



## **Hobsons Bay City Council Proposed Budget Report: 2021-22**

Local Government Victoria

## Contents

Introduction .....	2
Supporting our community through the COVID recovery .....	5
Executive Summary.....	7
1. Link to the Council Plan.....	11
2. Services and service performance indicators.....	13
3. Financial statements .....	27
4. Notes to the financial statements.....	37
5. Financial performance indicators .....	72
6. Fees and charges .....	75
7. Detailed Capital works program (current budget).....	106

## Introduction

The Proposed Annual Budget 2021-22 is a COVID response budget and responds to the community's needs with \$2 million in COVID recovery programs, ongoing rate and financial hardship relief, a strong capital works program, and funding for over 100 vital community services.

Council's \$63.491 million Capital Works Program invests in new infrastructure across Hobsons Bay and provides much needed jobs for our community and local suppliers.

This is the first Proposed Annual Budget for the new Council term. It is a financially responsible budget that ensures funding for current commitments, while also laying a strong foundation for Council to deliver on its future commitments, including the Ten-Year Capital Works Program. Importantly, it provides relief through Council's new \$2 million Community Support Package to community members most affected by the COVID-19 pandemic.

The package includes \$1.35 million in targeted rate relief for those who need it most. This includes rate relief (\$740,000), where the eligibility criteria and the size of rebates issued to ratepayers will be developed in consultation with the community. It also includes interest-free rate deferrals (\$450,000) and rate waivers (\$160,000), which will be guided by Council's Financial Hardship Policy. Community support worth \$650,000 is also included with an evidence-based focus on business, young people, community grants and the arts. A Community Support Package Focus Group will assist Council in developing the package as part of the four-week proposed budget consultation. More information is provided on this in the next section.

Community consultation for the Proposed Annual Budget is an integral part of its development. The consultation process began in November and December 2020 with Council's 'Pitch Your Idea' program - inviting community members, local groups, and organisations, to submit their ideas about projects and programs across Hobsons Bay for Council's consideration.

In total, 86 submissions were received with many Pitch Your Ideas projects awarded funding, including upgrading Altona's streetscape into safe 'shared streets' (\$2.875 million), a full park and play space upgrade of the Henderson Street Reserve in Laverton (\$365,000), as part of Laverton Better Places, and a revamp of Newport's Pavey Reserve to be a 'destination playground' (\$1.025 million in a future budget) and Environmental initiatives have also been supported such as the promotion of cloth nappies (\$11,000), along with initiatives that champion community wellbeing including a social support program for older residents (\$5,000) and installing colourful imagery into Seabrook's parks (\$20,000).

Additionally, a number of community submissions have been slightly modified and will be delivered through Council's day to day operations, including a project that focusses on a love of reading across Hobsons Bay and a creative education program to enhance awareness of the impact of litter on the marine environment.

The budget also includes funding for a diverse range of core community services Council delivers, including the management of five libraries, three community centres, a Creative Technology Hub, waste collections, local business development and support, disability services, cultural and art events, children and youth services, meals on wheels, and immunisation services, to list only a small selection.

In addition to the vital community services, the Proposed Annual Budget contains a total capital spend of \$63.491 million. Highlights of the Capital Works Program include:

- buildings (\$24.675 million) – including sporting and recreational facilities (\$20.35 million), civic and community facilities (\$2.895 million), building renewal program (\$530,000) and environmental sustainability initiatives (\$900,000)
- recreation and open space (\$18.683 million) – including parks, open space and streetscapes (\$11.068 million), recreational, leisure and community facilities (\$7.410 million), off street carparks (\$145,000) and bridges (\$60,000)
- roads (\$13.043 million), drains (\$2.038 million), footpaths and cycleways (\$1.131 million)
- plant and equipment (\$3.297 million) – including scheduled replacement of Council's vehicle and plant fleets (\$1.637 million), library resources (\$1 million) and information technology (\$700,000)

The budget is predicted to have an operational surplus of \$27.38 million, which ensures Council remains financially viable. While this operational surplus reflects a healthy financial position, Council's cash and investment reserves are expected to decline by \$13.895 million during the year due to Council's large capital works commitment and COVID-19 support initiatives during 2021-22.

To keep delivering essential services, programs and infrastructure projects that benefit our community, general rates will increase by 1.5 per cent in line with the Victorian Government's rate capping policy. This will ensure our services, programs and capital works expenditure continue to improve and meet community expectations. It is important to recognise that this income allows Council to support the people of Hobsons Bay who have been heaviest hit by the effects of the COVID-19 pandemic. In fact, over 125 per cent of the general rate increase is delivered straight back to the community in the form of targeted relief for those who truly need help.

The 1.5 per cent rate increase is applied to the total amount collected from rateable properties across the city and is not applied equally to individual properties. This means that some ratepayers will pay less than 1.5 per cent and others will pay more, but overall, general rates won't exceed the (reduced) rate cap.

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.

Waste service charges are exempt from the rate cap and a ten per cent increase is planned for waste service charges. The increases do not cover the cost of providing the waste service as Council has decided to recoup its considerable investment in expanding its waste service in future years.

Rates and charges are one of Council's most important sources of income and are expected to account for an estimated 74 per cent of Council's revenue, with most of the funding being spent directly within the community, contributing to local economic growth and improving our infrastructure and services.

In addition, Councils are entrusted with the maintenance of more than 30 per cent 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.

Council remains committed to focussing on efficiencies, best practice and value for money for the Hobsons Bay community. Council also continues its advocacy work towards state and federal governments to identify future funding opportunities that will help deliver an ongoing high standard of services and infrastructure for local residents, workers and visitors. For example, Council has been strongly campaigning to the state government for a safe and accessible cyclist and pedestrian crossing over Laverton Creek that compliments the recently strengthened Queen Street bridge in Altona Meadows, which is a core state government responsibility. Council is advocating for a state \$1.5 million funding commitment so this crucial link in our local integrated transport network and important investment in community safety and accessibility can become a reality. Council remains hopeful that the state government will fund the project through their upcoming budget, and will continue to advocate for its delivery.

The Proposed Annual Budget 2021-22 will be placed on public exhibition for a four-week consultation period until 23 May 2021. Council invites community feedback on the Proposed Annual Budget 2021-22 through your submission on our online community engagement platform Participate Hobsons Bay at [participate.hobsonsbay.vic.gov.au](https://participate.hobsonsbay.vic.gov.au). Your feedback is valuable, and we encourage residents and businesses alike to have a say.

## Supporting our community through the COVID recovery

Council is committed to supporting the people of Hobsons Bay in the wake of the COVID-19 pandemic. People from all corners of the city were affected in different ways – so naturally the support that people need can look quite different.

To deliver truly responsive help to those most affected by the pandemic, Council has included a new \$2 million Community Support Package in the proposed budget. The experiences of the local community will be the main ingredient in building the way we deliver this critical relief. Council is drawing on the feedback of a soon-to-be-formed Community Support Package Focus Group to help develop the package and its components as part of the four-week proposed budget consultation.

Details will be available at <https://participate.hobsonsbay.vic.gov.au/> about how to get involved.

It is important to note that the Community Support Package is in addition to the delivery of Council's responsive operational programs that support a range of community groups such as older adults and young families.

### The \$2 million Community Support Package

The Community Support Package includes \$1.35 million in targeted rate relief for those who need it most. This includes:

- \$740,000 in rate relief (eligibility criteria and the size of rebates issued to ratepayers to be developed with the community)
- \$450,000 in interest-free rate deferrals
- \$160,000 in rate waivers (which will be guided by Council's Financial Hardship Policy)

The package also includes \$650,000 of support to groups in our community that we know, through recently targeted research, are facing a higher level of challenge resulting from the pandemic. In order to be meaningful, Council will work with the community to determine what this support could look like.

The groups and associated funding to deliver support are:

- \$200,000 for the business community
- \$200,000 for young people
- \$200,000 for community through the 'Make it Happen' Grants
- \$50,000 for the creative community.

### The Hobsons Bay business community

An allocation of \$200,000 has been identified for further target activities to support recovery efforts for local businesses hit hardest by the COVID-19 pandemic. The format will be developed in consultation with local businesses and community but may include initiatives such as targeted grants for business development activities, industry networking and showcasing opportunities.

### Young people of Hobsons Bay

One of the groups most economically disadvantaged as a result of COVID-19 are young people, whose employment opportunities have substantially decreased during the pandemic and in the recovery phase. An allocation of \$200,000 is included to fund activities focused on improving employment opportunities for Hobsons Bay's young people. This will support a range of activities such as youth employment programming, internships and skills / career development opportunities, and other initiatives that will help support them best.

### Making it Happen with grants funding

The community plays a pivotal role in helping contribute to recovery or reconnection in our community. The Make it Happen Hobsons Bay Recovery and Reconnection Grants program is

targeted at supporting community groups or organisations to 'make things happen' as we work through and respond to the impacts experienced in our city as a result of COVID-19. These grants will provide support to enable activities, projects, programs, events and resources across all sectors in all areas of Hobsons Bay.

### **A creative Hobsons Bay**

Hobsons Bay is well known for its creative city status, with a strong creative industry presence and a large number of arts and culture festivals, events, and venues. Clear evidence shows that creative industries are one of the hardest hit during the pandemic and continue to face challenging economic circumstances during the recovery period. During the lockdown, Council delivered a successful Art Apart grants initiative which funded a number of local artists to introduce digital and socially distanced physical interactive arts across the city – which was a very successful program. An allocation of \$50,000 is included in the proposed budget for a similar program targeting local artists and creatives during the economic recovery phase.

### **Getting involved**

Council invites the Hobsons Bay community from all areas, from all circumstances, to take part in the Community Support Package Focus Group to help develop a meaningful and responsive package. Details will be available at <https://participate.hobsonsbay.vic.gov.au/> about how to get involved.

## Executive Summary

Council has prepared a Budget for the 2021-22 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*.

Overall, operating expenditure budgeted for 2021-22 has decreased by 3.4 per cent from the 2020-21 forecast.

Over the coming years we will continue our work to ensure we continue to remain financially sustainable in a rate capped environment. 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.

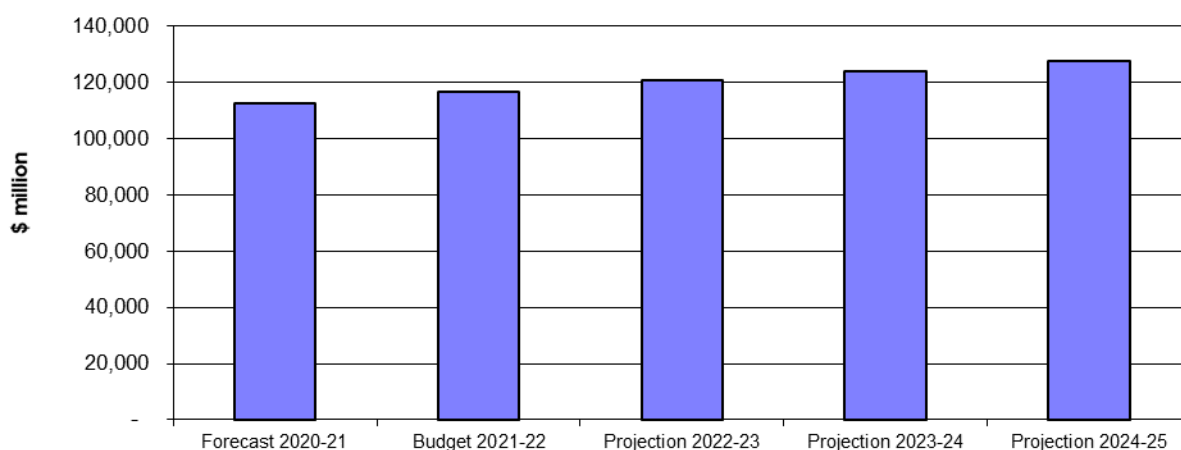
### Rates and charges

Total revenue from rates and charges is projected to be \$116.873 million, which incorporates an average rate increase of 1.5 per cent. This is in line with the new Fair Go Rates System (FGRS) which caps rates increases by Victorian councils to the forecast movement in the Consumer Price Index (CPI). Council has not elected to apply to the Essential Services Commission (ESC) for a variation.

As we move into COVID recovery, the one-off rate adjustment implemented in the 2020-21 financial year has been removed in the Proposed Annual Budget 2021-22. This has been replaced by targeted rate relief of \$1.35 million, which is part of Council's \$2 million COVID-19 Community Support Package in 2021-22. This includes \$740,000 relief, where the eligibility criteria and rebate size will be developed in consultation with the community, as well as interest free rate deferrals (\$450,000) and rate waivers via application through the Financial Hardship Policy (\$160,000).

Waste service charges have been increased by 10 per cent, although the charges for 2021-22 do not cover the cost of providing the waste service. 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).

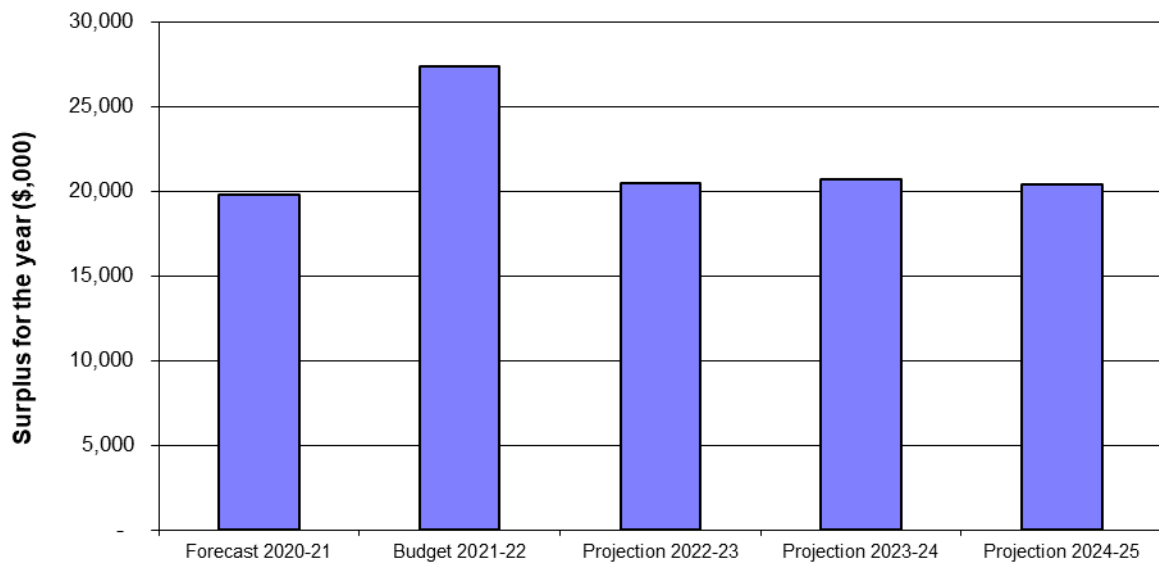
Rates will go towards funding the next COVID-19 Community Support Package, maintaining service levels, meeting the cost of changing external influences affecting the operating budget and supporting capital works necessary to address the asset renewal needs of the City.



It is important to note, the actual rate increases experienced by individual ratepayers may differ from the 1.5 per cent increase due to revaluations. Rate increases are impacted by the average rate increase and the property valuation increases (or decreases) of individual properties relative to the average across the municipality. If your property increased in value by more than the average for the municipality (0.32 per cent), your rates may increase by more than 1.5 per cent. If your property value increased by less than the 0.32 per cent average, your rates may increase by less than 1.5 per cent and may in fact reduce from the previous year.

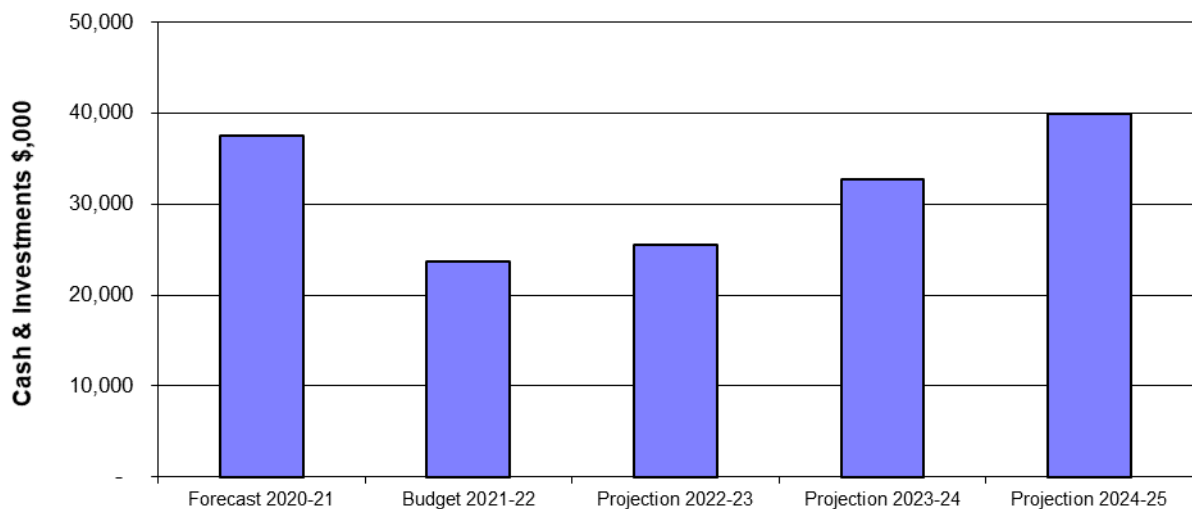


## Operating result



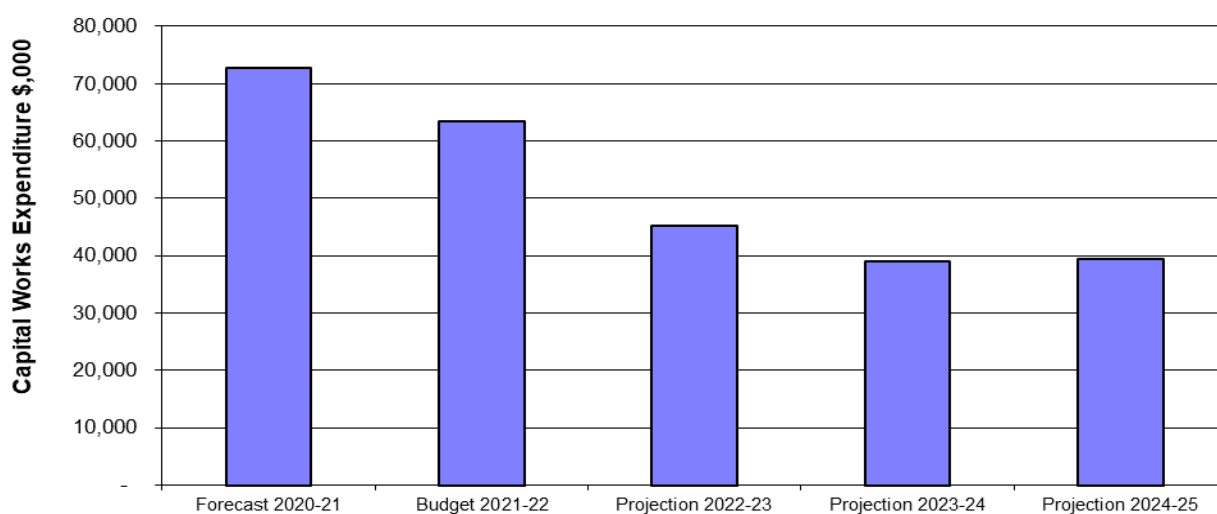
The expected operating result for the 2021-22 year is a surplus of \$27.38 million, an increase of \$7.608 million compared to the 2020-21 forecast.

## Cash and investments



Cash and investments are expected to decrease by \$13.895 million during the year to \$23.665 million as at 30 June 2022. The decrease in cash is consistent with the significant capital works investment and COVID-19 support initiatives during 2021-22. Cash has also been set aside to fund future commitments, including the loan repayment reserve. Cash and investments are forecast to be \$37.560 million as at 30 June 2021.

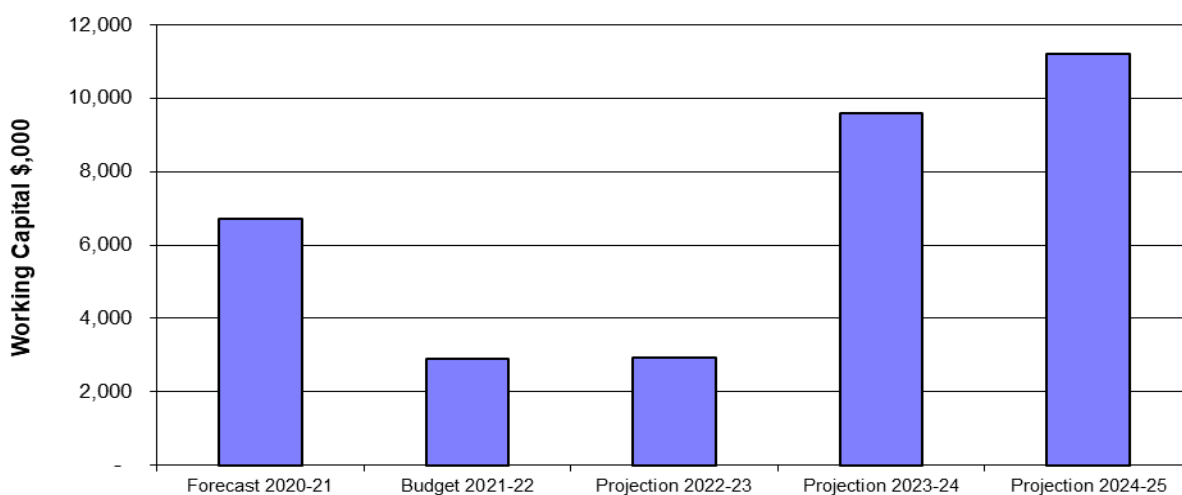
## Capital works



The capital works program for the 2021-22 year is expected to be \$63.491 million, after \$1.625 million worth of projects are completed early and bought forward into 2020-21. The bought forward component is also funded from the 2021-22 budget. Of the \$65.116 million capital funding required, \$13.879 million will come from external grants, \$11.134 million from reserves, \$7 million from loan borrowings 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 \$72.643 million in 2020-21.

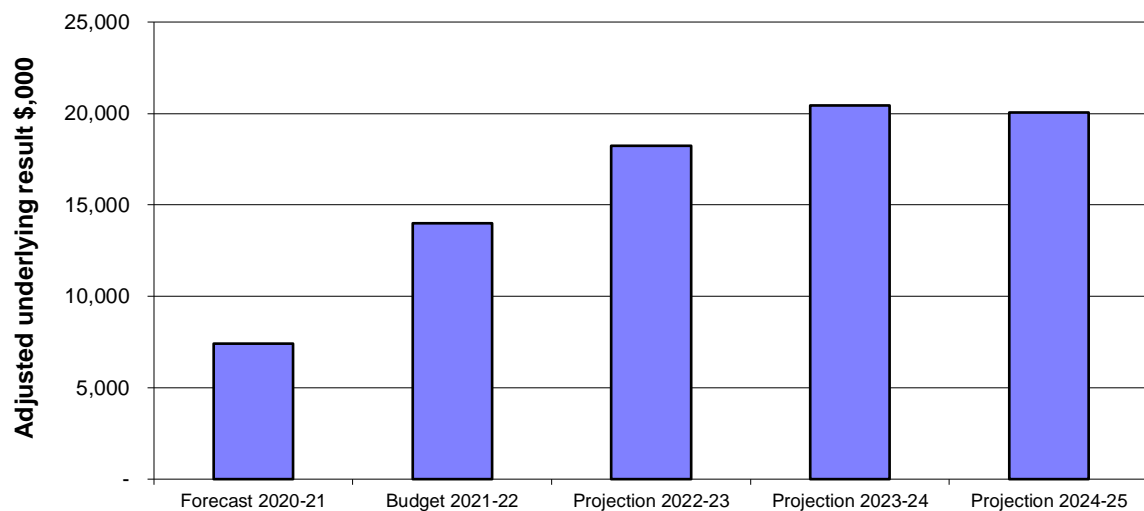
The asset renewal program of \$22.223 million in 2021-22 highlights the continued focus on the reduction of Council's asset renewal backlog.

## Financial position



The financial position is expected to improve in 2021-22 with net assets (net worth) to increase by \$27.38 million to \$1,341.797 million. Working capital is an indicator of council's ability to meet its financial obligations as and when they fall due (being current assets less current liabilities), is expected to decrease by \$3.805 million as at 30 June 2022, significantly impacted by the expected decline in cash reserves. Net assets are forecast to be \$1,314.417 million as at 30 June 2021.

## Financial sustainability



A budget has been prepared for the four year period ending 30 June 2025. The Budget is in turn set within the Financial Plan to assist Council to adopt a budget within a longer term financial framework. The key objective of the Financial Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives.

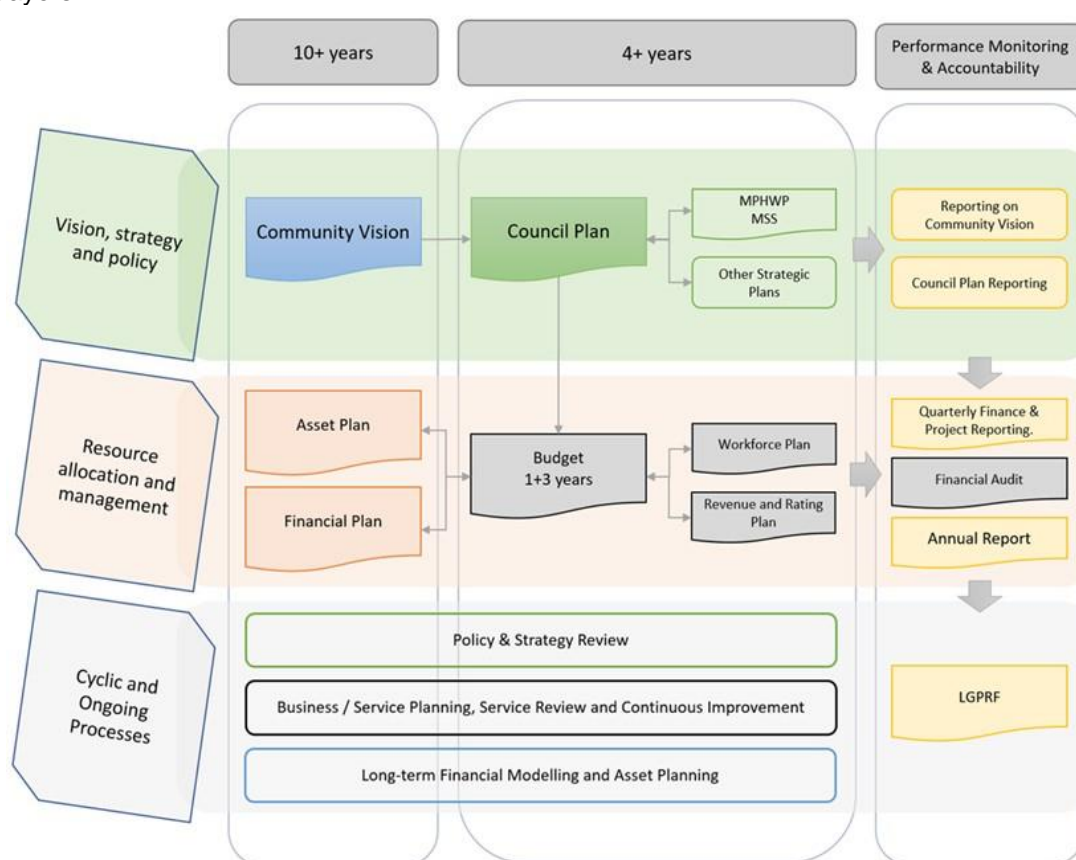
The adjusted underlying result, which is a measure of financial sustainability, shows improvements over the term of the Budget, even with rate increases capped at 1.5 per cent.

## 1. Link to the Council Plan

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

### 1.1 Legislative planning and accountability framework

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



Source: Department of Jobs, Precincts and Regions

The timing of each component of the integrated planning and reporting 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 can change. Therefore, councils need to have robust processes for service planning and review to ensure all services continue to provide value for money and are in line with community expectations. In doing so, councils should engage with communities to determine how to prioritise resources and balance service provision against other responsibilities such as asset maintenance and capital works.

Community consultation needs to be in line with Council's adopted Community Engagement Policy and Public Transparency Policy.

## 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*

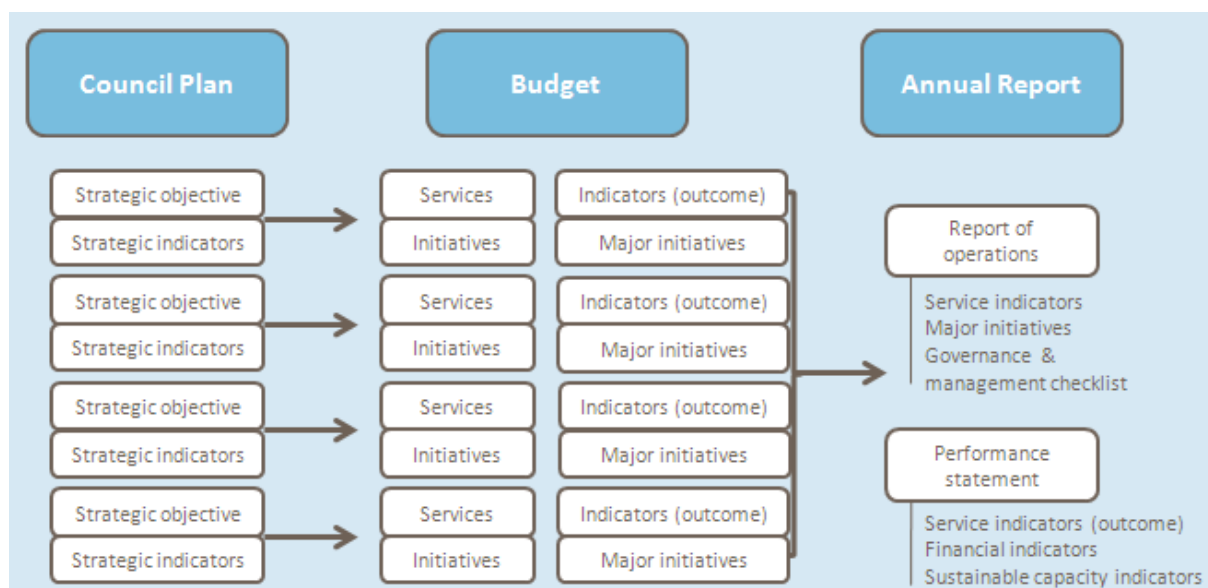
## 1.3 Strategic objectives

*Council delivers services and initiatives under 46 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 and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2021-22 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 Jobs, Precincts and Regions

## 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		2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Budget \$'000
Community Support	<i>Provides social support and activity options for older residents and respite for carers through centre-based activities, recreational and social events and outings as well as high quality in-home support services (directly and indirectly) and food services to frail older adults, younger people with disabilities and / their carers.</i>	Inc	6,408	3,683	3,377
		Exp	7,048	4,174	3,820
		Surplus/ (deficit)	(639)	(491)	(443)
Early Years	<i>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.</i>	Inc	441	391	363
		Exp	1,136	1,032	1,012
		Surplus/ (deficit)	(695)	(641)	(649)
Community Child Health	<i>Provides a universal primary health and immunisation service available to all Hobsons Bay families with children from birth to school age.</i>	Inc	1,173	1,245	1,323
		Exp	2,893	3,137	3,217
		Surplus/ (deficit)	(1,720)	(1,892)	(1,893)
Youth Services	<i>Provides 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.</i>	Inc	509	341	179
		Exp	1,413	1,482	1,400
		Surplus/ (deficit)	(904)	(1,141)	(1,221)

Service area	Description of services provided		2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Budget \$'000
Library and Community Centres	<i>Runs five library branches and two community centres which facilitate and guide access to information, lifelong learning, reading and recreation; inspiring, empowering and enriching the community through industry leading programs, innovative digital services and collections.</i>	Inc	1,065	880	1,012
		Exp	5,304	5,050	5,340
		Surplus/ (deficit)	(4,239)	(4,170)	(4,328)
Community Development	<i>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.</i>	Inc	38	43	30
		Exp	1,912	2,581	2,588
		Surplus/ (deficit)	(1,874)	(2,539)	(2,558)

## Major Initiatives

## Other Initiatives

## Service Performance Outcome Indicators\*\*

Service	Indicator	2019/20 Actual	2020/21 Forecast	2021/22 Budget
Maternal and Child Health	Participation			
	<i>Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)</i>	73%	60%	
	<i>Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)</i>	72%	57%	
Libraries	Participation	19%	15%	
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		2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Budget \$'000
<i>Risk, Audit and Emergency Management</i>	<i>Mitigates and reduces risk to Council's strategic and operational objectives, embeds good risk management practices in all decision making, ensures the assurance and transparency of decision making and good governance by effective audit processes, and ensures Council's capacity and capability to respond to and recover from emergency events that affect the business and community.</i>	Inc	-	-	-
		Exp	400	420	441
		Surplus/ (deficit)	(400)	(420)	(441)
<i>Community Safety and Compliance</i>	<i>Ensures that parking regulations are enforced, implements local laws, provides animal control service for residents, assists in the protection of the community from the threat of wildfire and ensures that all school crossings are staffed by school crossing supervisors.</i>	Inc	3,899	2,747	4,056
		Exp	4,124	3,928	4,126
		Surplus/ (deficit)	(225)	(1,181)	(71)
<i>Municipal Building Surveyor</i>	<i>Promotes the safety and compliance of buildings in Hobsons Bay by controlling building permits and carrying out mandated responsibilities in accordance with the relevant laws and regulations.</i>	Inc	413	510	503
		Exp	584	641	703
		Surplus/ (deficit)	(171)	(131)	(200)

Service area	Description of services provided		2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Budget \$'000
Public Health	Ensures the public health of the community by undertaking the responsibilities outlined in the relevant legislations. These include inspections of handling of food for sale, inspections of personal care and body art treatments, incidents and infectious disease outbreaks management, investigation of nuisance, investigation of pollution, control of the Tobacco Service Level Agreement, prevention of mosquito borne disease and advocacy role.	Inc	207	-	20
		Exp	951	935	982
		Surplus/ (deficit)	(745)	(954)	(384)
Economic Development and Social Planning	Fosters a vibrant, diverse and inclusive Hobsons Bay which supports equal opportunity for participation, and positive social and economic outcomes for businesses and all who live, work and play in Hobsons Bay by delivering high value projects that are evidence-based, collaborative, innovative and inclusive.	Inc	143	737	17
		Exp	1,282	2,544	2,247
		Surplus/ (deficit)	(1,138)	(1,807)	(2,229)
Events and Visitor Services	Provides opportunities for community celebration, encourages visitation and supports and promotes tourism development through a diverse and dispersed calendar of events and festivals. This also includes provision of information to residents, visitors, local businesses and tourism operators in visitor offerings, experiences and environment to promote the city and its attractions.	Inc	47	28	65
		Exp	925	1,080	802
		Surplus/ (deficit)	(878)	(1,052)	(737)
Venues	Manages Council-owned venues, coordination of functions and bookings, performing arts program, support to local theatre companies and heritage conservation management.	Inc	271	51	198
		Exp	695	657	806
		Surplus/ (deficit)	(424)	(606)	(608)
Arts and Culture	Provides visual arts, public art, cultural development, heritage, Indigenous culture, cultural collections, festival and events, arts spaces, policy strategy and development.	Inc	47	113	22
		Exp	1,189	1,362	1,272
		Surplus/ (deficit)	(1,142)	(1,249)	(1,249)

## Major Initiatives

### Other Initiatives

\*Continuing initiative from 2020-21

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

## Service Performance Outcome Indicators\*\*

Service	Indicator	2019/20 Actual	2020/21 Forecast	2010/22 Budget
Animal Management	Health and safety	94%	100%	
Food safety	Health and safety	82%	94%	

\*\*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		2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Budget \$'000
Environment and Sustainability	<i>Delivers municipal waste and recycling services to the Hobsons Bay community and develops and delivers waste, litter and sustainability policy, strategy, programs and events, as well as provides oversight on Council's response to climate change</i>	Inc	265	468	70
		Exp	12,269	14,108	14,000
		Surplus/ (deficit)	(12,004)	(13,639)	(13,930)
Strategic Planning	<i>Considers planning scheme amendments and develops policy that directs future land use outcomes within the municipality.</i>	Inc	-	353	73
		Exp	1,029	1,945	1,695
		Surplus/ (deficit)	(1,029)	(1,592)	(1,622)
Statutory Planning	<i>Assesses and provides advice and enforcement in relation to planning application approvals under the Hobsons Bay Planning Scheme and the related legislations.</i>	Inc	1,516	1,542	1,531
		Exp	3,433	3,683	3,762
		Surplus/ (deficit)	(1,917)	(2,141)	(2,231)

Service area	Description of services provided		2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Budget \$'000
Planning Operations	<i>Provides front end customer service with regards to planning issues, provides administrative support and systems and improvements support to the Planning, Building and Health Service areas.</i>	Inc	-	-	-
		Exp	328	214	188
		Surplus/ (deficit)	(328)	(214)	(188)
Planning Investigations	<i>Ensures compliance of development to planning and building requirements by conducting investigations and taking compliance and enforcement actions..</i>	Inc	29	46	46
		Exp	420	389	495
		Surplus/ (deficit)	(391)	(343)	(449)
City Amenity	<i>Manages the ongoing presentation of public and open space areas of the municipality which includes ensuring litter and waste in the public areas are appropriately captured and disposed of and public facilities such as public toilets, beaches, streets and footpaths are also kept clean and tidy.</i>	Inc	105	1,230	105
		Exp	4,406	5,357	4,286
		Surplus/ (deficit)	(4,301)	(4,127)	(4,181)
Parks, Gardens and Conservation	<i>Delivers a wide range of open space maintenance services across Council's network of parks, gardens, reserves, sports grounds, foreshore, wetlands and conservation assets to provide a high-quality passive and active open space for the community. This also includes the maintenance, management and enhancement of Williamstown Botanic Gardens, and maintenance of a healthy and resilient tree population.</i>	Inc	78	1,835	552
		Exp	10,606	12,849	11,444
		Surplus/ (deficit)	(10,528)	(11,014)	(10,891)
Works and Operations	<i>Provides infrastructure maintenance services including fleet maintenance (passenger and heavy vehicles, plant and equipment across the organisation), city maintenance (ensuring street and park furniture and signage are maintained to an appropriate standard) and home maintenance services to residents who qualify.</i>	Inc	2	3	3
		Exp	- 473	78	- 163
		Surplus/ (deficit)	476	(75)	166
Roads and Drainage	<i>Ensures roads, drainages and pathways are in safe and useable condition for all residents and visitors.</i>	Inc	1,048	1,019	1,045
		Exp	6,633	5,646	5,590
		Surplus/ (deficit)	(5,585)	(4,627)	(4,545)
Open Space and City Design	<i>Develops and leads the implementation of key open space and urban strategies and actions, including planning, costing, consulting and designing for the implementation of a 10 year capital works program for passive open space, and other public spaces including retail, streetscapes and other civic spaces..</i>	Inc	-	-	-
		Exp	934	1,111	1,043
		Surplus/ (deficit)	(934)	(1,111)	(1,043)

Service area	Description of services provided		2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Budget \$'000
Facilities Maintenance	<i>Ensures all Council buildings and facilities are maintained, cleaned and secured in accordance with both legislative requirements and residential expectations including sports clubs, community centres, activity halls, public toilets, kindergartens, corporate buildings and the operations centre.</i>	Inc	494	825	372
		Exp	7,504	7,371	6,507
		Surplus/ (deficit)	(7,010)	(6,545)	(6,135)
Capital Works	<i>Project manages the development, renewal and upgrade of community infrastructure.</i>	Inc	-	-	-
		Exp	436	173	165
		Surplus/ (deficit)	(436)	(173)	(165)
Engineering Services	<i>Provides a vast range of traffic and civil engineering services from community engagement, concept plans to final construction.</i>	Inc	155	485	155
		Exp	3,183	3,608	3,231
		Surplus/ (deficit)	(3,028)	(3,123)	(3,075)
Projects Management Office	<i>Supports the preparation of the forward capital program including the development of a detailed 5-year capital works program, plans and facilitates the capital works program budgeting process and delivers the assigned capital works projects.</i>	Inc	-	-	-
		Exp	435	428	523
		Surplus/ (deficit)	(435)	(428)	(523)
Assets	<i>Reviews, develops and implements asset management processes, policies and plans that support the ongoing delivery of Council's best practice asset management. This involves the planning and development of long-term asset renewal and maintenance programs, maintenance of the corporate asset management system, and the Road Management Plan defects inspection.</i>	Inc	-	-	-
		Exp	843	758	910
		Surplus/ (deficit)	(843)	(758)	(910)
Property and Insurance	<i>Administers Council's property portfolio, manages Council's insurance ensuring comprehensive insurance cover and manages claims against Council's insurance policies.</i>	Inc	2,144	2,073	2,526
		Exp	756	1,780	1,931
		Surplus/ (deficit)	1,387	293	595
Strategic Projects	<i>Leads and delivers the major capital program and Council's advocacy on the Victorian Government's infrastructure projects.</i>	Inc	517	968	650
		Exp	889	1,178	721
		Surplus/ (deficit)	(372)	(211)	(71)
Sport and Recreation	<i>Manages and optimises the use of Council's sport, recreation and community facilities and increases participation in sport and recreation.</i>	Inc	104	73	139
		Exp	1,142	1,814	1,017
		Surplus/ (deficit)	(1,038)	(1,741)	(879)

## Major Initiatives

### Other Initiatives

\*Continuing initiative from 2020-21

- 1) *Stage 2 of the Paine Reserve, Newport Community Park Upgrade. \**
- 2) *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. \**
- 3) *Open Space Enhancement and Access Package at WLJ Croft Reserve including redevelopment works to ovals 2 and 3 and installation of new sportsground floodlighting. \**
- 4) *The Solar Program includes the installation of solar systems on 43 identified Council sites. \**
- 5) *Implementation of the Digman Reserve Master Plan including building a new pavilion and play area and upgrading the playing fields, floodlighting and car park. \**
- 6) *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. \**

### Service Performance Outcome Indicators\*\*

Service	Indicator	2019/20 Actual	2020/21 Forecast	2021/22 Budget
Waste collection	Waste diversion	45%	59%	
Roads	Satisfaction	56	56	
Statutory Planning	Decision making	62%	14%	

\*\*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		2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Budget \$'000
Customer Service	<i>Represents Council in the provision of efficient, effective, responsive customer service via a range of customer preferred channels including in person, telephone, e-mail, webchat and Snap Send Solve application.</i>	Inc	-	-	-
		Exp	1,296	1,313	1,339
		Surplus/(deficit)	(1,296)	(1,313)	(1,339)
Strategic Communications	<i>Provides all communications and community relations advice, policy, protocol and delivery.</i>	Inc	-	-	-
		Exp	1,063	1,043	1,016
		Surplus/(deficit)	(1,063)	(1,043)	(1,016)
Community Engagement and Advocacy	<i>Ensures successful community engagement outcomes for Council programs and projects, as well as educates, supports and advises on a consistent, accountable and transparent community engagement practice.</i>	Inc	-	232	-
		Exp	391	766	561
		Surplus/(deficit)	(391)	(535)	(561)
Finance	<i>Provides external financial reporting for Council. Includes the audited annual financial report, payment of accounts and Council treasury functions. Also provides internal financial reporting. This includes reporting to Council and the Corporate Management Team, annual budget processes and maintenance of Council's general ledger.</i>	Inc	6	5	5
		Exp	1,041	1,040	1,055
		Surplus/(deficit)	(1,034)	(1,035)	(1,050)



Service area	Description of services provided		2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Budget \$'000
Revenue	<i>Oversees Council rates, ensuring that the correct rates are raised, and the charges are effectively collected.</i>	Inc	267	163	273
		Exp	937	961	777
		Surplus/(deficit)	(670)	(798)	(504)
Procurement and Contracts	<i>Coordinates the delivery of Council's procurement to ensure compliance with best value principles, Councils policies and legislation. Procurement and Contracts also manages the administration of tendering and contracts and oversees Council's online purchasing processes and classification of capital expenditure.</i>	Inc	-	-	-
		Exp	451	612	618
		Surplus/(deficit)	(451)	(612)	(618)
Governance and Information Management	<i>Provides a range of Council governance functions, including Council meetings and timely advice and support in statutory compliance and information management services.</i>	Inc	11	71	1
		Exp	1,075	1,456	1,005
		Surplus/(deficit)	(1,064)	(1,386)	(1,004)
Digital Operations and Transformation	<i>Provides a cost-effective, secure, and robust Information and Communication Technology (ICT) platform that supports Council's business needs. Provides innovative digital solutions to support business transformation for Council and the community.</i>	Inc	-	619	-
		Exp	3,168	4,556	4,579
		Surplus/(deficit)	(3,168)	(3,937)	(4,579)
Human Resources and Safe	<i>Supports the adherence to legislative requirements and the provision of best practice, proactive, high-quality human resources, industrial/employee relations, Workcover and injury management support, advice, recommendations, services, systems and programs.</i>	Inc	-	112	-
		Exp	1,486	1,834	1,793
		Surplus/(deficit)	(1,486)	(1,722)	(1,793)
Organisational Culture and Development	<i>Designs, develops and delivers Council's organisational culture and development initiatives and programs that are sustainable, relevant and build staff and organisational capability and engagement.</i>	Inc	-	-	-
		Exp	171	489	433
		Surplus/(deficit)	(171)	(489)	(433)
Payroll	<i>Ensures that all Council employees are paid correctly, including the payment of all associated allowances and deductions (i.e. taxation and superannuation).</i>	Inc	-	-	-
		Exp	213	252	247
		Surplus/(deficit)	(213)	(252)	(247)
Legal and Performance Reporting	<i>Provides in-house legal advisory service to Council to ensure statutory compliance and delivers Council planning and reporting functions that ensure Council is compliant with the statutory planning and reporting requirements.</i>	Inc	-	-	-
		Exp	461	551	515
		Surplus/(deficit)	(461)	(551)	(515)



Service area	Description of services provided		2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Budget \$'000
<i>Councillor Support and CEO's Office</i>	<i>Provides administration support and advice to the Mayor and Councillors, Chief Executive Officer, and the Executive Leadership Team, to enhance the effectiveness of the organisation as a whole.</i>	Inc	-	-	-
		Exp	3,035	4,154	3,166
		Surplus/ (deficit)	(3,035)	(4,154)	(3,166)
<i>Business Transformation</i>	<i>Enables Council to develop a better way of working through collaboration, rigorous analysis of options, a focus on customer experience and great digital transformation.</i>	Inc	-	-	-
		Exp	24	-	-
		Surplus/ (deficit)	(24)	0	0

## Major Initiatives

### Other Initiatives

\*Continuing initiative from 2020/21

- 1) *Implementation of the new Learning Management System (LMS) \**

### Service Performance Outcome Indicators\*\*

Service	Indicator	2019/20 Actual	2020/21 Forecast	2021/22 Budget
Governance	Satisfaction	58	58	

\*\*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 borrowers in municipality (Percentage of the municipal population that are active library borrowers)	The sum of the number of active library borrowers in the last 3 financial years / The sum of the population in the last 3 financial years 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 / Total number of animal management prosecutions x100
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	Surplus / (Deficit) \$'000	Expenditure \$'000	Revenue \$'000
An Inclusive and Healthy Community	11,092	17,376	6,284
A Great Place	5,919	11,379	5,460
A Well Designed, Maintained and Environmentally Sustainable Place	50,076	57,343	7,267
A Council of Excellence	16,825	17,104	278
<b>Total</b>	<b>83,912</b>	<b>103,202</b>	<b>19,289</b>
<b><i>Expenses added in:</i></b>			
Depreciation	22,998		
Amortisation	474		
Finance costs	607		
Other	2,261		
<b><i>Deficit before funding sources</i></b>	<b>110,253</b>		
<b><i>Funding sources added in:</i></b>			
Rates & charges revenue	106,250		
Waste charge revenue	10,623		
Other	6,882		
Capital grants and contributions	13,879		
<b><i>Total funding sources</i></b>	<b>137,633</b>		
<b>Surplus/(deficit) for the year</b>	<b>27,380</b>		

### **3. Financial statements**

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

Comprehensive Income Statement

Balance Sheet

Statement of Changes in Equity

Statement of Cash Flows

Statement of Capital Works

Statement of Human Resources

## Comprehensive Income Statement

For the four years ending 30 June 2025

		Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	2022/23 \$'000	Projections 2023/24 \$'000	2024/25 \$'000
	NOTES					
<b>Income</b>						
Rates and charges	4.1.1	112,611	116,873	120,634	124,094	127,650
Statutory fees and fines	4.1.2	3,765	4,377	4,508	4,643	4,782
User fees	4.1.3	2,307	3,898	4,015	4,136	4,260
Grants – operating	4.1.4	16,646	10,270	10,014	10,264	10,521
Grants – capital	4.1.4	12,735	13,879	2,591	595	715
Contributions - monetary	4.1.5	3,241	4,598	5,460	7,260	6,760
Contributions – non-monetary	4.1.5					
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		50	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	2,518	2,979	3,083	3,182	3,473
<b>Total income</b>		<b>153,873</b>	<b>156,923</b>	<b>150,355</b>	<b>154,224</b>	<b>158,210</b>
<b>Expenses</b>						
Employee costs	4.1.7	58,672	55,226	56,673	58,373	60,124
Materials and services	4.1.8	52,251	49,099	47,669	49,033	50,926
Depreciation	4.1.9	20,526	22,998	23,573	24,163	24,767
Amortisation - right of use assets	4.1.10	818	474	393	376	366
Bad and doubtful debts		213	219	219	219	219
Borrowing costs		626	568	410	410	410
Finance Costs - leases		58	39	29	28	28
Other expenses	4.1.11	934	918	941	965	989
<b>Total expenses</b>		<b>134,100</b>	<b>129,543</b>	<b>129,907</b>	<b>133,566</b>	<b>137,829</b>
<b>Surplus/(deficit) for the year</b>		<b>19,772</b>	<b>27,380</b>	<b>20,448</b>	<b>20,658</b>	<b>20,381</b>
<b>Other comprehensive income</b>						
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		-	-	-	-	-
<b>Total comprehensive result</b>		<b>19,772</b>	<b>27,380</b>	<b>20,448</b>	<b>20,658</b>	<b>20,381</b>

## Balance Sheet

For the four years ending 30 June 2025

		Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	2022/23 \$'000	Projections 2023/24 \$'000	2024/25 \$'000
	NOTES					
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents		1,560	1,665	2,520	2,699	2,889
Trade and other receivables		15,900	13,405	10,901	11,316	11,704
Other financial assets		36,000	22,000	23,000	30,000	37,000
Inventories		29	29	29	29	29
Non-current assets classified as held for sale		-	-	-	-	-
Other assets		1,325	1,325	1,325	1,325	1,325
<b>Total current assets</b>	<b>4.2.1</b>	<b>54,815</b>	<b>38,424</b>	<b>37,775</b>	<b>45,369</b>	<b>52,946</b>
<b>Non-current assets</b>						
Trade and other receivables		127	85	42	43	-
Other financial assets		-	-	-	-	-
Property, infrastructure, plant & equipment		1,299,096	1,337,432	1,357,940	1,371,959	1,385,789
Right-of-use assets	4.2.4	784	676	650	641	641
Investment property		13,785	13,785	13,785	13,785	13,785
<b>Total non-current assets</b>	<b>4.2.1</b>	<b>1,313,793</b>	<b>1,351,978</b>	<b>1,372,418</b>	<b>1,386,429</b>	<b>1,400,215</b>
<b>Total assets</b>		<b>1,368,608</b>	<b>1,390,402</b>	<b>1,410,193</b>	<b>1,431,798</b>	<b>1,453,162</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Trade and other payables		17,024	14,470	13,747	14,090	14,443
Trust funds and deposits		8,078	6,866	6,523	6,686	6,853
Provisions		13,272	13,737	14,149	14,574	15,011
Interest-bearing liabilities	4.2.3	9,200	-	-	-	5,000
Lease liabilities	4.2.4	533	448	430	419	419
<b>Total current liabilities</b>	<b>4.2.2</b>	<b>48,107</b>	<b>35,521</b>	<b>34,848</b>	<b>35,769</b>	<b>41,726</b>
<b>Non-current liabilities</b>						
Provisions		807	835	860	886	912
Interest-bearing liabilities	4.2.3	5,000	12,000	12,000	12,000	7,000
Lease liabilities	4.2.4	277	249	239	239	239
<b>Total non-current liabilities</b>	<b>4.2.2</b>	<b>6,084</b>	<b>13,084</b>	<b>13,099</b>	<b>13,124</b>	<b>8,151</b>
<b>Total liabilities</b>		<b>54,191</b>	<b>48,605</b>	<b>47,947</b>	<b>48,894</b>	<b>49,877</b>
<b>Net assets</b>		<b>1,314,417</b>	<b>1,341,797</b>	<b>1,362,246</b>	<b>1,382,904</b>	<b>1,403,285</b>
<b>Equity</b>						
Accumulated surplus		572,664	614,782	636,010	650,294	664,494
Reserves		741,753	727,015	726,236	732,610	738,791
<b>Total equity</b>		<b>1,314,417</b>	<b>1,341,797</b>	<b>1,362,246</b>	<b>1,382,903</b>	<b>1,403,285</b>

## Statement of Changes in Equity

For the four years ending 30 June 2025

	NOTES	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2021 Forecast Actual</b>					
Balance at beginning of the financial year		1,294,645	525,515	721,751	47,378
Impact of adoption of new accounting standards		-	-	-	-
Adjusted opening balance		1,294,645	525,515	721,751	47,378
Surplus/(deficit) for the year		19,772	19,772	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		36,409	31,892	-	4,516
Transfers from other reserves		(36,409)	(4,516)	-	(31,892)
<b>Balance at end of the financial year</b>		<b>1,314,417</b>	<b>572,664</b>	<b>721,751</b>	<b>20,002</b>
<b>2022 Budget</b>					
Balance at beginning of the financial year		1,314,417	572,664	721,751	20,002
Surplus/(deficit) for the year		27,380	27,380	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves	4.3.1	29,314	22,026	-	7,288
Transfers from other reserves	4.3.1	(29,314)	(7,288)	-	(22,026)
<b>Balance at end of the financial year</b>	<b>4.3.2</b>	<b>1,341,797</b>	<b>614,782</b>	<b>721,751</b>	<b>5,264</b>
<b>2023</b>					
Balance at beginning of the financial year		1,341,797	614,782	721,751	5,264
Surplus/(deficit) for the year		20,448	20,448	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		17,154	8,967	-	8,187
Transfers from other reserves		(17,154)	(8,187)	-	(8,967)
<b>Balance at end of the financial year</b>		<b>1,362,246</b>	<b>636,010</b>	<b>721,751</b>	<b>4,485</b>
<b>2024</b>					
Balance at beginning of the financial year		1,362,246	636,010	721,751	4,485
Surplus/(deficit) for the year		20,658	20,658	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		16,521	5,074	-	11,447
Transfers from other reserves		(16,521)	(11,447)	-	(5,074)
<b>Balance at end of the financial year</b>		<b>1,382,903</b>	<b>650,294</b>	<b>721,751</b>	<b>10,859</b>
<b>2025</b>					
Balance at beginning of the financial year		1,382,903	650,294	721,751	10,859
Surplus/(deficit) for the year		20,381	20,381	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		16,652	5,235	-	11,417
Transfers from other reserves		(16,652)	(11,417)	-	(5,235)
<b>Balance at end of the financial year</b>		<b>1,403,285</b>	<b>664,494</b>	<b>721,751</b>	<b>17,040</b>

## Statement of Cash Flows

For the four years ending 30 June 2025

		Forecast Actual 2020/21 \$'000 Inflows (Outflows)	Budget 2021/22 \$'000 Inflows (Outflows)	2022/23 \$'000 Inflows (Outflows)	Projections 2023/24 \$'000 Inflows (Outflows)	2024/25 \$'000 Inflows (Outflows)
	NOTES					
<b>Cash flows from operating activities</b>						
Rates and charges		110,473	119,368	123,368	123,921	127,472
Statutory fees and fines		3,765	4,377	4,508	4,643	4,782
User fees		2,088	3,898	3,785	3,894	4,006
Grants – operating		16,646	10,270	10,014	10,264	10,521
Grants - capital		12,735	13,879	2,591	595	715
Contributions - monetary		3,241	4,598	5,460	7,260	6,760
Interest received		350	100	118	128	327
Trust funds and deposits taken		-	-	-	-	-
Other receipts		2,518	2,979	3,083	3,182	3,473
Net GST refund / payment		-	-	-	-	-
Employee costs		(57,033)	(54,733)	(56,236)	(57,923)	(59,661)
Materials and services		(58,624)	(52,571)	(49,333)	(49,654)	(51,562)
Short-term, low value and variable lease payments		-	-	-	-	-
Trust funds and deposits repaid		-	-	-	-	-
Other payments		-	-	-	-	-
<b>Net cash provided by/(used in) operating activities</b>	<b>4.4.1</b>	<b>36,159</b>	<b>52,164</b>	<b>47,359</b>	<b>46,310</b>	<b>46,833</b>
<b>Cash flows from investing activities</b>						
Payments for property, infrastructure, plant and equipment		(72,643)	(63,491)	(45,294)	(38,922)	(39,433)
Proceeds from sale of property, infrastructure, plant and equipment		200	200	200	200	200
Payments for investments		33,000	14,000	(1,000)	(7,000)	(7,000)
Proceeds from sale of investments		-	-	-	-	-
Payments of loans and advances		-	-	-	-	-
<b>Net cash provided by/ (used in) investing activities</b>	<b>4.4.2</b>	<b>(39,443)</b>	<b>(49,291)</b>	<b>(46,094)</b>	<b>(45,722)</b>	<b>(46,233)</b>
<b>Cash flows from financing activities</b>						
Finance costs		(626)	(568)	(410)	(410)	(410)
Proceeds from borrowings		-	7,000	-	-	-
Repayment of borrowings		-	(9,200)	-	-	-
Interest paid - lease liability		-	-	-	-	-
Repayment of lease liabilities		-	-	-	-	-
<b>Net cash provided by/(used in) financing activities</b>	<b>4.4.3</b>	<b>(626)</b>	<b>(2,768)</b>	<b>(410)</b>	<b>(410)</b>	<b>(410)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>		<b>(3,911)</b>	<b>105</b>	<b>855</b>	<b>178</b>	<b>190</b>
Cash and cash equivalents at the beginning of the financial year		<b>5,471</b>	<b>1,560</b>	<b>1,665</b>	<b>2,520</b>	<b>2,699</b>
<b>Cash and cash equivalents at the end of the financial year</b>		<b>1,560</b>	<b>1,665</b>	<b>2,520</b>	<b>2,699</b>	<b>2,889</b>



## Statement of Capital Works

For the four years ending 30 June 2025

		Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	2022/23 \$'000	Projections 2023/24 \$'000	2024/25 \$'000
	NOTES					
<b>Property</b>						
Land		-	-	20,000	-	-
Land improvements		-	-	-	-	-
<b>Total land</b>		-	-	<b>20,000</b>	-	-
Buildings		18,970	23,330	6,860	800	3,450
Heritage buildings		90	30	30	35	35
Building improvements		-	1,315	3,900	-	-
<b>Total buildings</b>		<b>19,060</b>	<b>24,675</b>	<b>10,790</b>	<b>835</b>	<b>3,485</b>
<b>Total property</b>		<b>19,060</b>	<b>24,675</b>	<b>10,790</b>	<b>835</b>	<b>3,485</b>
<b>Plant and equipment</b>						
Plant, machinery and equipment		1,844	1,637	2,100	2,220	1,415
Fixtures, fittings and furniture		7,102	-	-	-	-
Computers and telecommunications		1,462	700	700	1,060	930
Library books		930	960	1,000	1,000	1,025
<b>Total plant and equipment</b>		<b>11,338</b>	<b>3,297</b>	<b>3,800</b>	<b>4,280</b>	<b>3,370</b>
<b>Infrastructure</b>						
Roads		10,095	13,043	12,215	18,146	11,680
Bridges		-	60	100	470	375
Footpaths and cycleways		2,999	1,131	1,957	2,647	2,378
Drainage		4,100	2,038	1,833	2,465	7,905
Recreational, leisure and community facilities		10,074	7,410	3,655	1,130	3,065
Parks, open space and streetscapes		13,169	11,068	9,060	8,020	6,405
Waste management		49	575	1,825	-	-
Off street car parks		249	145	60	930	770
Other infrastructure		1,511	50	-	-	-
<b>Total infrastructure</b>		<b>42,246</b>	<b>35,519</b>	<b>30,704</b>	<b>33,807</b>	<b>32,578</b>
<b>Total capital works expenditure</b>	<b>4.5.1</b>	<b>72,644</b>	<b>63,491</b>	<b>45,294</b>	<b>38,922</b>	<b>39,433</b>
<b>Expenditure types represented by:</b>						
New asset expenditure		12,592	12,915	12,215	18,146	11,680
Asset renewal expenditure		22,223	21,231	100	470	375
Asset upgrade expenditure		37,829	29,345	20,000	10,370	17,365
<b>Total capital works expenditure</b>	<b>4.5.1</b>	<b>72,644</b>	<b>63,491</b>	<b>45,294</b>	<b>38,922</b>	<b>39,433</b>
<b>Funding sources represented by:</b>						
Grants		12,736	13,879	2,591	595	715
Contributions		78	-	-	-	-
Council cash		59,830	42,612	42,703	38,327	38,718
Borrowings		-	7,000	-	-	-
<b>Total capital works expenditure</b>	<b>4.5.1</b>	<b>72,644</b>	<b>63,491</b>	<b>45,294</b>	<b>38,922</b>	<b>39,433</b>

## Statement of Human Resources

For the four years ending 30 June 2025

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	2022/23 \$'000	Projections 2023/24 \$'000	2024/25 \$'000
<b>Staff expenditure</b>					
Employee costs - operating	58,672	55,226	56,673	58,373	60,124
Employee costs - capital	2,121	2,225	2,291	2,360	2,431
<b>Total staff expenditure</b>	<b>60,793</b>	<b>57,451</b>	58,964	60,733	62,555
	FTE	FTE	FTE	FTE	FTE
<b>Staff numbers</b>					
Employees	531.0	524.3	522.3	522.3	522.3
<b>Total staff numbers</b>	<b>531.0</b>	<b>524.3</b>	<b>522.3</b>	<b>522.3</b>	<b>522.3</b>

The above table reflects staffing levels (Full Time Equivalent – FTE) from one financial year to another. The decrease in 2022-21 FTE compared to 2020-21 of 6.6 FTE relates to a reduction in operating (10.1 FTE) offset by an increase in capital (3.4 FTE) employees. (2019-20: 436 FTE and 2018-19: 535 FTE).

The decrease in operating FTE in 2021-22 is a result of the removal of the Working for Victoria projects, short term vacancies and reduced hours in 2020-21, compared to a full year budget allocation in 2021-22. Temporary positions in 2020-21 have been removed in 2020-21 for the Working for Victoria projects (55.4 FTE). A number of agency staff have also been converted into positions in the 2021-22 annual budget, with a noted decrease in agency costs.

The increase in capital FTE in 2021-22 relates to project managers included in the capital works program. The capital FTE forecast actual 2020-21 was low due to vacancies during the year and the increase represents a return to the 18 FTE included in the budget 2020-21.

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

Department	Budget 2021/22 \$'000	Comprises			
		Permanent		Casual \$'000	Temporary \$'000
		Full Time \$'000	Part time \$'000		
Chief Executive's Office	1,926	1,628	298	-	-
Corporate Services	17,154	12,303	2,376	1,064	1,412
Sustainable Communities	19,065	11,519	5,978	776	792
Infrastructure & City Services	17,082	15,571	360	439	712
Total permanent staff expenditure	50,032	41,020	9,012	2,279	2,915
Other employee related expenditure	5,194				
Capitalised labour costs	2,225				
<b>Total expenditure</b>	<b>57,451</b>				

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

Department	Budget 2021/22	Comprises			
		Permanent Full Time	Part time	Casual	Temporary
Chief Executive's Office	14.0	11.0	3.0	-	-
Corporate Services	158.4	110.7	24.0	10.1	13.7
Sustainable Communities	168.9	98.8	56.9	5.1	8.2
Infrastructure & City Services	164.9	154.0	3.4	0.5	7.0
Total permanent staff expenditure	461.7	374.5	87.2	15.7	28.9
Other employee related expenditure	44.6				
Capitalised labour costs	18.0				
<b>Total staff</b>	<b>524.3</b>				

## Statement of Human Resources

For the four years ending 30 June 2025

	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
<b>Chief Executive's Office</b>				
Permanent - Full time				
Female	1,105	1,139	1,173	1,208
Male	522	538	554	571
Self-described gender	-	-	-	-
Permanent - Part time				
Female	283	291	300	309
Male	15	16	16	17
Self-described gender	-	-	-	-
<b>Total Chief Executive's Office</b>	<b>1,926</b>	<b>1,984</b>	<b>2,043</b>	<b>2,104</b>
<b>Corporate Services</b>				
Permanent - Full time				
Female	7,309	7,535	7,761	7,994
Male	4,993	5,149	5,304	5,463
Self-described gender	-	-	-	-
Permanent - Part time				
Female	2,049	2,111	2,174	2,239
Male	327	336	346	357
Self-described gender	-	-	-	-
<b>Total Corporate Services</b>	<b>14,678</b>	<b>15,131</b>	<b>15,585</b>	<b>16,052</b>
<b>Sustainable Communities</b>				
Permanent - Full time				
Female	7,343	7,569	7,796	8,030
Male	4,176	4,308	4,437	4,570
Self-described gender	-	-	-	-
Permanent - Part time				
Female	5,009	5,159	5,314	5,474
Male	969	998	1,028	1,059
Self-described gender	-	-	-	-
<b>Total Sustainable Communities</b>	<b>17,497</b>	<b>18,034</b>	<b>18,575</b>	<b>19,133</b>
<b>Infrastructure &amp; City Services</b>				
Permanent - Full time				
Female	3,477	3,588	3,695	3,806
Male	12,094	12,463	12,837	13,222
Self-described gender	-	-	-	-
Permanent - Part time				
Female	280	288	297	306
Male	80	83	85	88
Self-described gender	-	-	-	-
<b>Total Infrastructure &amp; City Services</b>	<b>15,931</b>	<b>16,421</b>	<b>16,914</b>	<b>17,421</b>
<b>Casuals, temporary and other expenditure</b>	<b>5,194</b>	<b>5,103</b>	<b>5,256</b>	<b>5,414</b>
<b>Capitalised labour costs</b>	<b>2,225</b>	<b>2,291</b>	<b>2,360</b>	<b>2,431</b>
<b>Total staff expenditure</b>	<b>57,451</b>	<b>58,964</b>	<b>60,733</b>	<b>62,555</b>

	2021/22 FTE	2022/23 FTE	2023/24 FTE	2024/25 FTE
<b>Chief Executive's Office</b>				
Permanent - Full time				
Female	9.0	9.0	9.0	9.0
Male	2.0	2.0	2.0	2.0
Self-described gender	-	-	-	-
Permanent - Part time				
Female	2.8	2.8	2.8	2.8
Male	0.2	0.2	0.2	0.2
Self-described gender	-	-	-	-
<b>Total Chief Executive's Office</b>	<b>14.0</b>	<b>14.0</b>	<b>14.0</b>	<b>14.0</b>
<b>Corporate Services</b>				
Permanent - Full time				
Female	68.4	68.4	68.4	68.4
Male	42.3	42.3	42.3	42.3
Self-described gender	-	-	-	-
Permanent - Part time				
Female	20.6	20.6	20.6	20.6
Male	3.4	3.4	3.4	3.4
Self-described gender	-	-	-	-
<b>Total Corporate Services</b>	<b>134.7</b>	<b>134.7</b>	<b>134.7</b>	<b>134.7</b>
<b>Sustainable Communities</b>				
Permanent - Full time				
Female	62.1	62.1	62.1	62.1
Male	36.7	36.7	36.7	36.7
Self-described gender	-	-	-	-
Permanent - Part time				
Female	47.8	47.8	47.8	47.8
Male	9.1	9.1	9.1	9.1
Self-described gender	-	-	-	-
<b>Total Sustainable Communities</b>	<b>155.6</b>	<b>155.6</b>	<b>155.6</b>	<b>155.6</b>
<b>Infrastructure &amp; City Services</b>				
Permanent - Full time				
Female	35.0	35.0	35.0	35.0
Male	119.0	119.0	119.0	119.0
Self-described gender	-	-	-	-
Permanent - Part time				
Female	2.6	2.6	2.6	2.6
Male	0.8	0.8	0.8	0.8
Self-described gender	-	-	-	-
<b>Total Infrastructure &amp; City Services</b>	<b>157.4</b>	<b>157.4</b>	<b>157.4</b>	<b>157.4</b>
<b>Casuals and temporary staff</b>	<b>44.6</b>	<b>42.6</b>	<b>42.6</b>	<b>42.6</b>
<b>Capitalised labour</b>	<b>18.0</b>	<b>18.0</b>	<b>18.0</b>	<b>18.0</b>
<b>Total staff numbers</b>	<b>524.3</b>	<b>522.3</b>	<b>522.3</b>	<b>522.3</b>

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

In developing the Budget, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the financial planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2021-22 the FGRS cap has been set at 1.5 per cent. The cap applies to general rates and is calculated on the basis of council's average rates and charges.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the community. To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate will increase by 1.5 per cent in line with the rate cap.

As we move into COVID recovery, the one-off rate adjustment implemented in the 2020-21 financial year has been removed in the Proposed Annual Budget 2021-22. This has been replaced by targeted rate relief of \$1.35 million, which is part of Council's \$2 million COVID-19 Community Support Package in 2021-22. This includes \$740,000 relief, where the eligibility criteria and rebate size will be developed in consultation with the community, as well as interest free rate deferrals (\$450,000) and rate waivers via application through the Financial Hardship Policy (\$160,000).

Waste service charges are exempt from the rate cap. A 10 per cent increase is planned to the waste service charges. The waste income for 2021-22 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.

Total rate income is expected to increase by 3.78 per cent, raising total rates and charges for 2021-22 to \$116.873 million.

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

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000 %	
General rates*	104,578	106,423	1,845	1.76%
Waste management charge	9,553	10,623	1,070	11.20%
Supplementary rates	200	400	200	100.00%
Interest on rates and charges	450	450	-	0.00%
Council rebates	(467)	(467)	-	0.00%
Rates adjustment - COVID-19	(2,230)	-	2,230	(100.00%)
Rate waivers	-	(160)	(160)	-
Targeted rate relief	-	(740)	(740)	-
Revenue in lieu of rates	527	344	(183)	(34.76%)
<b>Total rates and charges</b>	<b>112,611</b>	<b>116,873</b>	<b>4,262</b>	<b>3.78%</b>

\* 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	2020/21 cents/\$CIV	2021/22 cents/\$CIV*	Change
General rate for rateable residential properties	0.2190	0.2220	1.37%
General rate for rateable residential vacant land properties	0.3505	0.3552	1.34%
General rate for rateable commercial properties	0.5039	0.5106	1.33%
General rate for rateable industrial properties	0.7449	0.7546	1.30%
General rate for rateable petro-chemical properties	0.8760	0.8880	1.37%
Rate concession for rateable cultural & recreational properties	0.0986	0.0999	1.32%

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	2020/21	2021/22	Change	
			\$	%
Residential	68,356,694	70,081,559	1,724,865	2.52%
Residential vacant land	644,374	743,521	99,147	15.39%
Commercial	8,101,351	8,072,152	(29,199)	(0.36%)
Industrial	24,202,792	24,831,286	628,494	2.60%
Petro-chemical	2,742,879	2,615,107	(127,772)	(4.66%)
Cultural and recreational	79,187	79,287	100	0.13%
<b>Total amount to be raised by general rates</b>	<b>104,127,277</b>	<b>106,422,912</b>	<b>2,295,635</b>	<b>2.20%</b>

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	2020/21 Number	2021/22 Number	Change	
				%
Residential	39,293	39,537	244	0.62%
Residential vacant land	243	231	(12)	(4.94%)
Commercial	1,450	1,460	10	0.69%
Industrial	1,838	1,857	19	1.03%
Petro-chemical	18	18	-	0.00%
Cultural and recreational	40	40	-	0.00%
<b>Total number of assessments</b>	<b>42,882</b>	<b>43,143</b>	<b>261</b>	<b>0.61%</b>

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	2020/21 \$'000	2021/22 \$'000	Change	
			\$'000	%
Residential	31,213,103	31,568,270	355,167	1.14%
Residential vacant land	183,740	209,325	25,585	13.92%
Commercial	1,607,411	1,580,915	(26,496)	(1.65%)
Industrial	3,249,133	3,290,656	41,523	1.28%
Petro-chemical	313,114	294,494	(18,620)	(5.95%)
Cultural and recreational	80,311	79,367	(945)	(1.18%)
<b>Total value of land</b>	<b>36,646,812</b>	<b>37,023,026</b>	<b>376,214</b>	<b>1.03%</b>

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 2020/21 \$	Per Rateable Property 2021/22 \$	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	2020/21 \$	2021/22 \$	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 2020/21 \$	Per Rateable Property 2021/22 \$	Change \$ %	
(ST) Base Waste Service Charge for four bins (120L green - food & garden, 120L waste, 240L mixed recycle, 120L glass)"	227.00	250.00	23.00	10.13%
(S) Waste Service Charge for properties in MUDs/apartment blocks/villages with shared bins	193.00	212.00	19.00	9.84%
(U1) Upsize waste to 240L	90.00	99.00	9.00	10.00%
(U2) Upsize green - food & garden to 240L	30.00	33.00	3.00	10.00%
(A1) Additional 240L waste	230.00	253.00	23.00	10.00%
(A2) Additional 120L waste	140.00	154.00	14.00	10.00%
(A3) Additional 240L recycle	90.00	99.00	9.00	10.00%
(A4) Additional 240L green - food & garden	140.00	154.00	14.00	10.00%
(A5) Additional 120L green - food & garden	110.00	121.00	11.00	10.00%
(A6) Additional 120L glass	60.00	66.00	6.00	10.00%

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	2020/21 \$	2021/22 \$	Change \$ %	
(ST) Base Waste Service Charge for four bins (120L green - food & garden, 120L waste, 240L mixed recycle, 120L glass)"	8,750,850	9,667,750	916,900	10.48%
(S) Waste Service Charge for properties in MUDs/apartment blocks/villages with shared bins	111,940	174,264	62,324	55.68%
(U1) Upsize waste to 240L	36,990	97,713	60,723	164.16%
(U2) Upsize green - food & garden to 240L	483,000	528,792	45,792	9.48%
(A1) Additional 240L waste	7,130	24,288	17,158	240.65%
(A2) Additional 120L waste	105,140	86,086	(19,054)	(18.12%)
(A3) Additional 240L recycle	30,600	21,186	(9,414)	(30.76%)
(A4) Additional 240L green - food & garden	21,000	18,634	(2,366)	(11.27%)
(A5) Additional 120L green - food & garden	1,210	0	(1,210)	(100.00%)
(A6) Additional 120L glass	1,440	3,828	2,388	165.83%
<b>Total</b>	<b>9,549,300</b>	<b>10,622,541</b>	<b>1,073,241</b>	<b>11.24%</b>



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

	2020/21 \$'000	2021/22 \$'000	Change \$'000 %	
<b>Amount raised in general rates:</b>				
Residential	68,357	70,082	1,725	2.52%
Residential vacant land	644	744	99	15.39%
Commercial	8,101	8,072	(29)	(0.36%)
Industrial	24,203	24,831	628	2.60%
Petro-chemical	2,743	2,615	(128)	(4.66%)
Cultural and recreational	79	79	-	0.13%
<b>Sub-total</b>	<b>104,127</b>	<b>106,423</b>	<b>2,296</b>	<b>2.20%</b>
<b>Amount raised in waste service charges:</b>				
"(ST) Base Waste Service Charge for four bins				
(120L green - food & garden, 120L waste, 240L mixed recycle, 120L glass)"	8,751	9,668	917	10.48%
(S) Waste Service Charge for properties in MUDs/apartment blocks/villages with shared bins	112	174	62	55.68%
(U1) Upsize waste to 240L	37	98	61	164.16%
(U2) Upsize green - food & garden to 240L	483	529	46	9.48%
(A1) Additional 240L waste	7	24	17	240.65%
(A2) Additional 120L waste	105	86	(19)	(18.12%)
(A3) Additional 240L recycle	31	21	(9)	(30.76%)
(A4) Additional 240L green - food & garden	21	19	(2)	(11.27%)
(A5) Additional 120L green - food & garden	1	-	(1)	(100.00%)
(A6) Additional 120L glass	1	4	2	165.83%
<b>Sub-total</b>	<b>9,549</b>	<b>10,623</b>	<b>1,073</b>	<b>11.24%</b>
<b>Other:</b>				
Supplementary Rates	400	400	-	0.00%
Interest on rate and charges	350	450	100	28.57%
Council rebates	(479)	(467)	12	(2.56%)
Rates adjustment - COVID-19	(2,226)	-	2,226	(100.00%)
Rate waivers	-	(160)	-	-
Targeted rate relief	-	(740)	-	-
Payment in lieu of rates	344	344	-	0.00%
<b>Sub-total</b>	<b>(1,611)</b>	<b>(173)</b>	<b>1,438</b>	<b>(89.28%)</b>
<b>Total Rates and charges</b>	<b>112,066</b>	<b>116,873</b>	<b>4,807</b>	<b>4.29%</b>

#### 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.

	2020/21	2021/22
Total Rates	\$104,048,090	\$106,343,625
Number of rateable properties	42,842	43,103
Base Average Rate	\$2,428.65	\$2,467.20
Maximum Rate Increase (set by the State Government)	2.00%	1.50%
Capped Average Rate	\$2,428.65	\$2,467.20
Maximum General Rates and Municipal Charges Revenue	\$104,048,651	\$106,345,557
Budgeted General Rates and Municipal Charges Revenue	\$104,048,651	\$106,343,625
Budgeted Supplementary Rates	400,000	-\$100,000
<b>Budgeted Total Rates and Municipal Charges Revenue</b>	<b>\$104,448,651</b>	<b>\$106,243,625</b>

\* 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 (2021-22: est.\$400,000 and 2020-21: \$240,000)
- 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 0.2220 (0.2220 cents in the dollar of CIV) for all rateable residential properties
- a general rate of 0.3552 (0.3552 cents in the dollar of CIV) for all rateable vacant residential properties
- a general rate of 0.5106 (0.5106 cents in the dollar of CIV) for all rateable commercial properties
- a general rate of 0.7546 (0.7546 cents in the dollar of CIV) for all rateable industrial properties
- a general rate of 0.8880 (0.8880 cents in the dollar of CIV) for all rateable petro chemical properties
- a rate (concession) of 0.0999 (0.0999 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 2021-22 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 2021-22 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 2021-22 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 2021-22 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 2021-22 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 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000      %	
Infringements and costs	1,227	1,890	663	54.0%
Court recoveries	9	13	4	45.8%
Planning and building fees	1,691	1,691	1	0.0%
Animal control	678	699	21	3.1%
Land information certificates	84	82	(2)	(2.3%)
Library fines	1	-	(1)	(100.0%)
Election fines	70	-	(70)	(100.0%)
Road Management Fees	5	3	(2)	(47.4%)
<b>Total statutory fees and fines</b>	<b>3,765</b>	<b>4,377</b>	<b>611</b>	<b>16.2%</b>

Statutory fees and fines are those which Council collects under the direction of legislation or other government directives. The rates used for statutory fees and fines are generally advised by the State Government department responsible for the corresponding services or legislation, and generally Council has limited discretion in applying these fees.

Examples of statutory fees and fines include Planning and subdivision fees, Building and inspection fees, Infringements and fines, Land information certificate fees and animal registrations.

Statutory fees and fines are expected to increase by \$611,000 when compared to 2020-21. The most significant increases when compared to 2020-21 are expected in relation to a conservative full year reinstatement of parking infringements, which were waived for a part of the previous year as part of Council's previous COVID-19 Community Support Package (\$660,000) and increased animal registrations (\$26,000).

The most significant decrease when compared to 2020-21 relates to the fact that there will be no election fines in the new budget year (\$70,000).

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

### 4.1.3 User fees

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000      %	
Aged and health services	880	1,027	147	16.7%
Parking	492	947	455	92.6%
Childcare/children's programs	48	68	19	39.9%
Recreation	122	118	(4)	(3.6%)
Other fees and charges	17	778	762	4575.9%
Registration and other permits	6	159	153	2737.5%
Building services	317	329	12	3.8%
Roads and drains	309	328	19	6.1%
Property revaluation fees	4	4	-	0.9%
Library	45	71	26	56.9%
Waste management services	68	70	2	3.0%
<b>Total user fees</b>	<b>2,307</b>	<b>3,898</b>	<b>1,591</b>	<b>69.0%</b>

User fees relate mainly to the recovery of service delivery costs through charging fees to users of Council's services. These include community care service contributions from clients (i.e. food services, planned activity groups, respite, family day care and occasional care), use of parks, recreation facilities and sporting reserves.

User fees are expected to increase by \$1.591 million when compared to 2020-21. The expected increase is largely due to the conservative (part of full year) reinstatement of fees, reduced or waived in the previous year as part of Council's previous COVID-19 Community Support Package. The most significant increases are food safety permits (\$501,000), parking meter income (\$450,000), footpath trading permits (\$152,000), debt recovery income (\$110,000), health permits (\$66,000) and library income (\$26,000).

Other increases are expected for immunisations (\$58,000), use of land for the West Gate Tunnel Project (\$43,000) and engineering services management (\$34,000).

The most significant decrease when compared to 2020-21 is expected in relation to sponsorship for the Business Excellence Awards which only occur every second year (\$25,000).

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 \$6.877 million (41.3 per cent) compared to 2020-21.

The main decreases when compared to the 2020-21 forecast are for non-recurrent State Working for Victoria funding (\$5.969 million) and non-recurrent State recycling funding (\$350,000).

Other State non-recurrent funding is budgeted to decrease due to funding received for Major Transport Infrastructure Authority funding (\$360,000), beach cleaning (\$105,000), three year old kindergarten (\$70,000) and for Community Activation and Social Isolation initiative (\$35,000).

Recurrent State funding for family, youth and children's services is budgeted to decrease, mostly due to school focus youth services funding only confirmed for the first six months of next financial year (\$159,000).

Increases are expected in recurrent Commonwealth funding for financial assistance grants (\$144,000) and aged care (\$43,000).

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

The budget for 2021-22 includes non-recurrent capital grant funding of \$13.402 million, an expected increase of \$1.046 million compared to 2020-21. The most significant increases relate to roads (\$3.877 million) and parks & open spaces (\$967,000).

The most significant decreases for non-recurrent capital grant funding relate to buildings (\$2.507 million) and recreation, leisure and community facilities (\$785,000).

More detail on capital funding is available in section 4.5 of the budget.

There was also one off funding received in the previous year in relation to the COVID-19 Outdoor Dining program (\$500,000).

Recurrent capital grant funding for the Roads to Recovery program has increased on the previous year (\$97,000).

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 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000 %	
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	5,773	5,984	211	3.7%
State funded grants	10,873	4,286	(6,588)	(60.6%)
Total grants received	16,646	10,270	(6,377)	(38.3%)
(a) Operating Grants				
Recurrent - Commonwealth Government				
Aged care	2,199	2,242	43	1.9%
Family, youth and children services	272	295	22	8.2%
Food Services	3	5	2	56.3%
Financial assistance grants	2,799	2,944	144	5.2%
Recurrent - State Government				
Aged care	254	255	1	0.5%
School crossing supervisors	320	320	-	(0.1%)
Libraries	645	685	40	6.2%
Family, youth and children services	742	582	(159)	(21.4%)
Infrastructure	400	340	(60)	(15.0%)
Maternal and child health	713	730	17	2.4%
Food services	4	2	(2)	(48.6%)
Public health	105	112	7	6.6%
Other	367	472	105	28.5%
Total recurrent operating grants	8,824	8,984	160	1.8%
Non-recurrent - Commonwealth Government				
Aged care	499	499	-	-
Non-recurrent - State Government				
Aged care	26	26	-	-
Beach Cleaning	105	-	(105)	(100.0%)
Family, youth and children services	105	1	(104)	(99.3%)
Infrastructure	560	260	(300)	(53.6%)
Recreation	12	-	(12)	(100.0%)
Other	546	500	(46)	(8.4%)
Working for Victoria	5,969	-	(5,969)	(100.0%)
Total non-recurrent operating grants	7,822	1,286	(6,537)	(83.6%)
Total operating grants	16,646	10,270	(6,377)	(38.3%)
(b) Capital Grants				
Recurrent - Commonwealth Government				
Roads to recovery	380	477	97	25.5%
Total recurrent capital grants	380	477	97	25.5%
Non-recurrent - State Government				
Buildings	5,867	3,360	(2,507)	(42.7%)
Recreation, leisure and community facilities	1,700	915	(785)	(46.2%)
Roads	1,725	5,612	3,887	225.3%
Outdoor Dining	500	-	(500)	(100.0%)
Parks & Open Space	2,533	3,500	967	38.2%
Library Books	30	15	(15)	(50.0%)
Total non-recurrent capital grants	12,355	13,402	1,046	8.5%
Total capital grants	12,735	13,879	1,143	9.0%
Total Grants	29,381	24,148	(5,233)	(17.8%)

### 4.1.5 Contributions

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Change	
			\$'000	%
Monetary	3,241	4,598	1,357	41.88%
Non-Monetary	-	-	-	-
<b>Total contributions</b>	<b>3,241</b>	<b>4,598</b>	<b>1,357</b>	<b>41.88%</b>

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 \$1.357 million (41.88 per cent) mainly due to contributions expected to be received in relation to the Altona North Developer Contribution Plan - Precinct 15 (\$1.3 million), open space contributions (\$200,000) and street tree planning contributions (\$10,000).

Reductions are expected for the Port Phillip Woollen Mill Developer Contribution Plan (\$25,000).

### 4.1.6 Other income

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Change	
			\$'000	%
Interest	350	100	(250)	(71.4%)
Investment property rental	2,072	2,526	454	21.9%
Other rent	95	353	258	270.3%
<b>Total other income</b>	<b>2,518</b>	<b>2,979</b>	<b>461</b>	<b>18.3%</b>

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

Other income is expected to increase by \$461,000 compared to 2020-21.

Investment property rental and other rental income has increased by \$454,000 due to a return to pre COVID-19 demand for the use of Council facilities, reinstatement of rentals waived in the previous year as part of Council's previous COVID-19 Community Support Package and the Omnibus legislation.

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 (\$250,000).

#### 4.1.7 Employee costs

	Forecast Actual 2020/20 \$'000	Budget 2021/22 \$'000	Change \$'000 %	
Wages and salaries	52,500	49,261	3,239	6.2%
WorkCover	480	526	(46)	(9.6%)
Superannuation	4,629	4,728	(99)	(2.1%)
Casual Staff	1,006	711	295	29.3%
Redundancy	57	-	57	100.0%
<b>Total employee costs</b>	<b>58,672</b>	<b>55,226</b>	<b>3,446</b>	<b>5.9%</b>

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 decrease by \$3.446 million against the 2020-21 forecast.

The main decrease in wages and salaries is due to the discontinuing of the Working for Victoria program (\$5.5 million). Other wages and salaries are expected to increase by \$2.078 million partly because of significant forecast reduction in 2020-21 to account for a hold placed on vacant roles, facility closures and reduced overtime hours as a result of COVID-19.

The main saving relates to a reduction in agency staff across Council (\$295,000). These decreases include capital works & projects (\$109,000), information technology (\$99,000), planning, building and health services (\$80,000) and city services (\$56,000). Parental leave costs are budgeted to decrease by \$190,000, whilst redundancy payments are also expected to decrease by \$57,000.

#### 4.1.8 Materials and services

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000 %	
Building maintenance	5,082	4,728	353	7.0%
General maintenance	5,844	5,667	176	3.0%
Utilities	3,377	3,267	110	3.3%
Professional Services	4,512	3,610	902	20.0%
Information technology	2,122	2,613	(491)	(23.1%)
Insurance	1,227	1,364	(138)	(11.2%)
Environmental and waste management	12,002	12,180	(179)	(1.5%)
Community care	1,471	1,642	(171)	(11.6%)
Road maintenance	5,079	5,026	53	1.0%
Arts, culture and community	3,379	2,825	554	16.4%
Parking and local laws	1,120	1,089	32	2.8%
Working for Victoria	578	-	578	100.0%
Other	6,460	5,089	1,372	21.2%
<b>Total materials and services</b>	<b>52,251</b>	<b>49,099</b>	<b>3,152</b>	<b>6.0%</b>

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 decrease next year by \$3.152 million (6 per cent) compared to the 2020-21 forecast.

The most significant decreases are for Working for Victoria one off grant funding received in the previous year for the purchase of personal protective equipment (\$578,000), COVID-19 sport and recreation facility support (\$601,000), Civic Centre office transition (\$448,000), election management (\$393,000), facilities and building maintenance (\$353,000) and Hobsons Bay Has Heart COVID-19 funding (\$300,000).

The most significant increases are for an Information Technology electronic document record management system (\$363,000), foreshore and operations maintenance (\$346,000), external asset audit program (\$230,000), city cleansing maintenance (\$188,000) and environmental and waste management services (\$168,000).

Evidence based targeted Community Program Support of \$650,000 has been included as part of Council's \$2 million COVID-19 Community Support Package in 2021-22. This includes support to business, young people, the arts and community grants. The exact details of the support to be provided will be developed in consultation with the community.

Pitch Your Idea projects submitted by the community in relation to Colours for the Seabrook Community (\$20,000), Cloth Nappies in Hobsons Bay (\$11,000) and Caring for the Elderly in the Community (\$5,000) have also been included. There are also some Pitch Your Idea submissions that will be implemented in a lower scale capacity, within existing resources.

#### 4.1.9 Depreciation

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000 %	
Property	3,386	3,999	(613)	(18.1%)
Plant & equipment	2,789	3,695	(906)	(32.5%)
Infrastructure	14,352	15,305	(953)	(6.6%)
<b>Total depreciation</b>	<b>20,526</b>	<b>22,998</b>	<b>(2,472)</b>	<b>(12.0%)</b>

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 (\$2.472 million) is mainly due to asset purchases through the capital works program during 2020-21. The increase does not consider revaluations that may occur towards the end of the 2020-21 financial year.

#### 4.1.10 Amortisation - Right of use assets

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000 %	
Office equipment	503	366	137	27.3%
Vehicles	315	108	207	65.7%
<b>Total amortisation - right of use assets</b>	<b>818</b>	<b>474</b>	<b>344</b>	<b>42.0%</b>

Amortisation - Right of use assets expenses relate to a range of leases. Amortisation - Right of use assets expenses are projected to decrease by \$344,000 compared to 2020-21 mainly due to a reduction in vehicle fleet leasing costs (\$207,000) and cessation of office equipment leases (\$137,000).

#### 4.1.11 Other expenses

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000      %	
Auditors remuneration – VAGO	66	71	(5)	(7.4%)
Auditors remuneration - Internal	110	125	(15)	(13.6%)
Councillors' allowances	252	261	(10)	(3.9%)
Operating lease rentals	507	461	46	9.1%
<b>Total other expenses</b>	<b>934</b>	<b>918</b>	<b>16</b>	<b>1.7%</b>

Other expenses relate to a range of unclassified items including leases, rentals, audit fees and councillors' allowances. Other expenses are projected to decrease by \$16,000 compared to 2020-21 mainly due to a reduction in vehicle fleet costs (\$105,000) and COVID related immunisation leasing costs (\$28,000).

This is offset by an expected increase in information technology telecommunication rentals (\$87,000) and auditor remuneration (\$20,000).

## 4.2 Balance Sheet

### 4.2.1 Assets

Assets are expected to increase by \$21.794 million during 2021-22. The main anticipated increase relates to Council owned property plant and equipment. These assets represent 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 (\$63.491 million) offset against asset depreciation throughout the year (\$22.998 million).

Cash and investments are budgeted to decrease by \$13.895 million during 2021-22. 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 2021-22.

### 4.2.2 Liabilities

Liabilities are expected to decrease by \$5.586 million during 2021-22.

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 (\$493,000) 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 decrease compared to the previous year (\$2.553 million).

Interest-bearing loans and borrowings are expected to decrease by \$2.2 million during 2021-22. The reduction is a result of \$9.2 million principle repayments and new borrowings of \$7 million.

Council's new borrowings relate to the Large Scale Solar Installation Program, which includes new solar installations on more than 40 buildings delivering approximately 4MW of solar generated power. This long term inter-generational project will introduce a Virtual Energy Network enabling energy from all buildings to be distributed across Council-owned and leased assets facilitating significant energy cost savings. The project is expected to generate future savings for the Council through the reduction of energy costs with a positive return on its initial investment.

### 4.2.3 Borrowings

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

	Forecast Actual 2020/21 \$	Budget 2021/22 \$	2022/23 \$	Projections 2023/24 \$	2024/25 \$
Amount borrowed as at 30 June of the prior year	14,200,000	14,200,000	12,000,000	12,000,000	12,000,000
Amount proposed to be borrowed	-	7,000,000	-	-	-
Amount projected to be redeemed	-	9,200,000	-	-	-
<b>Amount of borrowings as at 30 June</b>	<b>14,200,000</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>

#### 4.2.4 Leases by category

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

	Forecast Actual 2020/21 \$	Budget 2021/22 \$
<b>Right-of-use assets</b>		
Property	-	-
Vehicles	143	35
Other, etc.	641	641
<b>Total right-of-use assets</b>	<b>784</b>	<b>676</b>
<b>Lease liabilities</b>		
<b>Current lease Liabilities</b>		
Land and buildings	-	-
Plant and equipment	113	28
Other, etc.	420	420
<b>Total current lease liabilities</b>	<b>533</b>	<b>448</b>
<b>Non-current lease liabilities</b>		
Land and buildings	-	-
Plant and equipment	38	10
Other, etc.	239	239
<b>Total non-current lease liabilities</b>	<b>277</b>	<b>249</b>
<b>Total lease liabilities</b>	<b>810</b>	<b>697</b>

Where the interest rate applicable to a lease is not expressed in the lease agreement, Council applies the average incremental borrowing rate in the calculation of lease liabilities. The current incremental borrowing rate is 6 per cent.



## 4.3 Statement of changes in Equity

### 4.3.1 Reserves

Reserve balances are expected to decrease by \$14.738 million, with \$22.026 million transferred from and \$7.288 million transferred to the reserves during 2021-22.

The transfer to fund the repayment of borrowing from the discretionary Loan repayment reserve (\$8.175 million). Transfers to fund capital works include transfers from the infrastructure (\$6.024 million) and the recreation and open space (\$5.110 million) reserves are offset by capital works carry over (\$1.625 million). Transfers to fund operational expenditure include transfers from the Victorian Grants Commission reserve - received in advance (\$1.454 million), the waste reserve (\$2.822 million) and the street tree planting reserve (\$66,000).

Transfers to fund future programs include transfers equivalent to income received from developers for the recreation and open space reserve (\$3.2 million), the Altona North Developer Contribution Plan - Precinct 15 (\$1.3 million), street tree planting reserve (\$60,000), and the Port Phillip Woollen Mills Developer Contribution Plan (\$38,000).

Other transfers to reserves include the Victorian Grants Commission reserve - received in advance (\$1.489 million) and the loan repayment reserve (\$1.2 million).

### 4.3.2 Equity

Total equity is expected to increase by \$27.38 million during 2021-22, 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 2021-22 is expected to increase by \$16.005 million from the previous year. The increase is mainly a result of a budgeted:

- increase in rates to be received (\$8.895 million), although a portion of this is an expectation of reduced rate debt
- increase in income to be received – outside of rates and grants (\$3.99 million)
- decrease in employee costs, reflective of the finalisation of Working For Victoria (\$2.3 million)
- decrease in materials and services (\$6.053 million)

The most significant decrease in operating cash flow relates to grants, reflective of the finalisation of Working For Victoria (\$5.233 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:

	<b>Forecast Actual 2020-21 \$'000</b>	<b>Budget 2021-22 \$'000</b>	<b>Variance \$'000</b>
<b>Surplus (deficit) for the year</b>	19,772	27,380	7,608
Depreciation	21,345	23,473	2,128
Loss (gain) on disposal of property, infrastructure, plant and equipment	(50)	(50)	-
Net movement in current assets and liabilities	(4,909)	1,361	6,270
<b>Cash flows available from operating activities</b>	<b>36,159</b>	<b>52,164</b>	<b>16,005</b>

### 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 \$9.848 million is a result of an increase in investment payments (\$19 million) offset against a decrease in payments for capital expenditure when compared to the prior year (\$9.152 million).

### 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.

New loan borrowings of \$7 million are projected in 2021-22 and a principal repayment falls due (\$9.2 million). Finance charges are projected to be \$568,000, a decrease when compared to 2020-21, consistent with a decrease in overall loan borrowings and interest rates.

## 4.5 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2021/22 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 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000	%
Property	19,059	24,675	5,616	29.5%
Plant and equipment	11,338	3,297	(8,041)	(70.9%)
Infrastructure	42,246	35,519	(6,727)	(15.9%)
<b>Total</b>	<b>72,643</b>	<b>63,491</b>	<b>(9,152)</b>	<b>(12.6%)</b>

#### Property (\$24.675 million)

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

For the 2021-22 year, \$10.8 million will be expended on new works for building and building improvement projects. The more significant projects include the Altona Sports Centre extension (\$5.5 million), H.D. Graham reserve pavilion (\$5.2 million), J.T. Gray reserve pavilion (\$3 million), Donald McLean reserve pavilion (\$2.75 million) and the Dennis Reserve pavilion (\$1.2 million).

#### Plant and equipment (\$3.297 million)

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

For the 2021-22 year, the more significant projects include replacement of the plant and vehicle fleet (\$1.5 million), library materials (\$960,000), upgrade and replacement of information technology (\$700,000).

#### Infrastructure (\$35.519 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 2021-22 year, \$13.043 million will be expended on new works for road projects. This includes the road resurfacing program (\$3.226 million) and the road rehabilitation program at Blenheim Road, Altona North (\$1.401 million), Pinnacle Road, Altona North (\$1.1 million), Aloha Street, South Kingsville

(\$925,000) and Truman Street, South Kingsville (\$925,000). Blackspot funding for works at Mason Street, Altona North (\$719,000) and Merton Street, Altona Meadows (\$630,000).

Footpaths and cycleways expenditure of \$1.13 million includes new works for the footpath renewal program (\$531,000), new Altona Meadows footpaths (\$240,000) and Barnes Road, Altona North (\$150,000).

Drainage expenditure of \$2.088 million includes new works for the drainage renewal program (\$758,000), drainage upgrades at Blenheim Road, Altona North (\$700,000) and Central Avenue, Altona Meadows (\$300,000).

Parks, open space and streetscapes new works expenditure of \$11.068 million includes the Blenheim Road park and toilet (\$2.000 million), Altona foreshore seawall and trail upgrade (\$2.0 million), Altona foreshore pedestrian ramp - Webb Street (650,000), MacLean Reserve Williamstown park upgrade (\$610,000), Altona foreshore pedestrian ramp – Mount Street (550,000), and Dennis Reserve (\$610,000).

Recreational, leisure and community facilities new works expenditure of \$6.760 million includes WLJ Crofts Reserve (\$2 million), Digman Reserve (\$1.950 million), Altona Tennis courts (\$1.560 million), Weaver Reserve upgrade (\$550,000) and JK Grant reserve cricket net renewals (\$440,000).

### **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 2020-21 year it is currently forecast that there will be a net \$1.625 million of capital works brought forward 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	24,675	9,500	2,390	12,785	3,360	-	21,315	-
Plant and equipment	3,297	-	3,160	137	15	-	3,282	-
Infrastructure	35,519	3,415	15,681	16,423	10,504	-	18,015	7,000
<b>Total</b>	<b>63,491</b>	<b>12,915</b>	<b>21,231</b>	<b>29,345</b>	<b>13,879</b>	<b>-</b>	<b>42,612</b>	<b>7,000</b>

**New assets (\$12.915 million), asset renewals (\$21.231 million) and asset upgrades (\$29.345 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 J.T. Gray reserve pavilion (\$3 million), Digman reserve pavilion (\$1.4 million), H.D. Graham Reserve sports facility (\$5.2 million), Dennis reserve (\$1.2 million), Blenheim Road Altona North community park and public toilet (\$2 million).

Significant renewal projects include the road resurfacing program (\$3.226 million), Digman Reserve (\$1.95 million) vehicle and plant replacement program (\$1 million), the road rehabilitation program at Blenheim Road Altona North (\$1.401 million) and Pinnacle Road Altona North (\$1.1 million) and Library collections (\$960,000) and Information technology program (\$650,000).

The major projects in the asset upgrade program include the Altona Sports centre extension (\$5.5 million), Donald McLean Reserve (\$2.75 million), Altona foreshore seawall (\$2 million), WLJ Croft enhancement package (\$2 million), Central Avenue drainage works (\$1.02 million) and Brooklyn Hall development (\$1.07 million).

#### 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 North Bowling Club Pavilion	300	-	-	300	-	-	300	-
Altona Sports Centre Extension	5,500	-	-	5,500	-	-	5,500	-
South Kingsville Community Centre	480	-	480	-	285	-	195	-
Building Renewal Program	530	-	530	-	-	-	530	-
Altona Life Saving Club Tower	400	-	400	-	-	-	400	-
Dennis Reserve Pavilion	1,200	1,200	-	-	-	-	1,200	-
Digman Reserve Pavilion	1,400	1,400	-	-	10	-	1,390	-
HD Graham Reserve Sports Facility	5,200	5,200	-	-	-	-	5,200	-
JT Gray Reserve Pavilion	3,000	3,000	-	-	-	-	3,000	-
Donald McLean Reserve Pavilion	2,750	-	-	2,750	2,025	-	725	-
WLJ Croft Reserve Pavilion	520	-	-	520	-	-	520	-
Brooklyn Hall Redevelopment	825	-	-	825	-	-	825	-
Renewable Energy - Solar Photovoltaic Rollout	600	-	-	600	-	-	600	-
Altona Meadows Library Building Renewal & Energy Efficiency Upgrade	300	-	300	-	150	-	150	-
Bryan Martyn Oval Pavilion - Building Renewal, & Female Friendly Change Room Upgrade	730	-	-	730	290	-	440	-
Altona Tennis Club - Building Renewal	650	-	650	-	-	-	650	-
Building Improvements								
Emma McLean Kindergarten	200	-	-	200	-	-	200	-
Altona North Children's Centre Expansion (One Tree)	130	-	-	130	-	-	130	-
Newport Gardens Early Years Centre Expansion	985	-	-	985	600	-	385	-

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
<b>Heritage Buildings</b>								
Cultural Heritage and Public Artwork	30	-	30	-	-	-	30	-
<b>TOTAL PROPERTY</b>	<b>25,730</b>	<b>10,800</b>	<b>2,390</b>	<b>12,540</b>	<b>3,360</b>	<b>-</b>	<b>22,370</b>	<b>-</b>
<b>PLANT AND EQUIPMENT</b>								
<b>Plant, Machinery and Equipment</b>								
Plant & Equipment Replacement	1,000	-	1,000	-	-	-	1,000	-
Electric Fleet Vehicles	136	-	-	136	-	-	136	-
Purchase of previously leased vehicles	500	-	500	-	-	-	500	-
<b>Computers and Telecommunications</b>								
ICT Capital Works Program	650	-	650	-	-	-	650	-
Library IT Equipment	50	-	50	-	-	-	50	-
<b>Library books</b>								
Library collections	960	-	960	-	15	-	945	-
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>3,296</b>	<b>-</b>	<b>3,160</b>	<b>136</b>	<b>15</b>	<b>-</b>	<b>3,281</b>	<b>-</b>
<b>Roads</b>								
Railway Avenue, Laverton - Traffic Treatment from High St. to Aviation Rd.	484	-	-	484	484	-	-	-
Ferguson Street, Williamstown Blackspot Funded- Bicycle Connectivity	310	-	-	310	296	-	14	-
Melbourne Rd & The Strand The Strand, Williamstown - Bicycle Safety & Traffic Sight Line Improvement Works	137	-	-	137	120	-	17	-

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
Merton Street, Altona Meadows Blackspot Funding - Traffic Calming Works	630	-	-	630	605	-	25	-
Mason Street, Altona North Blackspot Funding - Bicycle Connectivity & Pedestrian Facility Improvements	719	-	-	719	719	-	-	-
Keen Street, Newport	420	-	420	-	300	-	120	-
Pinnacle Rd, Altona North, from Grieve Parade to End	1,100	-	1,100	-	477	-	623	-
Blenheim Road, Altona North, between Wood Street & Mason Street	1,401	-	1,401	-	900	-	501	-
Truman Street, South Kingsville, between Aloha Street & Brunel Street	925	-	925	-	888	-	37	-
Aloha Street, South Kingsville, between New St & Stephenson St	925	-	925	-	800	-	125	-
Road Resurfacing Program	3,226	-	3,226	-	-	-	3,226	-
Kerb & Channel Renewal Program	706	-	706	-	-	-	706	-
Unsealed Laneway Upgrade Program	1,020	-	-	1,020	-	-	1,020	-
Laverton LAMP Implementation (Railway Avenue Underpass Footpath & Cycling Improvement Work)	50	-	-	50	-	-	50	-
Transport Management - Traffic Management Devices	100	-	100	-	-	-	100	-
Street Lighting Investigation and Improvement	50	-	-	50	-	-	50	-
Better Places Laverton-Railway Avenue Precinct Master Plan & Implementation	290	-	-	290	-	-	290	-
Pier Street (Stage 4)	550	-	-	550	500	-	50	-
<b>Bridges</b>								
Bridge renewal program	60	-	60	-	-	-	60	-
								-



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
<b>Footpaths and Cycleways</b>								
Dennis Reserve - Footpath Renewal	10	-	10	-	-	-	10	-
Footpath - Altona Meadows Area #2	240	240	-	-	-	-	240	-
Barnes Road, Altona North New Footpath - Chambers Rd to Bridge	150	150	-	-	-	-	150	-
Footpath Renewal Program	531	-	531	-	-	-	531	-
Shared Trails Renewal Gloucester Reserve, Williamstown	150	-	150	-	-	-	150	-
Railway Avenue Precinct Master Plan & Implementation	50	-	-	50	-	-	50	-
<b>Drainage</b>								
Blenheim Road, Altona North Drainage Upgrade - Near Mason Street	700	-	-	700	-	-	700	-
Central Avenue Altona Meadows - Between Point Cook Road to Skehan Boulevard	1,020	-	-	1,020	-	-	1,020	-
Drainage Renewal Program	757	-	757	-	-	-	757	-
GPT New Program - A.B. Shaw Reserve, Altona Meadows	160	160	-	-	-	-	160	-
Foreshore Renewal & Upgrade Program - Altona Foreshore Seawall - Retention Tanks Design	20	-	-	20	-	-	20	-
Heavy Duty Pit Lid Upgrades - Industrial & Main Roads	100	-	-	100	-	-	100	-
<b>Recreational, Leisure &amp; Community Facilities</b>								
Altona Tennis Court, Fencing and Pavilion Renewal	910	-	910	-	-	-	910	-
Williamstown Cricket Ground - Practice facility upgrade	100	-	-	100	-	-	100	-
Court Renewal Program (Tennis, Basketball, Netball)	315	-	315	-	-	-	315	-

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
Cricket Practice Nets Renewal Program - JK Grant Reserve, Altona	440	-	440	-	90	-	350	-
Digman Reserve - Master Plan Implementation	1,950	-	1,950	-	-	-	1,950	-
JT Gray Reserve - Sportsground Floodlighting	200	-	200	-	-	-	200	-
WLJ Croft Reserve - Sportsground, Floodlighting, Play Space	2,000	-		2,000	-	-	2,000	-
Recreation Infrastructure Renewal	75	-	75	-	-	-	75	-
Paisley Park, Newport - Sports Ground Floodlighting	350	-	350	-	150	-	200	-
Laverton Park Oval, Altona Meadows - Sports Ground Floodlighting	420	-	420	-	175	-	245	-
Aquatic Strategy Implementation - Future Western Aquatic Facility (Bruce Comben) - Design	100	100	-	-	-	-	100	-
Pier Street, Altona Precinct Upgrade - Phase 1 Construction	550	-	-	550	500	-	50	-
								-
<b>Parks, Open Space and Streetscapes</b>								
Biodiversity Strategy Implementation Works	260	-	-	260	-	-	260	-
MacLean Reserve, Williamstown - Local Park Upgrade - play space + open space	610	-	-	610	300	-	310	-
G.J. Hosken Reserve, Altona North Upgrade	225	-	-	225	200	-	25	-
Blenheim Road, Newport Community Park & Public Toilet	2,000	2,000	-	-	-	-	2,000	-
Open Space Forward Design	250	-	-	250	-	-	250	-
W.J. Irwin Reserve, Altona North - play and picnic area, & New Irrigation	400	30	-	370	-	-	400	-

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
Newport Park, Newport - Park Upgrade - play space destination + open space + skate park	50	-	-	50	-	-	50	-
Williamstown Beach Esplanade, Williamstown - Regional Park Upgrade - open space	60	-	-	60	-	-	60	-
Dennis Reserve, Williamstown - Irrigation Renewal	55	-	55	-	-	-	55	-
Dennis Reserve, Williamstown - Open Space enhancements	555	555	-	-	-	-	555	-
Clement Reserve Post N Rail Fencing	55	-	55	-	-	-	55	-
Fencing Renewal Program (other sites)	130	-	130	-	-	-	130	-
Irrigation new, upgrades and renewals	170	35	135	-	-	-	170	-
Open Space Assets Renewal	200	-	200	-	-	-	200	-
Open Space Enhancement and Access Package - WLJ Croft Reserve Open Space Upgrades	300	-	-	300	-	-	300	-
Williamstown Botanic Gardens Master Plan Implementation	125	-	125	-	-	-	125	-
Foreshore Future Design	228	-	-	228	-	-	228	-
Seaholme Foreshore (PA Burns) Upgrade Phase 3 - Public Toilet & Sandbag Retaining Wall	500	-	-	500	-	-	500	-
Altona Foreshore Seawall and Shared Trail - Webb Street to Sargood Street	2,000	-	-	2,000	1,900	-	100	-
Altona Foreshore Pedestrian Access Ramp (opp Webb Street)	650	-	-	650	600	-	50	-
Altona Foreshore Pedestrian Access Ramp (opposite Mount Street)	550	-	-	550	500	-	50	-
Biodiversity Strategy - Altona Coastal Park Boardwalk Design	70	70	-	-	-	-	70	-
Biodiversity Strategy - Rifle Range Wetlands Restoration	70	-	-	70	-	-	70	-
Dick Murdoch Reserve - BP Laverton - Local Community Park upgrade	350	-	-	350	-	-	350	-

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
Cleaner & Greener - Henderson Street Reserve - BP Laverton - Local Community Park Upgrade	365	-	-	365	-	-	365	-
Beverly Anton Reserve Local Community Park upgrade (BP Laverton)	90	-	-	90	-	-	90	-
Cleaner & Greener - Bladin Street Reserve - BP Laverton - Local Park Upgrade	250	-	-	250	-	-	250	-
Cleaner & Greener - Lohse Street Reserve BP Laverton - Neighbourhood Park Upgrade	100	-	-	100	-	-	100	-
Bruce Comben Masterplan Implementation - Car Parking - Henry Drive - Design	50	50	-	-	-	-	50	-
Better Places Spotswood & South Kingsville Development	200	-	-	200	-	-	200	-
<b>Off Street Car Parks</b>								
Altona North Bowling Club Car Park	135	-	-	135	-	-	135	-
Russell Court Kinder & Children's Centre, Altona Meadows car park	10	-	10	-	-	-	10	-
<b>Waste Management</b>								
Public Bin Standardisation	500	-	-	500	-	-	500	-
Recycling 2.0 - Pilot of Vented Caddies	25	25	-	-	-	-	25	-
Borrack square, Altona North bin enclosures	50	-	-	50	-	-	50	-
<b>Other Infrastructure</b>								
Cultural Heritage Interpretation Program - The Message Tree Project, Williamstown	50	-	-	50	-	-	50	-
	-	-	-	-	-	-	-	7,000

Capital Works Area	Project Cost	Asset expenditure types			Summary of Funding sources			
		New	Renewal	Upgrade	Grants	Contributions	Council Cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Borrowings for significant Capital projects</i>								
TOTAL INFRASTRUCTURE	36,089	3,415	15,681	16,993	10,504	-	18,585	7,000
TOTAL CAPITAL WORKS	65,116	14,215	21,231	29,670	13,879	-	44,237	7,000

#### 4.5.3 Works carried forward from the 2020/21 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
<b>PROPERTY</b>								
<b>Buildings</b>								
Digman Reserve pavilion	(1,300)	(1,300)	-	-	-	-	(1,300)	-
Brooklyn Hall redevelopment	245	-	-	245	-	-	245	-
<b>TOTAL PROPERTY</b>	<b>(1,055)</b>	<b>(1,300)</b>	<b>-</b>	<b>245</b>	<b>-</b>	<b>-</b>	<b>(1,055)</b>	<b>-</b>
<b>INFRASTRUCTURE</b>								
<b>Drainage</b>								
Central Ave – Altona Meadows – Point Cook Rd. to Skehan Boulevard	(720)	-	-	(720)	-	-	(720)	-
<b>Parks, Open Space and Streetscapes</b>								
Frank Gibson reserve play space upgrade	150	-	-	150	-	-	150	-
<b>TOTAL INFRASTRUCTURE</b>	<b>(570)</b>	<b>-</b>	<b>-</b>	<b>(570)</b>	<b>-</b>	<b>-</b>	<b>(570)</b>	<b>-</b>
<b>TOTAL WORKS CARRIED FORWARD FROM 2020/21</b>		<b>(1,625)</b>	<b>(1,300)</b>	<b>-</b>	<b>(325)</b>	<b>-</b>	<b>-</b>	<b>(1,625)</b>

#### 4.5.4 Summary of Planned Capital Works Expenditure (3 subsequent years)

##### Summary of Planned Capital Works Expenditure

For the three years ended 30 June 2025

2022/23	Funding Sources				Total	Grants	Contributions	Council Cash	Borrowings
	Total	New	Renewal	Upgrade					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>									
Land	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-
<b>Total Land</b>	-	-	-	-	-	-	-	-	-
Buildings	6,860	2,160	1,100	3,600	6,860	1,550	-	5,310	-
Heritage Buildings	30	-	30	-	30	-	-	30	-
Building improvements	3,900	-	-	3,900	3,900	-	-	3,900	-
<b>Total Buildings</b>	10,790	2,160	1,130	7,500	10,790	1,550	-	9,240	-
<b>Total Property</b>	<b>10,790</b>	<b>2,160</b>	<b>1,130</b>	<b>7,500</b>	<b>10,790</b>	<b>1,550</b>	<b>-</b>	<b>9,240</b>	<b>-</b>
<b>Plant and Equipment</b>									
Heritage plant and equipment	-	-	-	-	-	-	-	-	-
Plant, machinery and equipment	2,100	-	-	2,100	2,100	-	-	2,100	-
Fixtures, fittings and furniture	-	-	-	-	-	-	-	-	-
Computers and telecommunications	700	-	-	700	700	-	-	700	-
Library books	1,000	-	1,000	-	1,000	15	-	985	-
<b>Total Plant and Equipment</b>	<b>3,800</b>	<b>-</b>	<b>1,000</b>	<b>2,800</b>	<b>3,800</b>	<b>15</b>	<b>-</b>	<b>3,785</b>	<b>-</b>
<b>Infrastructure</b>									
Roads	12,215	-	10,475	1,740	12,215	380	-	11,385	-
Bridges	100	-	100	-	100	-	-	100	-
Footpaths and cycleways	1,957	600	1,147	210	1,957	-	-	1,957	-
Drainage	1,833	320	1,293	220	1,833	-	-	1,833	-
Recreational, leisure and community facilities	3,655	300	955	2,400	3,655	500	-	3,155	-
Waste management	1,825	1,825	-	-	1,825	-	-	1,825	-
Parks, open space and streetscapes	9,060	575	555	7,930	9,060	146	-	8,914	-
Off street car parks	60	-	60	-	60	-	-	60	-
Other infrastructure	-	-	-	-	-	-	-	-	-
<b>Total Infrastructure</b>	<b>30,704</b>	<b>3,620</b>	<b>14,584</b>	<b>12,500</b>	<b>30,704</b>	<b>1,026</b>	<b>-</b>	<b>29,678</b>	<b>-</b>
<b>Total Capital Works Expenditure</b>	<b>45,294</b>	<b>5,780</b>	<b>19,514</b>	<b>20,000</b>	<b>45,294</b>	<b>2,591</b>	<b>-</b>	<b>42,703</b>	<b>-</b>

2023/24	Funding Sources									
	Total	New	Renewal	Upgrade	Total	Grants	Contributions	Council Cash	Borrowings	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Property</b>										
Land	-	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-	-
<b>Total Land</b>	-	-	-	-	-	-	-	-	-	-
Buildings	800	-	540	260	800	-	-	800	-	-
Heritage Buildings	35	-	35	-	35	-	-	35	-	-
Building improvements	-	-	-	-	-	-	-	-	-	-
<b>Total Buildings</b>	835	-	575	260	835	-	-	835	-	-
<b>Total Property</b>	835	-	575	260	835	-	-	835	-	-
<b>Plant and Equipment</b>										
Heritage plant and equipment	-	-	-	-	-	-	-	-	-	-
Plant, machinery and equipment	2,220	-	2,220	-	2,220	-	-	2,220	-	-
Fixtures, fittings and furniture	-	-	-	-	-	-	-	-	-	-
Computers and telecommunications	1,060	-	1,060	-	1,060	-	-	1,060	-	-
Library books	1,000	-	1,000	-	1,000	-	-	1,000	-	-
<b>Total Plant and Equipment</b>	4,280	-	4,280	-	4,280	15	-	4,265	-	-
<b>Infrastructure</b>										
Roads	18,146	-	16,596	1,550	18,146	380	-	17,766	-	-
Bridges	470	-	470	-	470	-	-	470	-	-
Footpaths and cycleways	2,647	250	2,397	-	2,647	-	-	2,647	-	-
Drainage	2,465	505	1,000	960	2,465	200	-	2,265	-	-
Recreational, leisure and community facilities	1,130	-	780	350	1,130	-	-	1,130	-	-
Waste management	-	-	-	-	-	-	-	-	-	-
Parks, open space and streetscapes	8,020	160	720	7,140	8,020	-	-	8,020	-	-
Off street car parks	930	-	820	110	930	-	-	930	-	-
Other infrastructure	-	-	-	-	-	-	-	-	-	-
<b>Total Infrastructure</b>	33,807	915	22,782	10,110	33,807	580	-	33,227	-	-
<b>Total Capital Works Expenditure</b>	38,922	915	27,637	10,370	38,922	595	-	38,327	-	-

2024/25	Funding Sources				Total \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
	Total \$'000	New \$'000	Renewal \$'000	Upgrade \$'000					
<b>Property</b>									
Land	-	-	-	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-	-	-	-
<b>Total Land</b>	-	-	-	-	-	-	-	-	-
Buildings	3,450	600	1,850	1,000	3,450	250	-	3,200	-
Heritage Buildings	35	-	35	-	35	-	-	35	-
Building improvements	-	-	-	-	-	-	-	-	-
<b>Total Buildings</b>	3,485	600	1,885	1,000	3,485	250	-	3,235	-
<b>Total Property</b>	3,485	600	1,885	1,000	3,485	250	-	3,235	-
<b>Plant and Equipment</b>									
Heritage plant and equipment	-	-	-	-	-	-	-	-	-
Plant, machinery and equipment	1,415	-	1,415	-	1,415	-	-	1,415	-
Fixtures, fittings and furniture	930	-	930	-	930	-	-	930	-
Computers and telecommunications	1,025	-	1,025	-	1,025	15	-	1,010	-
Library books	1,415	-	1,415	-	1,415	-	-	1,415	-
<b>Total Plant and Equipment</b>	3,370	-	3,370	-	3,370	15	-	3,355	-
<b>Infrastructure</b>									
Roads	11,680	-	9,055	2,625	11,680	400	-	11,280	-
Bridges	375	-	375	-	375	-	-	375	-
Footpaths and cycleways	2,378	200	2,178	-	2,378	-	-	2,378	-
Drainage	7,905	650	1,005	6,250	7,905	50	-	7,855	-
Recreational, leisure and community facilities	3,065	-	1,635	1,430	3,065	-	-	3,065	-
Waste management	-	-	-	-	-	-	-	-	-
Parks, open space and streetscapes	6,405	75	700	5,630	6,405	-	-	6,405	-
Off street car parks	770	-	340	430	770	-	-	770	-
Other infrastructure	-	-	-	-	-	-	-	-	-
<b>Total Infrastructure</b>	32,578	925	15,288	16,365	32,578	50	-	32,128	-
<b>Total Capital Works Expenditure</b>	39,433	1,525	20,543	17,365	39,433	715	-	38,718	-



## 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.

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

Indicator	Measure	Notes	Actual 2019/20	Forecast 2020/21	Budget 2021/22	Strategic Resource Plan Projections			Trend +/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	11.7%	5.4%	10.1%	12.8%	13.9%	13.3%	+
Liquidity									
Working Capital	Current assets / current liabilities	2	208.6%	113.9%	108.2%	108.4%	126.8%	126.9%	-
Unrestricted cash	Unrestricted cash / current liabilities	3	(32.7%)	(26.9%)	(31.1%)	(31.4%)	(42.3%)	(43.6%)	-
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	12.7%	12.6%	10.3%	9.9%	9.7%	9.4%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		0.6%	0.6%	8.4%	0.3%	0.3%	0.3%	+
Indebtedness	Non-current liabilities / own source revenue		12.5%	5.0%	10.2%	9.9%	9.6%	5.8%	+
Asset renewal	Asset renewal expenses / Asset depreciation	5	107.4%	108.3%	92.3%	82.8%	114.4%	82.9%	+
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	6	81.5%	81.4%	84.1%	84.5%	84.6%	84.5%	o

Indicator	Measure	Notes	Actual	Forecast	Budget	Strategic Resource Plan Projections			Trend +/-
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	o
<b>Efficiency</b>									
Expenditure level	Total expenses/ no. of property assessments		\$2,927.72	\$3,108.28	\$3,002.64	\$2,978.87	\$3,030.36	\$3,094.34	o
Revenue level	Residential rate revenue / no. of residential property assessments		\$1,929.04	\$1,969.52	\$2,037.38	\$2,043.96	\$2,060.95	\$2,078.35	-

**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 2021-22.

Fees and charges are based on information available at the time of publishing and may vary during the financial year subject to any changes in Council's policy or legislation.