dollar of CIV) for all rateable cultural and recreational 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 percentages indicated above.

Council believes each differential rate will contribute to the equitable and efficient carrying out of council functions. Details of the objectives of each differential rate, the types of classes of land which are subject to each differential rate and the uses of each differential rate are set out below.

Commercial land

Commercial land is any land:

- which is used primarily for the sale of goods or services
- which is used primarily for other commercial purposes; or
- on which no building is erected but which, by reason of its locality and zoning under the relevant Planning Scheme, would - if developed - be or be likely to be used primarily for:
 - the sale of goods or services; or
 - other commercial purposes

The objective of this differential rate 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, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

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

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the differential rate is the level, which Council considers is necessary to achieve the objectives specified above.

The geographic location of the land within this differential rate is wherever located within the municipal district.

The use of the land within this differential rate, is any use permitted under the relevant planning scheme.

The planning scheme zoning, is the zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

The types of buildings on the land are, all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2020-21 financial year.

Industrial Land

Industrial land is any land:

- which is not petrochemical land, but is used primarily for industrial purposes; or
- which no building is erected but which, by reason of its locality and zoning under the relevant Planning Scheme, would - if developed - be or be likely to be used primarily for industrial purposes

The objective of this differential rate 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, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

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

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the differential rate is the level, which Council considers is necessary to achieve the objectives specified above.

The geographic location of the land within this differential rate is wherever located within the municipal district.

The use of the land within this differential rate, is any use permitted under the relevant planning scheme.

The planning scheme zoning, is the zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

The types of buildings on the land are, all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2020-21 financial year.

Petro Chemical Land

Petro Chemical land is any land which is used primarily for the:

- manufacture
- production; or
- conveyance of:
 - petroleum or any like substance; or
 - petrochemicals or any like substances

The objective of this differential rate 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, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

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

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the differential rate is the level, which Council considers is necessary to achieve the objectives specified above.

The geographic location of the land within this differential rate is wherever located within the municipal district.

The use of the land within this differential rate is any use permitted under the relevant planning scheme.

The planning scheme zoning, is the zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

The types of buildings on the land are, all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2020-21 financial year.

Vacant Residential Land

Vacant Residential land is any land:

- on which no dwelling is erected but which, by reason or its locality and zoning under the relevant Planning Scheme, would – if developed – be or be likely to be used primarily for residential purposes
- which is not
 - commercial land
 - industrial land; or
 - petrochemical land

The objective of this differential rate 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, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

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

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the differential rate is the level, which Council considers is necessary to achieve the objectives specified above.

The geographic location of the land within this differential rate is wherever located within the municipal district.

The use of the land within this differential rate is any use permitted under the relevant planning scheme.

The planning scheme zoning is the zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

The types of buildings on the land are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2020-21 financial year.

Other Land (including Residential Land)

Other land (including residential land) is any land:

- which is used primarily for residential purposes;
- which is not
 - vacant residential land
 - commercial land
 - industrial land; or
 - petrochemical land

The objective of this differential rate 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, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

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

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the differential rate is the level, which Council considers is necessary to achieve the objectives specified above.

The geographic location of the land within this differential rate is wherever located within the municipal district.

The use of the land within this differential rate is any use permitted under the relevant planning scheme.

The planning scheme zoning is the zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

The types of buildings on the land are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2020-21 financial year.

Rate Concession for Rateable Cultural and Recreational Properties

The Cultural and Recreational Lands Act of 1963 provides for a Council to grant a rating concession to any "recreational lands" which meet the test of being rateable land under the *Local Government Act 1989*.

The definition of recreational lands under the *Cultural and Recreational Lands Act 1963*, Section 2 means lands, which are:

Vested in or occupied by anybody corporate or unincorporated body which exist for the purpose of providing or promoting cultural or sporting recreational or similar facilities or objectives and which applies its profits in promoting its objects and prohibits the payment of any dividend or amount to its members: and
used for outdoor sporting recreational or cultural purposes or similar outdoor activities; or
Lands which are used primarily as agricultural showgrounds.

Section 169 of the *Local Government Act 1989*, provides an opportunity for Council to grant a concession for properties described by definition as a sporting club under the *Cultural and Recreational Lands Act 1963*. For the rating year 2018-19 Council provides a concession to 40 properties coded with a description of "sporting club" in Council's rate records. The residential rate is applied to these properties and then a 55 per cent discount on rates is apportioned to each property. It is considered that these clubs provide a benefit to the general community and their activities assist in the proper development of the municipal district.

4.1.2 Statutory fees and fines

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000	Change	
			\$'000	%
Infringements and costs	1,886	1,805	(81)	(4.3%)
Court recoveries	7	12	6	88.1%
Planning and building fees	1,565	1,693	128	8.2%
Animal control	680	678	(2)	(0.2%)
Land information certificates	82	84	1	1.8%
Library fines	27	0	(27)	(100.0%)
Election fines	7	70	63	836.8%
Road Management Fees	3	3	-	0.0%
Total statutory fees and fines	4,258	4,345	87	2.1%

Statutory fees and fines relate mainly to fees and fines levied in accordance with legislation and include animal registrations, *Public Health and Wellbeing Act 2008* registrations and parking fines. Increases in statutory fees are made in accordance with legislative requirements.

Statutory fees and fines are projected to increase by \$87,000 compared to 2019-20. The effects of COVID-19 have reduced the 2019-20 forecast and the 2020-21 budget.

The main increases are expected in planning and building fees (\$128,000) and Council election fines (\$63,000). The main decreases are expected in infringements costs (\$81,000) and library fines, which will no longer be collected (\$27,000).

The COVID-19 Community Support Package included in the 2020-21 budget provides for a decrease in parking infringement collections (\$220,000) and town planning fees (\$177,000).

Other adjustments as a result of COVID-19 include an expected reduction in demand for building fees (\$56,000) and town planning applications (\$33,000).

A detailed listing of fees and charges is attached as an appendix.

4.1.3 User fees

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000	Change	
			\$'000	%
Aged and health services	548	331	(216)	(39.5%)
Parking	728	642	(86)	(11.8%)
Child care/children's programs	96	61	(35)	(36.5%)
Recreation	119	91	(28)	(23.4%)
Other fees and charges	803	582	(221)	(27.5%)
Registration and other permits	118	127	8	6.9%
Building services	321	307	(14)	(4.2%)
Roads and drains	288	305	17	5.9%
Property revaluation fees	15	4	(11)	(73.6%)
Library	143	120	(23)	(16.4%)
Waste management services	0	68	68	100.0%
Total user fees	3,180	2,638	(541)	(17.0%)

User fees relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include use of leisure, entertainment and other community facilities and the provision of human services such as family day care and home help services.

User charges are projected to decrease by \$541,000 compared to 2019-20. The main factors are structural changes occurring within the disability and aged sector that are reducing community care service fees (\$165,000), the removal of Westgate Tunnel Project licence fees (\$50,000) and family day care administration levy fees (\$41,000).

The COVID-19 Community Support Package 3 includes reductions for food safety fees (\$595,000), extending the waiver of paid parking in Nelson Place until 31 December 2020, while customers of businesses located at Williamstown Beach will also be provided dedicated permits for free parking during this period (\$300,000), footpath trading permits (\$150,000), six month free rental of Council's casual hire facilities (\$65,000) and health premises registrations (\$63,000).

A detailed listing of fees and charges is attached as an appendix.

4.1.4 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 \$3.559 million (25 per cent) compared to 2019-20.

The main decreases when compared to the 2019-20 forecast are non-recurrent Commonwealth aged care funding (\$2.76 million) and non-recurrent State aged care funding (\$738,000). These are mostly as a result of grant funding now being transferred directly to Uniting Agewell.

State recurrent funding for youth services is budgeted to decrease (\$187,000) as school focused services are only budgeted for six months in 2020-21.

State non-recurrent funding for youth services is budgeted to decrease (\$160,000). Funding for Communities that Care will cease with the program to be funded by council going forward (\$70,000) and one-off funding was received in 2019-20 for the *Senior Participation Youth* (digital switch) program (\$75,000).

Increases are expected in recurrent Commonwealth funding for financial assistance grants (\$177,000) and children's services with new funding to be received for Preschool Access & Support (\$70,000).

Recurrent state funding for infrastructure comprises funding for the West Gate Tunnel projects (\$400,000) and level crossing removal project (\$200,000), consistent with the prior year. New recurrent funding will be received for Strategic Projects relating to the West Gate Tunnel (\$360,000).

Capital grants include all monies received from State, Federal and community sources for the purposes of funding the capital works program.

The budget for 2020-21 includes non-recurrent capital grant funding of \$11.132 million, an expected increase of \$5.03 million compared to 2019-20. The most significant increases relate to recreation leisure and community (\$2.13 million), buildings (\$2.937) and roads (\$1.218 million).

Recurrent capital grant funding in relation to the Roads to Recovery program (\$380,000) is consistent with the previous year.

A list of operating and capital grants by type and source, classified into recurrent and non-recurrent, is included on the next page.

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000	Change \$'000 %	
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	8,514	5,984	(2,530)	(29.7%)
State funded grants	5,459	4,430	(1,029)	(18.9%)
Total grants received	13,973	10,413	(3,559)	(25.5%)
(a) Operating Grants				
Recurrent - Commonwealth Government				
Aged care	2,662	2,643	(19)	(0.7%)
Family, youth and children services	272	342	70	25.7%
Food Services	4	3	(1)	(8.6%)
Financial assistance grants	2,818	2,995	177	6.3%
Recurrent - State Government				
Aged care	238	248	10	4.1%
Beach cleaning	105	105	-	0.0%
School crossing supervisors	327	330	3	0.8%
Libraries	644	645	1	0.2%
Family, youth and children services	372	185	(187)	(50.3%)
Infrastructure	807	960	153	19.0%
Maternal and child health	1,013	1,016	3	0.3%
Food services	4	4	-	(7.9%)
Public health	108	108	-	0.0%
Other	489	451	(38)	(7.7%)
Total recurrent operating grants	9,864	10,037	173	1.8%
Non-recurrent - Commonwealth Government				
Aged care	2,758	-	(2,758)	(100.0%)
Non-recurrent - State Government				
Aged care	765	27	(738)	(96.5%)
Family, youth and children services	160	-	(160)	(100.0%)
Recreation	15	-	(15)	(100.0%)
Other	411	350	(61)	(14.9%)
Total non-recurrent operating grants	4,108	377	(3,732)	(90.8%)
Total operating grants	13,973	10,413	(3,559)	(25.5%)
(b) Capital Grants				
Recurrent - Commonwealth Government				
Roads to recovery	380	380	-	0.0%
Recurrent - State Government				
Total recurrent capital grants	380	380		0.0%
Non-recurrent - Commonwealth Government				
Non-recurrent - State Government				
Buildings	2,513	5,450	2,937	117%
Library Books	15	15	-	0.0%
Parks & Open Space	2,860	1,605	(1,255)	(43.9%)
Recreations, leisure and community facilities	220	2,350	2,130	968.2%
Roads	494	1,712	1,218	246.5%
Total non-recurrent capital grants	6,102	11,132	5,030	82.4%
Total capital grants	6,482	11,512	5,030	77.6%
Total Grants	20,455	21,925	1,470	7.2%

4.1.5 Contributions

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000	Change	
			\$'000	%
Monetary	3,060	3,614	554	18.10%
Non-Monetary	-	-	-	-
Total contributions	3,060	3,614	554	18.10%

Contributions relate to monies paid by developers in regard to public resort and recreation, drainage and car parking, in accordance with planning permits issued for property development. Other contributions are made by corporations and organisations for specific capital programs.

Contributions have been budgeted to increase by \$554,000 (18.1 per cent) mainly due to contributions expected to be received in relation to the Altona North Developer Contribution Plan - Precinct 15 (\$494,000) and open space contributions (\$223,000).

Reductions are expected for the Port Phillip Woollen Mill Developer Contribution Plan (\$141,000) and street tree planning contributions (\$22,000).

4.1.6 Other income

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000	Change	
			\$'000	%
Interest	1,462	600	(862)	(59.0%)
Investment property rental	2,195	2,407	212	9.6%
Other rent	353	203	(150)	42.5%
Total other income	4,011	3,211	(800)	(20.0%)

Other income relates mainly to property and other facilities rentals, as well as interest on investments.

Other income is expected to decrease by \$800,000 compared to 2019-20.

The most significant decrease is interest on investments due to an expected decrease in cash reserves and declining interest rates, which have been impacted by COVID-19 (\$862,000).

The COVID-19 Community Support Package 3 includes further relief for tenants of Council owned property (\$210,000), six month free rental of facilities such as the theatre, Town Hall and library (\$67,000), whilst summer sports ground rentals will also be waived (\$72,000).

Other rental income has also been reduced by \$155,000 due to a decreased demand and inability for Council to provide facilities as a result of COVID-19.

4.1.7 Employee costs

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000	Change	
			\$'000	%
Wages and salaries	45,400	47,739	(2,339)	(5.2%)
WorkCover	392	416	(24)	(6.2%)
Superannuation	4,126	4,340	(214)	(5.2%)
Casual Staff	2,031	906	1,126	55.4%
Redundancy	498	0	498	100.0%
Total employee costs	52,447	53,401	(954)	(1.8%)

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, rostered days off, etc. Employee costs are projected to increase by \$954,000 against the 2019-20 forecast.

Wages and salaries are expected to increase by \$2.339 million partly as a result of significant forecast reduction in 2019-20 to account for a hold placed on vacant roles and a reduction in overtime hours required as a result of COVID-19 (\$622,000).

New positions have been budgeted in relation to a Senior Business Analyst and Works Delivery Officer for the Civic Centre office transition, a Project Officer for the libraries technology hub, two Human Resources business support partners, an Information Technology GIS Officer, a Trees/Assets Enforcement Officer and an afternoon shift officer for Law Enforcement. There were recruitment delays for a number of these roles in 2019-20. Other increases relate to positions budgeted for a full year in 2020-21 where short term vacancies existed 2019-20.

The main saving relates to a reduction in agency staff across Council (\$1.126 million). These decreases include capital works & projects (\$310,000), the Recycling 2.0 project (\$266,000), planning, building and health services (\$198,000) and city services (\$109,000). Redundancy payments are also expected to decrease by \$495,000 as the organisational re-structure has been completed, whilst parental leave costs are also budgeted to decrease by \$171,000.

Additional savings as a result of COVID-19 have been included the first quarter of 2020-21 to account for delays with filling vacant roles and reduced overtime (\$129,000). These savings have been offset in part by an increase in employee costs for household waste collection services, with weekly drop off garbage event scheduled to run for six months as a result of COVID-19 (\$78,000).

4.1.8 Materials and services

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000	Change	
			\$'000	%
Building maintenance	4,870	4,827	43	0.9%
General maintenance	5,371	5,874	(503)	(9.4%)
Utilities	3,095	3,184	(89)	(2.9%)
Consultants	3,055	4,633	(1,578)	(51.6%)
Information technology	1,825	2,133	(308)	(16.8%)
Insurance	1,005	1,147	(142)	(14.1%)
Environmental and waste management	10,049	11,412	(1,363)	(13.6%)
Community care	5,178	1,550	3,627	70.1%
Road maintenance	5,088	5,143	(55)	(1.1%)
Arts, culture and community	3,199	3,453	(254)	(7.9%)
Parking and local laws	1,295	1,294	1	0.0%
Other	4,376	4,724	(348)	(8.0%)
Total materials and services	48,405	49,373	(968)	(2.0%)

Materials and services include the purchases of consumables and payments to contractors for the provision of services and utility costs. Overall, materials and services are expected to increase by \$968,000 (2 per cent per cent) compared to the 2019-20 forecast.

The most significant increases are the new waste management system implementation (\$1.363 million) and statutory requirements for election management (\$510,000).

The COVID-19 Community Support Package 3 includes additional community grants for COVID-19 recovery (\$500,000), the 'Hobsons Bay has Heart' business precinct support campaign (\$250,000), neighbourhood celebration program (\$100,000) and the integrated sports recovery plan (\$80,000).

The above additional expenditure is not expected to continue into future years.

General maintenance costs have increased for the new Urban Forest project which will commence in 2020-21 to improve the tree canopy cover of the municipality (\$600,000).

The most significant decrease expected is the sub-contracting arrangement for community care services which will not continue in 2020-21 as the Government will directly fund Uniting Agewell (\$3.627 million).

Other significant decreases relate to a reduction in the Youth Services grant funded programs, which have been budgeted to run for only part of the year (\$132,000) and libraries - mostly due to set up costs incurred in 2019-20 for the technology hub (\$121,000).

4.1.9 Depreciation

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000	Change \$'000 %	
Property	3,276	3,358	(82)	(2.5%)
Plant & equipment	2,424	2,485	(61)	(2.5%)
Infrastructure	13,788	14,133	(345)	(2.5%)
Total depreciation	19,488	19,975	(487)	(2.5%)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment, including infrastructure assets such as roads and drains. The budgeted increase (\$487,000) is mainly due to asset purchases through the capital works program during 2019-20. The increase does not take into account revaluations that may occur towards the end of the 2019-20 financial year.

4.1.10 Other expenses

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000	Change \$'000 %	
Auditors remuneration – VAGO	65	66	(1)	(1.5%)
Auditors remuneration - Internal	110	110	0	0.0%
Councillors' allowances	258	261	(4)	(1.5%)
Operating lease rentals	995	909	86	8.7%
Total other expenses	1,428	1,346	82	5.7%

Other expenses relate to a range of unclassified items including leases, rentals, audit fees and councillors' allowances. Other expenses are projected to decrease by \$82,000 compared to 2019-20 mainly due to reduction in fleet leasing costs (\$195,000).

This is offset by an expected increase in information technology telecommunication rentals (\$109,000).

4.2 Balance Sheet

4.2.1 Assets

Assets are expected to increase by \$26.264 million during 2020-21 mainly due to an anticipated increase in Council owned property plant and equipment. These assets represents the largest component of Council's worth and include the value of all the land, buildings, roads, vehicles, equipment, etc. which has been built up by Council over many years. The increase is largely attributable to the net result of the capital works program (\$67.866 million) offset against asset depreciation throughout the year (\$19.975 million).

Cash and investments are budgeted to decrease by \$21.556 million during 2020-21. The decrease in cash is consistent with the significant capital works investment, which is partially funded by the infrastructure and recreation reserves.

The value of all other assets is predicted to remain reasonably consistent throughout 2020-21.

4.2.2 Liabilities

Liabilities are expected to increase by \$964,000 during 2020-21.

Employee leave provisions include accrued long service leave, annual leave and rostered days off owing to employees. Employee entitlements are only expected to increase marginally (\$476,000) due to active management of leave entitlements, despite factoring in an increase for enterprise agreement outcomes.

Trade and other payables are those to whom Council owes money as at 30 June and are budgeted to increase slightly over the previous year (\$305,000).

There is not expected to be any changes to interest-bearing loans and borrowings as no additional borrowings or principal repayments are projected in 2020-21.

4.2.3 Borrowings

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

	2019/20	2020/21
	\$	\$
Amount borrowed as at 30 June of the prior year	14,200,000	14,200,000
Amount projected to be borrowed	-	-
Amount projected to be redeemed	-	-
Amount of borrowings as at 30 June	14,200,000	14,200,000

4.3 Statement of changes in Equity

4.3.1 Reserves

Reserve balances are expected to decrease by \$19.441 million, with \$26.095 million transferred from and \$6.655 million transferred to the reserves during 2020-21.

Transfers to fund capital works include transfers from the infrastructure (\$13.425 million) and the recreation and open space (\$8.047 million) reserves. Transfers to fund operational expenditure include transfers from the Victorian Grants Commission reserve - received in advance (\$1.438 million), the waste reserve (\$3.253 million) and the street tree planting reserve (\$99,000).

Transfers to fund future programs include transfers to the Victorian Grants Commission reserve - received in advance (\$1.516 million) and the loan repayment reserve (\$1.525 million). Other transfers to reserves are expected to be made equivalent to income received from developers for the recreation and open space reserve (\$3 million), street tree planting reserve (\$70,000), the Altona North Developer Contribution Plan - Precinct 15 (\$494,000) and the Port Phillip Woollen Mills Developer Contribution Plan (\$50,000).

4.3.2 Equity

Total equity is expected to increase by \$25.3 million during 2020-21, which reflects the operating surplus for the financial year.

Equity always equals net assets and is made up of the following components:

- asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations
- other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council to be separately disclosed
- accumulated surplus which is the value of all net assets less reserves that have accumulated over time

4.4 Statement of Cash Flows

4.4.1 Net cash flows provided by/ (used in) operating activities

Operating activities refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt.

Cash flows available from operating activities in 2020-21 is expected to increase by \$1.729 million from the previous year. The increase is mainly a result of a budgeted:

- increase in rates to be received (\$2.997 million)
- increase in grants (\$1.47 million)
- decrease in income to be received – outside of rates and grants (\$2.856 million)

Net cash flows from operating activities does not equal the surplus for the year as the expected revenues and expenses of the Council include non-cash items, which have been excluded from the Cash Flow Statement. The budgeted operating result is reconciled to budgeted cash flows available from operating activities as set out in the following table:

	Forecast Actual 2019-20 \$'000	Budget 2020-21 \$'000	Variance \$'000
Surplus (deficit) for the year	24,193	25,300	1,107
Depreciation	19,488	19,975	487
Loss (gain) on disposal of property, infrastructure, plant and equipment	(374)	(50)	324
Net movement in current assets and liabilities	1,700	1,511	(189)
Cash flows available from operating activities	45,008	46,736	1,729

4.4.2 Net cash flows provided by/ (used in) investing activities

Investing activities refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and equipment.

The increase in payments for investing activities of \$7.254 million generally represents the increase in capital works expenditure when compared to the prior year (\$3.831 million), increase in investment payments (\$3 million) and a decrease in proceeds from sale of assets (\$424,000).

4.4.3 Net cash flows provided by/ (used in) financing activities

Financing activities refers to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities also include repayment of the principal component of loan repayments for the year.

No loan borrowings or principal repayments are projected in 2020-21 and finance charges are projected to be \$626,000. This is (generally) consistent with 2019-20 as finance costs relate to fixed interest on existing \$14.2 million loans.

4.5 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2020/21 year, classified by expenditure type and funding source. Works are also disclosed as current budget or carried forward from prior year.

4.5.1 Summary

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000	Change \$'000	%
Property	21,994	29,958	7,964	36.21%
Plant and equipment	4,463	4,295	(168)	(3.76%)
Infrastructure	37,579	33,613	(3,966)	(10.55%)
Total	64,036	67,866	3,831	5.98%

Property (\$29.958 million)

Property includes land, buildings including heritage buildings, community facilities, municipal offices, sports facilities and pavilions.

For the 2020-21 year, \$29.025 million will be expended on building and building improvement projects. The more significant projects include the Altona Sports Centre extension (\$7 million), Altona Civic Centre, Customer Service and Community meeting space (\$3.525 million), H.D. graham Reserve sports facility (\$3.250 million), J.T. Gray reserve pavilion (\$3.13 million), W.L.J. Crofts reserve pavilion (\$2.775 million), Don McLean reserve pavilion (\$2.4 million), Digman reserve pavilion (\$2.22 million), Solar program (\$1 million), Brooklyn Hall redevelopment (\$775,000) and the Altona North Bowling Club pavilion (\$315,000).

Plant and equipment (\$4.295 million)

Plant and equipment includes plant, machinery and equipment, computers and telecommunications, furniture, fixtures, fittings and library books.

For the 2020-21 year, \$4.295 million will be expended on plant and equipment. The more significant projects include replacement of the plant and vehicle fleet (\$1.37 million), library materials (\$930,000), upgrade and replacement of information technology (\$815,000), Electric fleet vehicles (\$230,000) and the library IT equipment and management system upgrade (\$50,000).

Infrastructure (\$33.613 million)

Infrastructure includes roads, bridges, footpaths and cycleways, drainage, recreation, leisure and community facilities, parks, open space and streetscapes, off street car parks and other infrastructure.

For the 2020-21 year, \$13.265 million will be expended on road projects. This includes the road rehabilitation program (\$2 million) and the more significant projects include Mason Street Altona North (\$1.315 million), Hall Street Spotswood (\$1.3 million), Truman Street South Kingsville (\$930,000), Alma Avenue Altona Meadows traffic calming (\$840,000), Ajax Road Altona (\$680,000), Anzac Crescent Williamstown (\$650,000), Pinnacle Road Altona North (\$550,000), Rennie Street Williamstown (\$477,000), Blenheim Road Altona North (\$430,000) and Bayview St. Williamstown(\$430,000).

Footpaths and cycleways expenditure of \$1.515 million includes the footpath renewal program (\$1.07 million), Gloucester Reserve Williamstown (\$120,000), McArthurs Road Altona North (\$100,000) and Langshaws Reserve (\$75,000).

Drainage expenditure of \$2 million includes the drainage renewal program (\$1.03 million), drainage new and upgrade at Central Avenue, Altona Meadows (\$530,000) and pit upgrades at the Bay Trail Williamstown (\$175,000) and Riverside Park Spotswood (\$175,000).

Parks, open space and streetscapes expenditure of \$7.883 million includes Seaholme foreshore upgrade (\$1.755 million), Paine Reserve Newport (\$1.6 million), Dennis Reserve (\$945,000), Blenheim Road, Altona North Community park and public toilet (\$800,000) and Frank Gibson reserve Laverton (\$365,000).

Recreational, leisure and community facilities expenditure of \$8.07 million includes Williamstown Cricket ground (\$2.2 million), Croft Reserve sportsground and floodlighting (\$1.77 million) Altona tennis court fencing and pavilion renewal (\$1.26 million), Court renewal program (\$730,000) and Sports ground floodlighting (\$485,000).

Carried forward works

At the end of each financial year there are projects which are either incomplete or yet to commence due to various factors including planning issues, weather delays and extended consultation periods. For the 2019-20 year it is currently forecast that there will be \$1.303 million carried forward capital works into the 2020-21 year. The final carryover figure will be determined after the year end accounts are finalised.

	Project Cost \$'000	Asset expenditure types			Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
Property	29,958	8,855	2,095	19,008	7,355	-	22,603	-
Plant and equipment	4,295	60	3,905	330	15	-	4,280	-
Infrastructure	33,613	3,100	15,023	15,490	4,142	-	29,471	-
Total	67,866	12,015	21,023	34,828	11,512	-	56,354	-

New assets (\$12.015 million), asset renewals (\$21.023 million) and asset upgrades (\$34.828 million)

A distinction is made between expenditure on new assets, asset renewal and asset upgrade. Expenditure on asset renewal is expenditure on existing assets, or the replacement of an existing asset that returns the service of the asset to its original capacity. Expenditure on asset upgrades results in an increase in the capacity of an existing asset. Expenditure on new assets does not have any element of renewal or upgrade of existing assets but will result in additional obligations for future operation, maintenance and capital renewal.

The major projects included in expenditure on new assets are the H.D. Graham Reserve sports facility (\$ 3.25 million), J.T. Gray reserve pavilion (\$3.13 million), Digman reserve pavilion (\$2.22 million), Dennis reserve (\$945,000), Blenheim Road Altona North community park and public toilet (\$800,000) and the Tatman reserve Altona Meadows public toilet (\$220,000).

Significant renewal projects include the road resurfacing program (\$2 million), vehicle and plant replacement program (\$1.37 million), Hall Street Spotswood (\$1.30 million), Altona Tennis court pavilion renewal (\$1.26 million), , open space enhancement and access for Donald McLean reserve (\$1.14 million), W.L.J. Crofts reserve (\$1.1 million), Footpath renewal program (\$1.07 million), drainage renewal program (\$1.03 million), Library collections (\$930,000) and ICT program (\$805,000).

The major projects in the asset upgrade program include the Altona Sports centre extension (\$7 million), Altona Civic Centre, Customer Service and Community meeting space (\$3.525 million), Croft reserve Altona North (\$2.775 million), Williamstown cricket ground facility upgrade (\$2.2 million), open space enhancement and access for Donald McLean reserve (\$2.4 million), Mason Street Newport (\$1.315 million), W.L.J. Crofts reserve (\$1.77 million), Seaholme foreshore upgrade (\$1.755 million), Paine Reserve Newport (\$ 1.6 million), Solar program (\$1 million) and Brooklyn Hall development (\$775,000).

4.5.2 Current Budget

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
PROPERTY								
Buildings								
Altona Sports Centre Extension	7,000	-	-	7,000	3480	-	3,520	-
Digman Reserve, Pavilion, Landscaping & Central Car Park	2,220	2,200	20	-	0	-	2,220	-
HD Graham Reserve, Altona Meadows Sport Facility Development	3,250	3,250	-	-	300	-	2,950	-
JT Gray Reserve Pavilion, Williamstown North	3,130	3,130	-	-	825	-	2,305	-
The Circle Shopping Centre, Altona North Public Toilet - Investigation & Design	55	55	-	-	0	-	55	-
Tatman Reserve, Altona Meadows Public Toilet Design & Construction	220	220	-	-	0	-	220	-
Early Years - three year old expansion program - Areas Altona North, Newport West and Spotswood	100	-	100	-	0	-	100	-
South Kingsville Community Centre & Carpark Renewal	200	-	200	-	200	-	0	-
Building Renewal Program - Minor Renewals	350	-	350	-	-	-	350	-
Maternal & Child Health (MCH) Building Renewal Package (9 Sites)	740	-	740	-	-	-	740	-
Refurbishment of Altona Life Saving Club Tower	80	-	80	-	-	-	80	-
Williamstown Town Hall - New Theatre / Staging Mechanical Systems	110	-	110	-	-	-	110	-
Altona Theatre - New Theatre / Staging Mechanical Systems	145	-	145	-	-	-	145	-

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
Williamstown Town Hall - New Integrated Sound System	255	-	255	-	-	-	255	-
HC Kim Reserve, Altona - New Pavilion, Female Friendly Change Rooms & Car Park Upgrades (Community Submission)	55	-	-	55	-	-	55	-
Williamstown Mechanics Institute Refurbishment	55	-	55	-	-	-	55	-
Civic Centre Customer Service & Community Meeting Space Project	3,525	-	-	3525	-	-	3,525	-
Altona North Bowling Club Pavilion & Car Park Upgrade	315	-	-	315	-	-	315	-
Bryan Martyn Oval - Renewal, Female Friendly and Building Renewal	35	-	-	35	-	-	35	-
Demolition of Altona Swim Club Building	55	-	-	55	-	-	55	-
Demolition of former Victorian Deaf Anglers Club Buildings, Williamstown	85	-	-	85	-	-	85	-
Croft Reserve, Altona North - Pavilion, Car park & Cricket Practice Nets	2,775	-	-	2,775	380	-	2,395	-
Solar Program	1,000	-	-	1,000	0	-	1,000	-
Brooklyn Hall Redevelopment	775	-	-	775	325	-	450	-
Open Space Enhancement and Access Package Don McLean Reserve, Spotswood	2,400	-	-	2,400	375	-	2,025	-
Heritage Buildings								
Tide Gauge House, Williamstown Conservation and Restoration	40	-	40	-	-	-	40	-
Heritage Roof for Under Keeper's Quarters, Truganina Reserve	55	-	-	55	-	-	55	-
TOTAL PROPERTY	29,025	8,855	2,095	18,075	5,885	0	23,140	0

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000

PLANT AND EQUIPMENT

Plant, Machinery and Equipment

Vehicle & plant replacement program	1,370	-	1,370	-	-	-	1,370	-
Purchase of leased vehicles	690	-	690	-	-	-	690	-
Install new EV charging stations	100	-	-	100	-	-	100	-
Electric vehicles – fleet	230	-	-	230	-	-	230	-

Heritage, Plant and Equipment

Armstrong Cannon Conservation, Williamstown	10	-	10	-	-	-	10	-
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Fixtures, Fittings and Furniture

Library furniture/fitout & minor works	100	-	100	-	-	-	100	-
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Computers and Telecommunications

ICT strategy and infrastructure	815	10	805	-	-	-	815	-
Library management system upgrade	50	50	-	-	-	-	50	-

Library books

Library collections	930	-	930	-	15	-	915	-
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TOTAL PLANT AND EQUIPMENT	4,295	60	3,905	330	15	-	4,280	-
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Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
INFRASTRUCTURE								
Roads								
Bayview Street Williamstown, Rehabilitation & Car Parking	430	-	430	-	-	-	430	-
Replace the derelict fencing between Thames Place and the Williamstown trainline	350	-	350	-	-	-	350	-
Laneway rear of Woods Street, Laverton, from Woods Street to Thomas Street	200	-	200	-	-	-	200	-
Laneway at rear of Russell Place, Williamstown, from Russell Place to Queen Street	400	-	400	-	-	-	400	-
Duke Street, Altona North, from Millers Road to McArthurs Road	420	-	420	-	-	-	420	-
Blenheim Road, Altona North, between Rosshire Road & Wood Street (Stage 1)	430	-	430	-	-	-	430	-
Rennie Street, Williamstown, between Stevedore Street and John Street	477	-	477	-	477	-	-	-
Pinnacle Rd, Altona North, from Ives Road to Stuber Road	550	-	550	-	-	-	550	-
Anzac Crescent, Williamstown from start to end	650	-	650	-	-	-	650	-
Ajax Road, Altona from west of No. 23-35 Ajax Road to end of court (Stage 1)	680	-	680	-	380	-	300	-
Truman Street, South Kingsville, between Blackshaw Road & Aloha Street	930	-	930	-	-	-	930	-
Hall Street, Spotswood between High Street & Burleigh Street	1,300	-	1,300	-	-	-	1,300	-

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
Road Resurfacing Program	2,000	-	2,000	-	-	-	2,000	-
Traffic Management Devices Renewal Program	110	-	110	-	-	-	110	-
Laverton Better Places Implementation	270	-	-	270	-	-	270	-
Altona Better Places Pier Street Stage 4 and Weaver Reserve	610	-	-	610	-	-	610	-
Marion Street, Altona North Blackspot Funding	173	-	-	173	155	-	18	-
Mason Street, Altona North Blackspot Funding	1,315	-	-	1,315	1,080	-	235	-
Alma Avenue, Altona Meadows - Traffic Calming Works	840	-	-	840	-	-	840	-
Seabrook LAMP implementation	390	-	-	390	-	-	390	-
Newham Way & Myers Parade - Upgrade lighting at cross intersection with traffic islands	3	-	-	3	-	-	3	-
33 Chirnside Crescent - Install light on power pole	4	-	-	4	-	-	4	-
Catherine Rd and Point Cook Rd - Add missing lights	4	-	-	4	-	-	4	-
Chirnside Crescent - Install light on power pole	4	-	-	4	-	-	4	-
Snowden Street - Increase street lighting	8	-	-	8	-	-	8	-
Ramson Court - Street light in front of the existing pole	16	-	-	16	-	-	16	-
Tyquin Street - Increase street lighting	26	-	-	26	-	-	26	-
Detailed Design - Unsealed Laneway Program	180	-	-	180	-	-	180	-
Laneway at rear of 91-92 Railway Crescent, Williamstown	235	-	-	235	-	-	235	-
McIntosh Road & Stapley Crescent, Altona North Traffic Islands	20	-	-	20	-	-	20	-
Market Street Pedestrian Crossing	20	-	-	20	-	-	20	-

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
McIntosh Road, Altona North Traffic Islands	20	-	-	20	-	-	20	-
Esplanade Raised Pedestrian Crossing, GH Ransom Reserve, Altona	25	-	-	25	-	-	25	-
Community Responsive Works	80	-	-	80	-	-	80	-
Maddox Road raised Pedestrian Crossing	95	-	-	95	-	-	95	-
Bridges								
Bridge renewal program	155	-	155	-	-	-	155	-
Footpaths and Cycleways								
Footpath Extensions - Queen of Peace School Footpath to Altona Sports Centre Carpark	50	50	-	-	-	-	50	-
McArthurs Road Altona North - Chambers Rd & Harris Reserve	100	100	-	-	-	-	100	-
Langshaw Reserve, Altona North - Open Space Upgrades	75	-	75	-	-	-	75	-
Footpath Renewal Program	1,070	-	1,070	-	-	-	1,070	-
Mason Street, Altona North Shared Trail Renewal	15	-	15	-	-	-	15	-
Truganina Park, Altona Meadows Shared Trail Renewal	15	-	15	-	-	-	15	-
Burgoyne Reserve, Williamstown Shared Trail Renewal	30	-	30	-	-	-	30	-
Commonwealth Reserve, Williamstown Shared Trail Renewal	40	-	40	-	-	-	40	-
Gloucester Reserve, Williamstown - Seawall & Footpath Renewal	120	-	-	120	-	-	120	-
Drainage								
Drainage Renewal Program	1,030	-	1,030	-	-	-	1,030	-

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
Drainage upgrade - Central Ave. Altona Meadows – Pt. Cook & Merton St.	530	-	-	530	-	-	530	-
Heavy duty pit upgrades	90	-	-	90	-	-	90	-
Gross Pollutant Trap – Bay trail J.T. Gray reserve to Ford.	175	175	-	-	-	-	175	-
Gross Pollutant Trap – Riverside park, Spotswood.	175	175	-	-	-	-	175	-
Recreational, Leisure & Community Facilities								
Future Western Aquatic Facility (Bruce Comben)	175	175	-	-	-	-	175	-
Altona Tennis Court, Fencing and Pavilion Renewal	1,260	-	1,260	-	-	-	1,260	-
Court Renewal Program (Tennis, Basketball, Netball)	730	-	665	65	250	-	480	-
Cricket Practice Nets Renewal Program - Future Design	20	-	20	-	-	-	20	-
JT Gray Reserve, Williamstown - Sports Ground Floodlighting	250	-	250	-	-	-	250	-
Newport Park Athletic Track Masterplan Implementation - Design	15	-	15	-	-	-	15	-
Recreation Infrastructure Renewal & Design	75	-	75	-	-	-	75	-
Greenwich Reserve, Newport - Pavilion Upgrade & Renewal, Pitch Irrigation, Car Park, Fencing, & Footpath Renewal Works	440	-	440	-	-	-	440	-
Laverton Water Park & Youth Facility, McCormack Park	240	-	-	240	-	-	240	-
R J Cooper Reserve, Altona North Half Court Installation	95	-	-	95	-	-	95	-
Croft Reserve - Sportsgrounds and floodlighting	1,770	-	-	1,770	1,600	-	170	-

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
Fearon Reserve, Williamstown - Lacrosse Barrier Net (Community Submission)	55	-	-	55	-	-	55	-
Sports Ground Floodlighting Program	485	-	36	449	200	-	285	-
Williamstown Cricket Ground Irrigation & Sportsground Upgrade	2,200	-	-	2200	-	-	2,200	-
Williamstown Cricket Ground - Practice facility upgrade (Community Submission)	260	-	-	260	-	-	260	-
Parks, Open Space and Streetscapes								
Altona Coastal Park - Boardwalk (protection of saltmarsh community)	105	105	-	-	-	-	105	-
Blenheim Road, Altona North Community Park & Public Toilet	800	800	-	-	-	-	800	-
Dennis Reserve, Williamstown - Open Space enhancements	945	910	35	-	-	-	945	-
J.J. Ginifer Reserve, Altona North - New Irrigation	40	40	-	-	-	-	40	-
Sandstone Point Reserve, Seabrook - New Irrigation	45	45	-	-	-	-	45	-
Frank Gibson Reserve, Laverton - New Irrigation	55	55	-	-	-	-	55	-
Bruce Comben Masterplan Development	175	175	-	-	-	-	175	-
Quarry Reserve Fencing	45	-	45	-	-	-	45	-
Long Reserve Fencing	50	-	50	-	-	-	50	-
Open Space Asset Renewal Program	300	-	300	-	-	-	300	-
Williamstown Botanic Gardens Master Plan Implementation	250	-	250	-	-	-	250	-
Biodiversity Rifle Range, Williamstown Wetlands Restoration	100	-	-	100	-	-	100	-
Biodiversity Strategy Implementation Works	200	-	-	200	-	-	200	-

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
Frank Gibson Reserve, Laverton Park & Play Space Upgrade	365	-	-	365	-	-	365	-
GH Ransom Reserve, Altona Shade Shelter & Child Safety Fencing Upgrade completion	55	-	-	55	-	-	55	-
MacLean Reserve, Williamstown - Full Park and Play Space Upgrade	100	-	-	100	-	-	100	-
HW Lee Reserve, Altona Park Upgrade	224	-	-	224	-	-	224	-
Paine Reserve, Newport Community Park Upgrade - Stage 2	1,600	-	-	1,600	-	-	1,600	-
Jetty Facilities & Access Ramp at Hatt Reserve - Feasibility & Concept Plan	30	-	-	30	-	-	30	-
Open Space Forward Design	150	-	-	150	-	-	150	-
Foreshore Future Design	20	-	-	20	-	-	20	-
Hatt and Cyril Curtain Reserve, Williamstown Rock Wall & Revetment	80	-	-	80	-	-	80	-
Burgoyne Reserve, The Strand Seawall Upgrade	174	-	-	174	-	-	174	-
Altona Beach Entry - Design	70	-	-	70	-	-	70	-
Seaholme Foreshore Upgrade Phase 2	1,755	-	-	1,755	-	-	1,755	-
WJ Irwin Reserve – inclusive play and picnic area – Design	20	-	-	20	-	-	20	-
G.J. Hosken Reserve Altona North upgrade	35	-	-	35	-	-	35	-
Langshaw Reserve, Altona North open space upgrade	95	-	5	90	-	-	95	-
Off Street Car Parks								
Car Park Renewal Program	15	-	15	-	-	-	15	-
Newport Park Athletics Track Car Park Lighting & Linemarking Upgrade	80	-	-	80	-	-	80	-
Detailed Design - Unsealed Car Park Upgrade Program	100	-	-	100	-	-	100	-

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
Other Infrastructure								
Cultural Heritage Interpretation Program	60	55	5	-	-	-	60	-
Gateway Public Art - Spotswood (Design)	50	50	-	-	-	-	50	-
Wayfinding Signage	50	50	-	-	-	-	50	-
TOTAL INFRASTRUCTURE	33,243	2,960	14,823	15,460	4,142	-	29,101	-
TOTAL CAPITAL WORKS	66,563	11,875	20,823	33,865	10,042	-	56,521	-

4.5.3 Works carried forward from the 2019/20 year

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
PROPERTY								
Buildings								
Fearon Reserve - Harsley pavilion	385	-	-	385	-	-	385	-
Digman Reserve - sports pavilion	300	-	-	300	-	-	300	-
Altona Yacht Club	60	-	-	60	-	-	60	-
Williamstown activity centre	188	-	-	188	-	-	188	-
TOTAL PROPERTY	933	-	-	933	-	-	933	-
INFRASTRUCTURE								
Roads								
Truman Street South Kingsville	200	-	200	-	-	-	200	-
Traffic management cnr. Maidstone & Esplanade	140	140	-	-	-	-	140	-
Parks, Open Space and Streetscapes								
Open space Brooklyn. Inc./ public toilet	100	-	-	100	-	-	100	-
Recreational, Leisure & Community Facilities								
Open space Brooklyn. Inc./ public toilet								
Truman Street South Kingsville	(70)	-	-	(70)	-	-	(70)	-
TOTAL INFRASTRUCTURE	370	140	200	30	-	-	370	-
GRANTS CARRIED FORWARD FROM 2019/20	-	-	-	-	1,470	-	(1,470)	-
TOTAL WORKS CARRIED FORWARD FROM 2019/20	1,303	140	200	963	1,470	-	(167)	-

5. 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 2018/19	Forecast 2019/20	Budget 2020/21	Strategic Resource Plan Projections			Trend +/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	15.9%	12.9%	10.2%	16.6%	17.5%	18.2%	+
Liquidity									
Working Capital	Current assets / current liabilities	2	295.6%	241.1%	133.6%	110.2%	115.2%	126.1%	-
Unrestricted cash	Unrestricted cash / current liabilities	3	(58.1%)	(41.3%)	(24.8%)	(24.7%)	(32.0%)	(40.6%)	-
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	13.2%	12.7%	12.4%	4.2%	4.1%	4.0%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		0.6%	0.6%	0.5%	8.1%	0.2%	0.2%	o
Indebtedness	Non-current liabilities / own source revenue		12.1%	12.2%	4.7%	4.4%	4.3%	4.2%	o
Asset renewal	Asset renewal expenses / Asset depreciation	5	123.5%	115.3%	105.2%	109.3%	105.3%	117.0%	o
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	6	76.4%	79.2%	82.3%	81.0%	80.1%	79.3%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	o

Indicator	Measure	Notes	Actual 2018/19	Forecast 2019/20	Budget 2020/21	Strategic Resource Plan Projections			Trend +/-
						2021/22	2022/23	2023/24	
Efficiency									
Expenditure level	Total expenses/ no. of property assessments		\$2,828.70	\$2,879.39	\$2,913.46	\$2,821.28	\$2,889.50	\$2,963.38	o
Revenue level	Residential rate revenue / no. of residential property assessments		\$1,935.15	\$1,928.77	\$1,950.62	\$1,978.80	\$2,007.46	\$2,036.58	-

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**

An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Improvement in financial performance are expected over the period.

2. **Working Capital**

The proportion of current liabilities represented by current assets. Working capital is forecast to decrease in 2021-22 as cash reserves decrease to repay principal on loans. The trend in later years outside of the strategic resource plan is that this ratio will be reduced but within acceptable levels.

3. **Unrestricted Cash**

The negative percentage is calculated in accordance with the definition of unrestricted cash within Section 3 of the Regulations and therefore excludes other financial investments. When financial investments are included positive percentages are calculated.

4. **Debt compared to rates**

Trend indicates Council's reducing reliance on debt against its annual rate revenue through redemption of long term debt.

5. **Asset renewal**

This percentage indicates the extent of Council's renewal of assets against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.

6. **Rates concentration**

Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council will continue to become more reliant on rate revenue compared to all other revenue sources.

6. Fees and charges

Fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the year are attached as an appendix to the Budget 2020-21.