Annual Budget 2026-27

BASS COAST

Acknowledgement of Country

We acknowledge the Bunurong as the Traditional Owners and Custodians of the lands and waters, and pay respect to their Elders past, present and emerging, for they hold the memories, the traditions, the culture and Lore. We celebrate the opportunity to embrace and empower the Aboriginal and/or Torres Strait Island Communities in their diversity. We will create opportunities for future recognition and respectful partnerships that will honour the Traditional Owners and Custodians, and Aboriginal and/or Torres Strait Islander Peoples.

Bass Coast Community Vision 2045

From its flowing hills to its wild unspoiled coastlines, the Bass Coast is a source of celebration for all who live in and visit the region. Our townships are vibrant, rich with culture and full of life, each with its own distinct character. Drawing on our creativity, innovation and resilience we've created a thriving and diverse economy that supports sustainable agriculture and industry. We live proudly on Bunurong Country, and build on learnings from our First Peoples and their knowledge. We coexist in harmony with our environment, and are prepared for future challenges and changes. We are the people of the Bass Coast. Experience our cultures and history, and contribute to our story.

Diversity and Inclusion

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

Child Safe Statement

Bass Coast Shire Council is committed to the safety and wellbeing of children. We support and respect all children, as well as our staff, contractors and volunteers. Our organisation is committed to preventing child abuse by identifying risks early and intervening to address these risks.

Contents

Executive Summary

Bass Coast Shire Council has prepared the 2026-27 Budget in a period of heightened global economic uncertainty. This budget is based on the best available financial assumptions and includes a contingency to address escalating fuel and capital works delivery costs. Should international energy markets escalate beyond current projections—factors outside of Council's direct control—adjustments may be required to maintain essential service delivery and fleet operations.

The 2026-27 Budget totals $123.7 million gross budget. This includes :

- $88.6 million Operating Budget
- $29.5 million Capital Works Program
- $5.6 million debt servicing

all within a 2.75 per cent average general rate increase in line with the State Government rate cap.

The Budget has been prepared in alignment with the Long Term Financial Plan 2025-2035 to ensure the ongoing financial sustainability of Council while continuing to deliver essential infrastructure and services to a growing community. It has been developed to:

- Maintain affordable and stable revenue and financing mechanisms;
- Deliver an ongoing balanced financial position over the long term;
- Manage capital investment efficiently and responsibly; and
- Maintain, enhance and where appropriate rationalise Council's asset base to meet current and future community needs.

The Budget provides the authorisation for the ongoing provision for a range of core Council services to be delivered within the rate cap increase of 2.75 per cent. Council remains committed to balancing service delivery expectations with responsible financial management in a constrained revenue environment. This is increasingly difficult as external cost escalations for fuel, construction materials, and labour frequently outpace the revenue growth permitted under the Fair Go Rates System.

The Budget presents a four-year financial outlook and incorporates projections against key indicators established by the Victorian Auditor-General's Office (VAGO) and Local Government Victoria. It projects an operating deficit of $3.0 million for 2026-27 (due to a combination of $2.0 million funding for waste management operating projects and a sharp increase in depreciation following recent revaluations of bridges, roads, pathways and open space assets) and an adjusted underlying deficit of $9.1 million (due to the increases in depreciation), while maintaining a balanced Funding Statement position. A capital works program of $29.5 million will deliver continued investment in community infrastructure (valued at $1.4+ billion), including new tracks and trails, the Cowes Streetscape development, and upgrades to sporting facilities at Inverloch and Wonthaggi.

Beyond the immediate volatility of fuel prices, Council continues to operate within an increasingly challenging structural environment for local government across Victoria. This Budget acknowledges the growing pressure on the long-term financial sustainability of the sector, particularly for regional councils. The compounding effects of rate capping, persistent inflation, and the ongoing challenge of cost shifting from other levels of government place immense strain on the sectors financial capacity. Even without the current global instability, these sector-wide headwinds would require a disciplined approach to financial management. Council is committed to proactively addressing these challenges by seeking operational efficiencies and exploring new opportunities to ensure our long-term viability.

These challenges are being amplified by broader global economic uncertainty and geopolitical tensions in key energyproducing regions, which have contributed to volatility in energy markets, supply chains, and construction costs. Such global pressures have direct local impacts on project delivery costs and operational expenditure, with the full impacts not yet known at the time of drafting this budget.

Bass Coast Shire Council will continue its advocacy to State and Federal Governments for sustainable funding arrangements that recognise the expanding role of local government. This includes advocating for improved assistance to strengthen the sustainability of regional councils, which forms part of Council's adopted advocacy priorities for 2026-2028.

Council declared a climate emergency in 2019 and remains committed to climate action. The 2026-27 Capital Budget includes dedicated investment in infrastructure and initiatives supporting delivery of the Climate Change Action Plan 2020–2030, contributing to emissions reduction and climate resilience.

Through this Budget, Council seeks to responsibly balance financial stewardship, community service delivery and longterm investment, ensuring Bass Coast remains a resilient, liveable and sustainable community despite an increasingly complex global operating environment.

2026-27 Budget Snapshot

$123.7 million total gross budget, including:

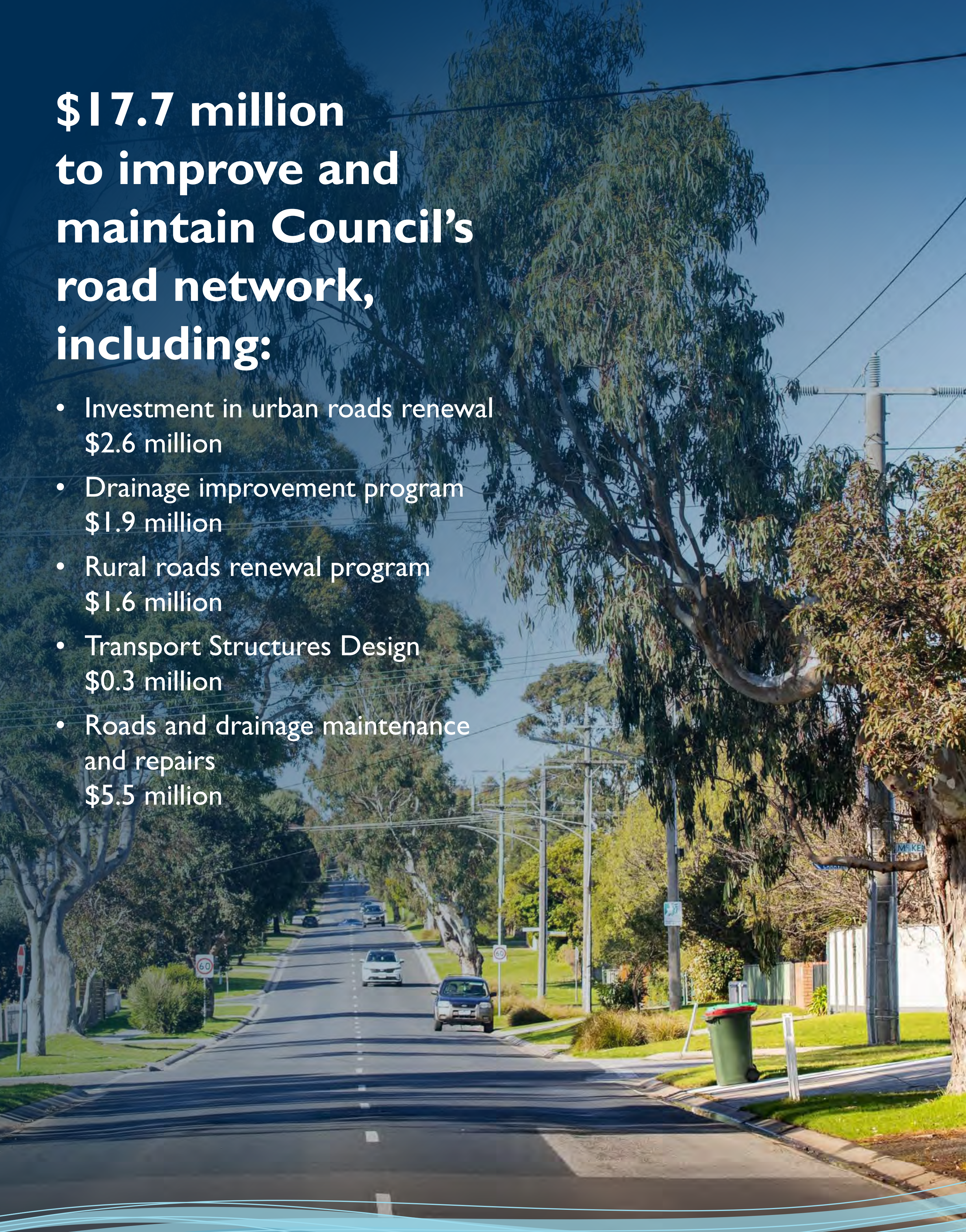
- **$88.6 million**
  operating budget to support Council services
- **$29.5 million**
  Capital Works Program funding to invest in new infrastructure and meet asset renewal targets
- **$5.6 million**
  Debt Servicing
- all within a 2.75% average general rate increase in line with the State Government rate cap

$12.1 million on our leisure and recreational facilities, including:

- Thompson Reserve Inverloch pavilion upgrade $1.9 million
- Wonthaggi sporting field upgrade $720,000
- Wonthaggi Aquatics & Leisure Centre upgrade $500,000
- Playspace renewal and upgrade program $300,000
- Mountain Bike/BMX Strategy implementation $100,000
- Leisure and recreational facility maintenance and repairs $7.7 million
- Commence the planning scheme amendment to transfer the Phillip Island Sporting Precinct land into a public zone $50,000

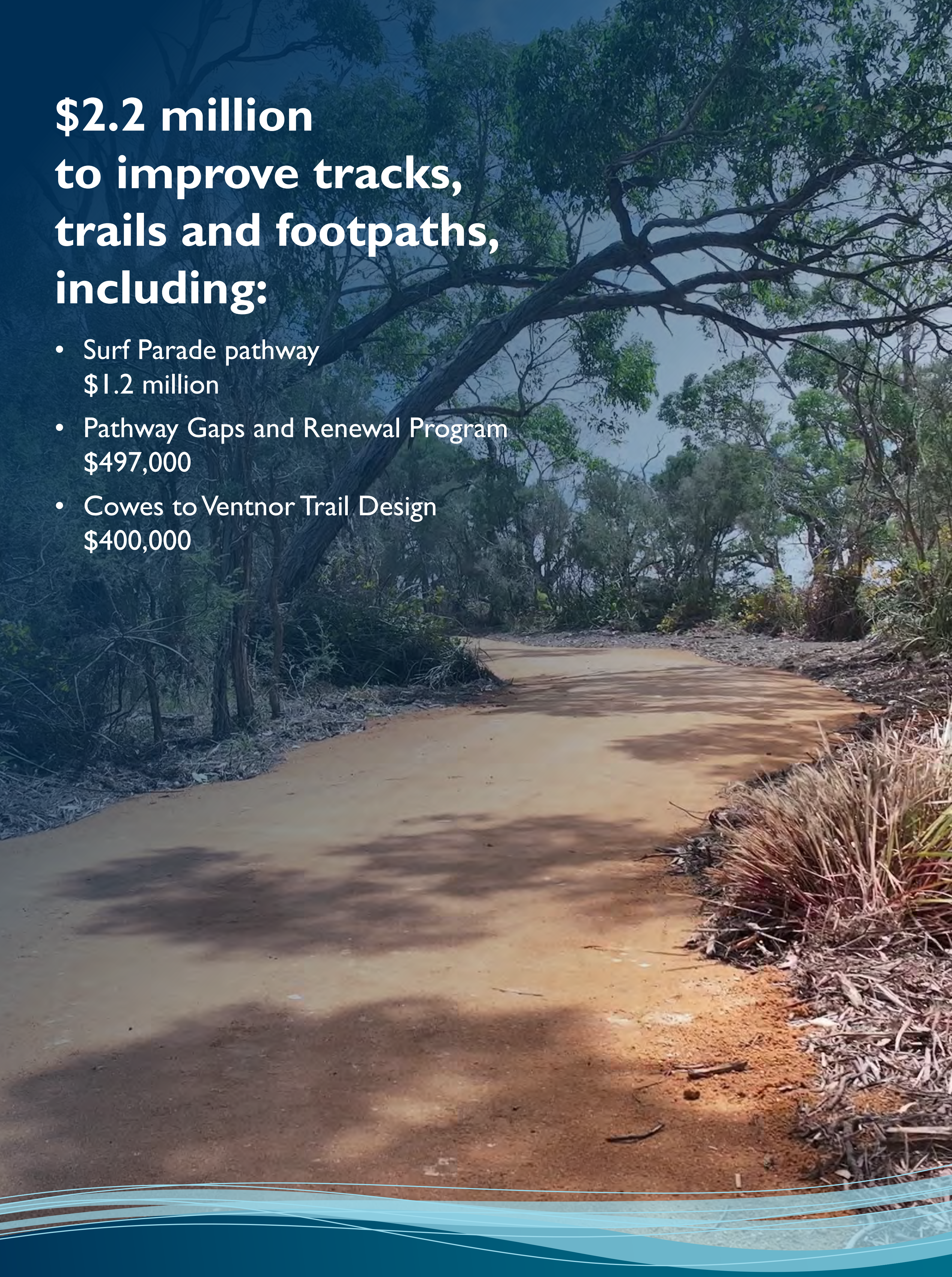
$17.7 million to improve and maintain Council's road network, including:

- Investment in urban roads renewal
  $2.6 million
- Drainage improvement program
  $1.9 million
- Rural roads renewal program
  $1.6 million
- Transport Structures Design
  $0.3 million
- Roads and drainage maintenance
  and repairs
  $5.5 million



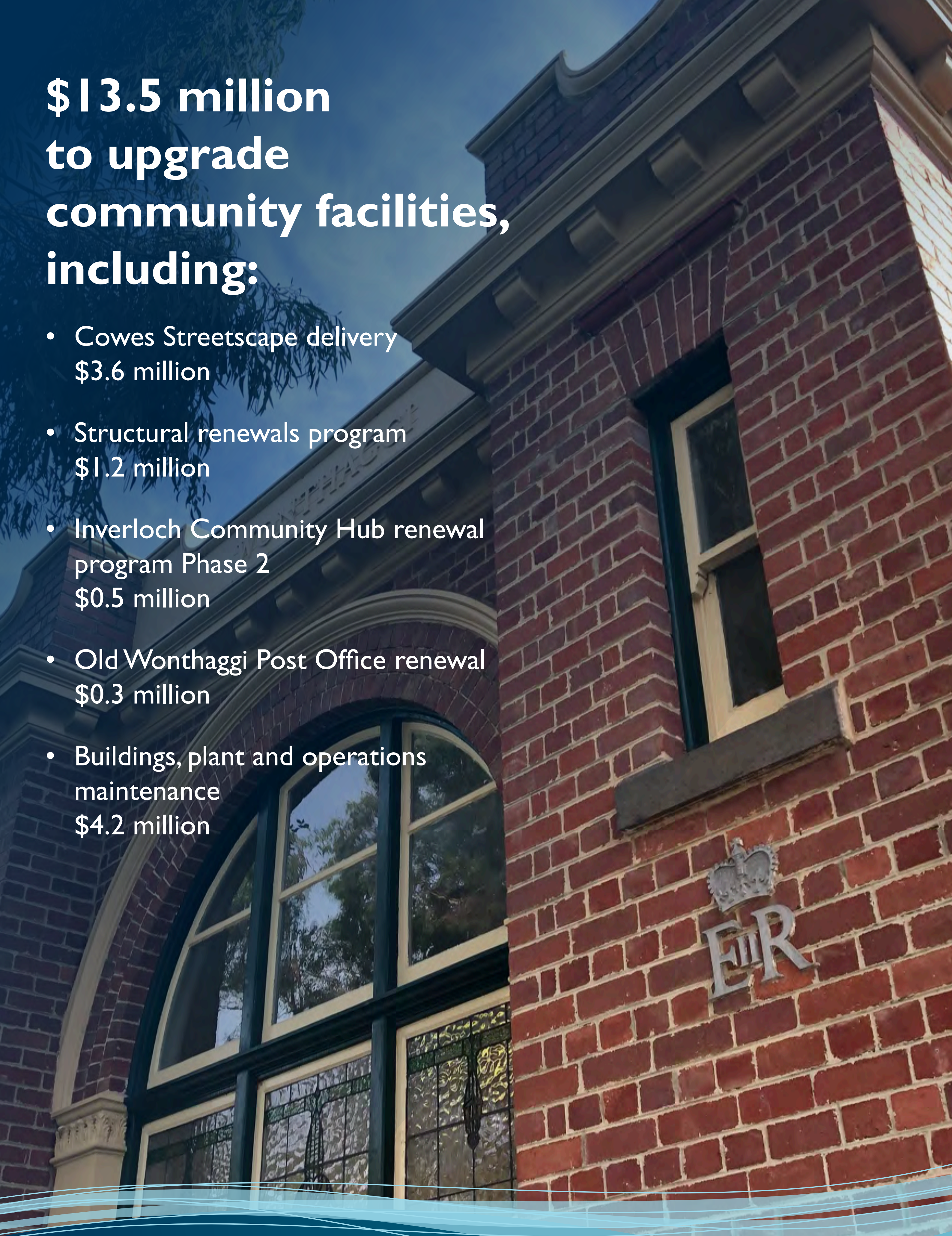
$2.2 million to improve tracks, trails and footpaths, including:

- Surf Parade pathway
  $1.2 million
- Pathway Gaps and Renewal Program
  $497,000
- Cowes to Ventnor Trail Design
  $400,000



$13.5 million to upgrade community facilities, including:

- Cowes Streetscape delivery
  $3.6 million
- Structural renewals program
  $1.2 million
- Inverloch Community Hub renewal program Phase 2
  $0.5 million
- Old Wonthaggi Post Office renewal
  $0.3 million
- Buildings, plant and operations maintenance
  $4.2 million



$22.2 million on our waste services, including:

- Delivery and management of waste services
  $18.6 million

- Landfill rehabilitation
  $1.1 million

- Waste facility improvements
  $1.1 million

- Construction of Grantville Landfill Cell 8
  $0.5 million

2. Budget Influences

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

2.1 Snapshot of Bass Coast

The people of Bass Coast acknowledge the traditional owners of this land, the Bunurong people who maintained a beautiful combination of unspoilt coastline and picturesque rural hinterland. We live in respectful harmony with our environment, a popular holiday destination with vibrant townships rich with culture and distinct character. Our world-renowned surf breaks and Penguin Parade provide a breathtaking getaway for over 3 million visitors each year.

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

Population

The total population of Bass Coast is estimated to be 44,862 people according to the Australian Bureau of Statistics. Reflecting the appeal of the Bass Coast as a holiday and retirement destination, a substantial number of ratepayers reside outside the Shire.

Tourism

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

Ageing population

According to the Australian Bureau of Statistics as at 2021, the municipality has a significant ageing resident population with 38% of residents aged over 60. This is higher than average for regional Victoria where those aged over 60 is approximately 29% of the population. There is a prevalence of second homes ownership within the Shire. Almost 10% of the Australian population has access to a second home, mostly within driving distance of their primary residence, these can be used for a variety of purposes, such as holidaying, investment or retirement.

Housing

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

2.2 External influences

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

- The Victorian Government has set the 2026-27 rate cap at 2.75%.
- While this budget incorporates specific cost assumptions, geopolitical instability continues to drive significant volatility in global energy markets and fuel prices (refer 2.5 Fuel volatility plan). These escalations represent an external factor beyond Council's control and may necessitate adjustments to operational expenditure should prices exceed current projections
- The Consumer Price Index (CPI) rose 4.6% over the 12 months to March 2026, driven by higher prices for housing, food and non alcoholic beverages and recreation and culture.
- The Wage Price Index has increased to 3.2% for the 12 months to March 2026. This increase is linked to growth in health care and social assistance
- Interest rates have increased with the Reserve Bank of Australia (RBA) increasing rates in February, March and May 2026 and forecasts indicating rates will likely be increased further over the remainder of 2026
- Population growth will continue to be an important driver of economic growth and demand for housing.
- Over time funding provided to Local Governments has not kept pace with service cost growth and has escalated through cost shifting where Local Government provides a service to the community on behalf of the State or Federal Government

2.3 Budget principles

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

- Grants to be based on confirmed funding levels
- New revenue sources to be identified where possible
- Service levels to be maintained with the aim to use fewer resources with an emphasis on innovation and efficiency
- Salaries and wage increases are linked to the current Enterprise Agreement
- Employer Superannuation Guarantee contributions are 12% ongoing
- New initiatives or employee proposals to be justified through a business case
- Targeted a 0% increase in non-CPI linked expenses
- Operating revenues and expenses arising from completed capital projects to be included

2.4 Major Initiatives (advocacy priorities)

- **Former Wonthaggi Secondary College -** This year Council will commence the development of the land use framework, partnership framework, and business case for development of the site utilising the $633,000 in grant funding from the Federal Government with $300,000 budgeted for 2026-27.
- **Phillip Island Sporting Precinct -** In 2026-27, Council will seek approval from the Department of Transport and Planning for the front entry design which is expected to be completed in 2025-26. Running in parallel is the detailed design for the precinct that will be finalised in the 2026-27 financial year. Council will also commence the planning scheme amendment to transfer the land into a public zone to assist in accelerating the program through more efficient approval process. Finally, a review of the 2023 master plan will also be completed to ensure that the development of infrastructure on the land is in line with community priorities. All of these works in 2026-27 will be funded within the Strategic Planning operational budget including $50,000 dedicated to the land rezoning.. In the subsequent years 2-4 of the 4-year plan, the physical infrastructure works can then begin to the value $5 million, funded from a loan of $3 million, and $2 million from Council's strategic reserves. A further $4.5 million of funding has been dedicated in the subsequent years of the Financial Plan funded by borrowings of $2.5 million and grants of $2 million.
- **Aquatics and Leisure Centre (Wonthaggi)** – In 2026-27, Council will continue year 2 of the detailed design of a refurbished facility via an annual budget of $500,000. In the Long-Term Financial Plan, Council has allocated $20 million of council funds (via borrowings) and is seeking matching contributions from the State and Federal governments.
- **Coastal Erosion (operational)** – Council is calling for a state-wide Coastal Inundation and Erosion Control overlay, requesting urgent funding to protect at-risk assets and partnership with government to address this significant threat to community infrastructure in coastal regions. These priorities are long-term and require staged delivery or partnership with multiple levels of government.
- **Western Port Woodlands (operational)** – Council will continue to advocate for the introduction of an interim ESO following lodging an application to amend the planning scheme in 2025-26. Alongside this, Council has allocated $250,000 to complete environmental assessments and technical studies for the entire Shire.

2.5 Fuel Volatility Plan

The draft budget incorporates a principle-based contingency framework to manage fuel-driven economic volatility. It enables rapid response through scenario planning, trigger-based actions, and prioritisation of core operations and liquidity, ensuring resilience while preserving flexibility to capture strategic opportunities. Council budgets are inherently impacted by the volatility due to the increased fuel costs for Council fleet and Plant and Equipment, upward pressure on contractor pricing, and the broader inflation impacts on services.
Further impacts can occur through the capital program and impacted revenue volumes and timings. Council's contingency planning principles focus on service continuity, maintaining delivery of essential services (including Waste management, Asset maintenance and Community and regulatory services), and Financial Sustainability.

The principled approach is to ensure budget adjustments avoid structural deficits and maintain long-term asset integrity for the Shire.

Bass Coast's approach is guided by the following levels:

- Scenario planning and risk assessments
- Service optimisation and targeted efficiency strategies
- Targeted reprioritisation and service adjustments
- Protection of critical assets and services

Changes in approach and stage will include consultation with impacted parties, to ensure measures are planned and impact focused.

2.6 Addressing the Climate Change Emergency

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

- Continuation of the sector leading waste collection system which includes the use of an organics bin for the disposal of household food waste. This initiative has enabled Bass Coast to divert more than three quarters of its waste from landfill, which is a sector leading outcome
- Implementing Council's Environmentally Sustainable Design (ESD) Policy, aligning Council's building and infrastructure projects with its net zero by 2030 target
- Delivering a climate resilience toolkit and campaign, that supports emissions reduction and adaptation across Bass Coast
- Continuing to upgrade the energy efficiency and solar coverage at Council facilities, by acting on recommendations from energy audits across our sites
- Continuing to deliver the Biolinks Program, that provides significant carbon drawdown and habitat enhancement outcomes
- Improving the pedestrian friendly aspects of our townships through the Footpaths Gaps Program
- Delivering the Urban Forest Strategy, and key actions to support it
- Delivering significant coastal erosion management, including detailed monitoring and grant funded projects

2.7 Long term strategies

The Budget includes consideration of a number of long term strategies including the Long Term Financial Plan 2025-2035 and contextual information to assist Council to prepare the Budget in a proper financial management context. These include Budget financial statements for 2026-27 and 3 years of Projections to 2029-30 (Section 7), Rating Strategy (Section 4) and intended Borrowings (Section 8.2).

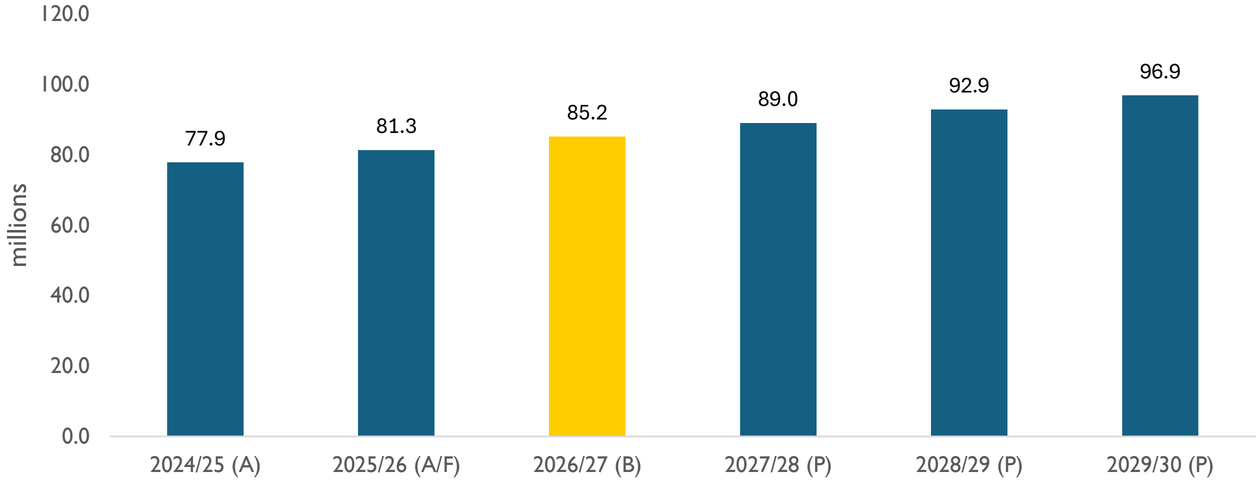
2.8 Gender Impact Assessment

In accordance with the Gender Equality Act 2020, a Gender Impact Assessment (GIA) has been undertaken when developing this plan.

3 Summary of financial position

Council has prepared a Budget for the 2026-27 financial year which seeks to balance the demand for services and infrastructure with the available funds. Key budget information is provided below about rates and charges, operating result, cash and investments, capital works, financial position, financial sustainability and strategic objectives of Council.

3.1 Total rates and charges

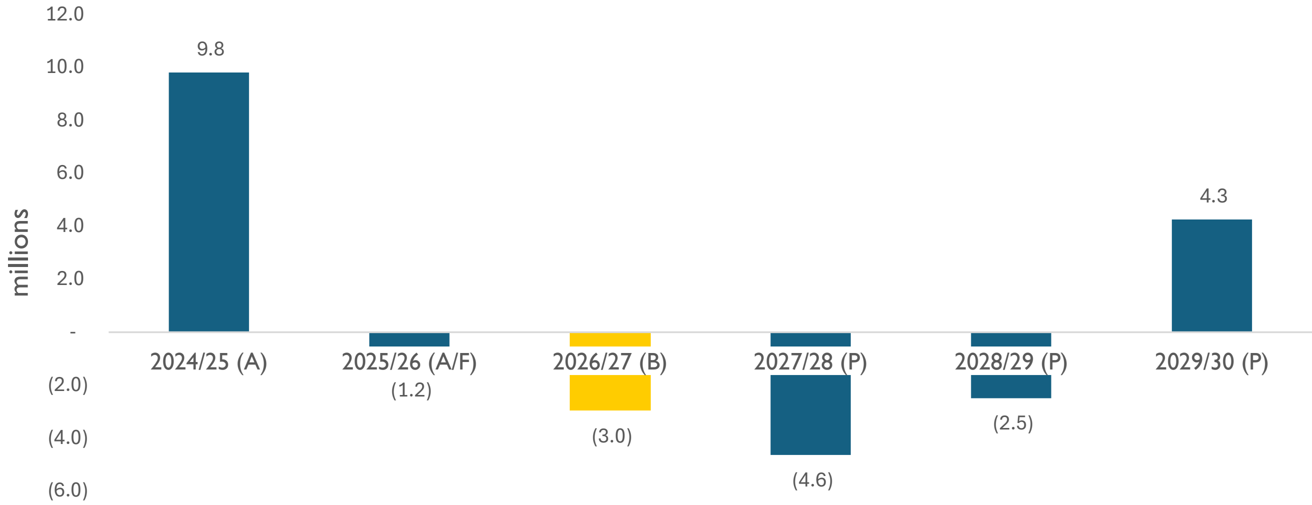


The total rates and charges of $85.2 million for the 2026-27 year are in line with prior year projections. Rate revenue for 2026-27 year is expected to be $63.7 million. The year on year increase includes a 0.6% growth in the number of properties within the municipality combined with an average rate increase of 2.75% in line with the rate cap as mandated by the State Government.

Waste Charges for 2026-27 is expected to be $20.5 million. Council utilises a waste recovery model; that sets the Waste Charge at a level that covers the cost of providing waste services across the municipality and meet regulatory requirements. The standard Waste Charge will increase by $63.73 to $681.73 in 2026-27. The balance of $1 million includes supplementary rates and interest.

Refer also to Section 8.1.1 for further information on rates and charges.

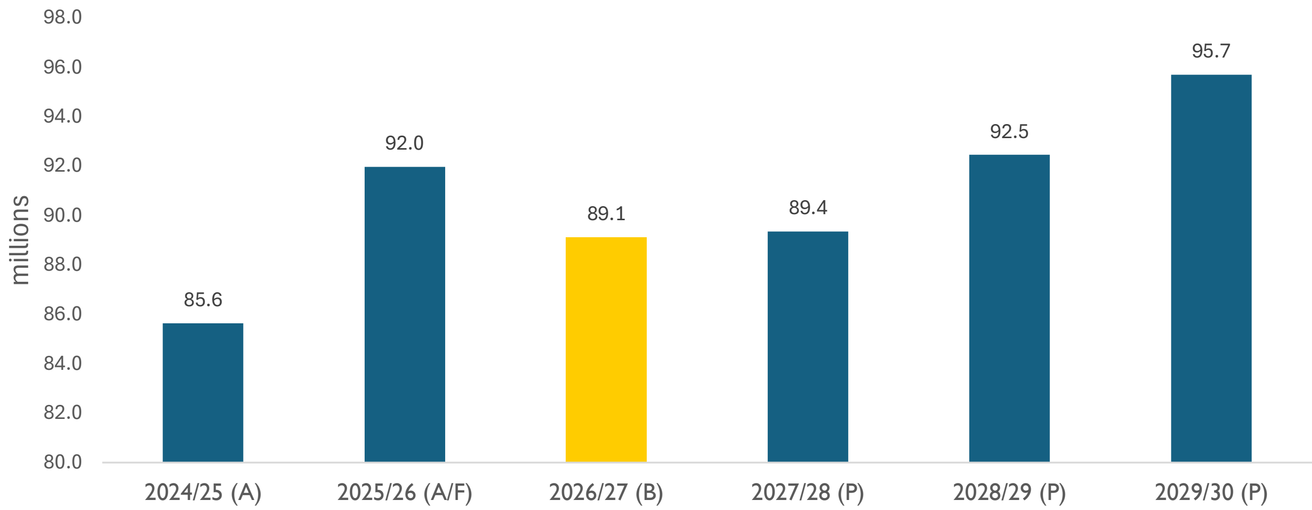
3.2 Operating result



The operating deficit in the 2026-27 year is projected to be $3.0 million. The 2026-27 projected deficit is due to a combination of $2.0 million funding for waste management operating projects and a sharp increase in depreciation following recent revaluations of bridges, roads, pathways and open space assets.

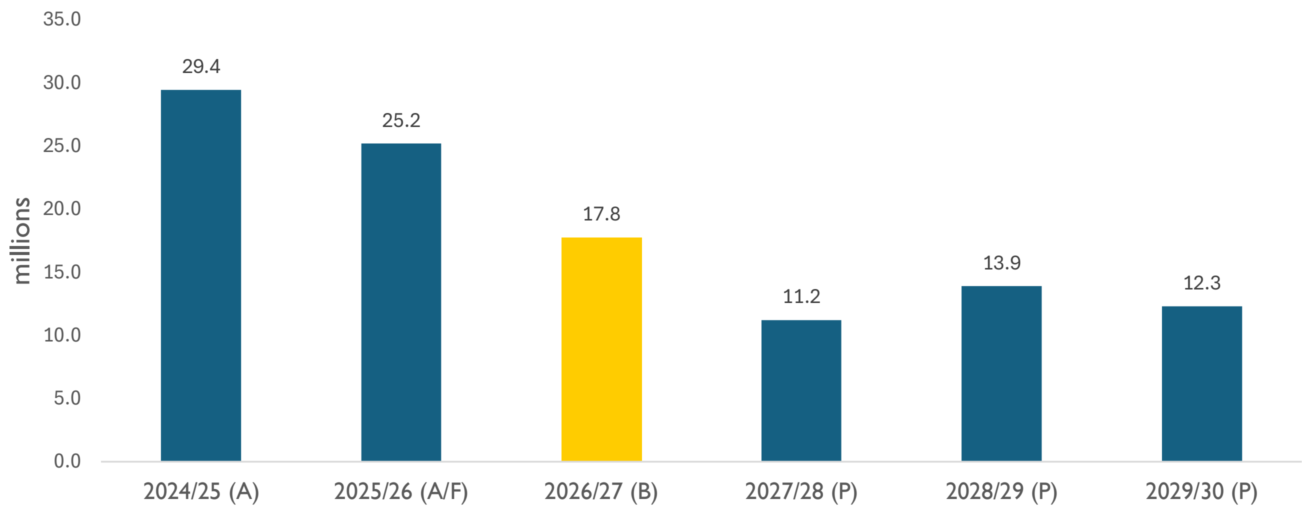
The elevated 2024-25 result reflects the receipt of $6.0 million in unbudgeted developer contributed assets.

3.3 Expenditure excluding depreciation and amortisation



Expenditure excluding depreciation and amortisation for the 2026-27 year is expected to be $89.1 million. Growth of operating expenses has been restained, by a focus on cost containment and the inclusion of labour cost efficiencies in the Budget.
The 2026-27 Budget reflects the impact of waste compliance costs through old landfill rehabilitation $2.0 million and elevated waste operational expenditure due to fuel supply pressures.

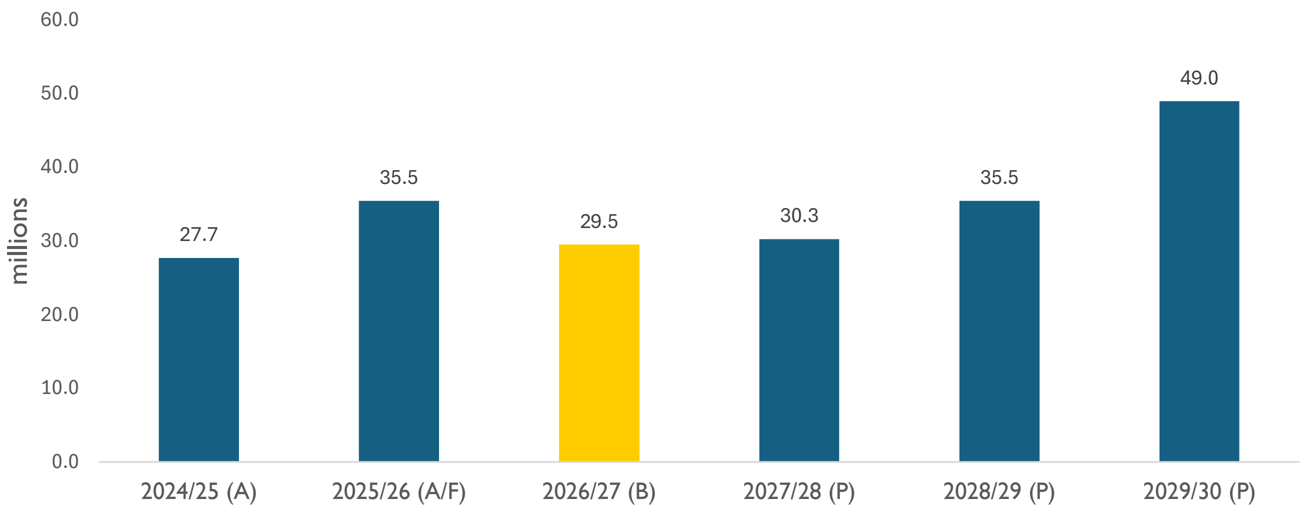
3.4 Cash and cash equivalents



Cash and cash equivalents are budgeted to be $17.8 million as at 30 June 2026. Cash and cash equivalents are expected to reduce to $12.3 million as at 30 June 2030. This is due to the planned utilisation of discretionary reserves as a capital works funding source.

Refer to Section 7.4 for the Statement of Cash Flows and Section 8.4 for the detailed capital works program.

3.5 Capital works



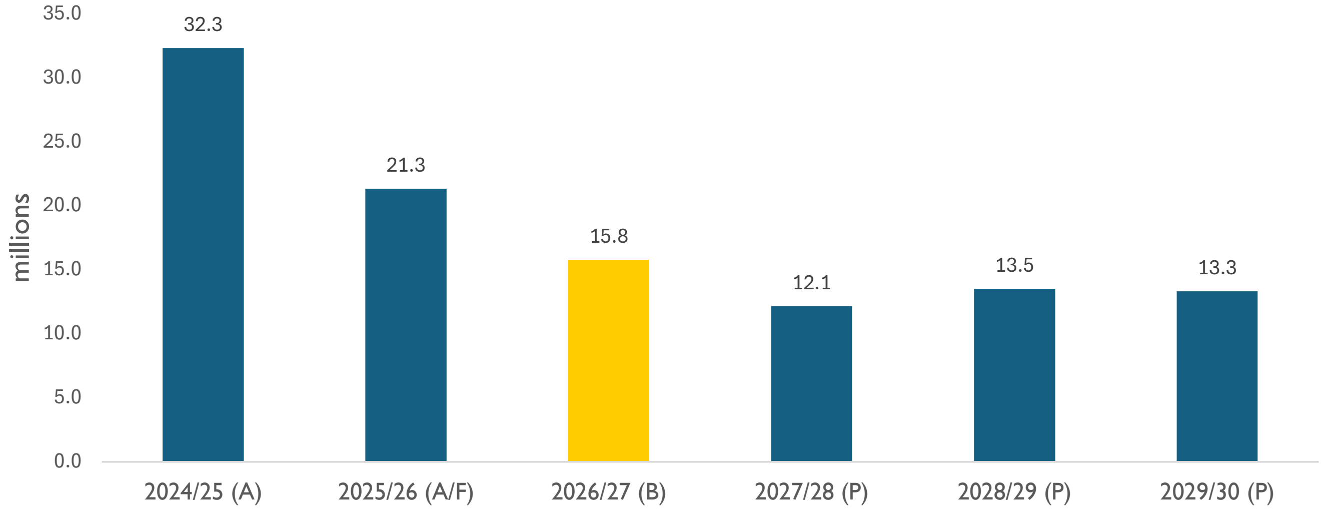
The Capital Works Program for 2026-27 is $29.5 million.

The 2026-27 Program includes a continued investment in new, renewal and upgrade of Council assets including $3.6 million on the continuation of the Cowes Streetscape Master Plan, $2.6 million on sporting pavilions and $1.2 million for completion of the Surf Parade Shared Path in Inverloch.

The program is funded by capital grants of $6.8 million, borrowings of $1.3 million and the remainder from Council funds. The capital expenditure program has been rigorously prioritised considering deliverability and community need.

The 2029-30 Program is predominatly driven by the Wonthaggi Aquatics and Leisure Centre $20.0 million Refer to Section 7.4 for the Statement of Capital Works and Section 8.4 for the detailed capital works program.

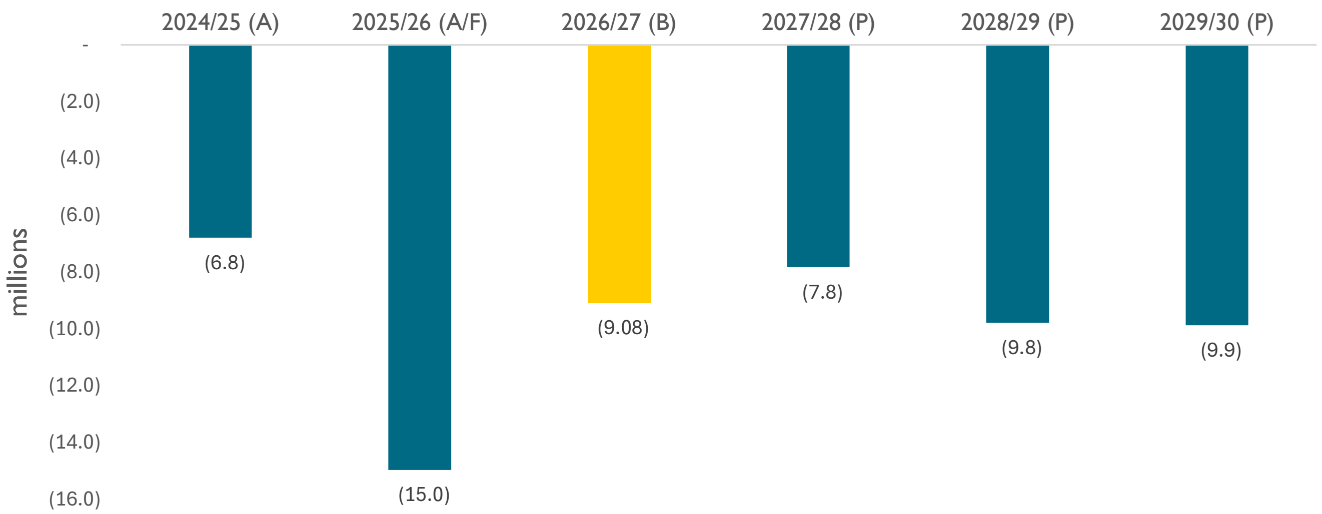
3.6 Financial position



Council's working capital position is expected to reduce over the coming four years from a net $15.8 million in 2026-27 to $13.3 million by June 2030. This result remains within VAGO's low risk rating and confirms that Council's financial position will remain sound with a liquidity ratio greater than 1.0.

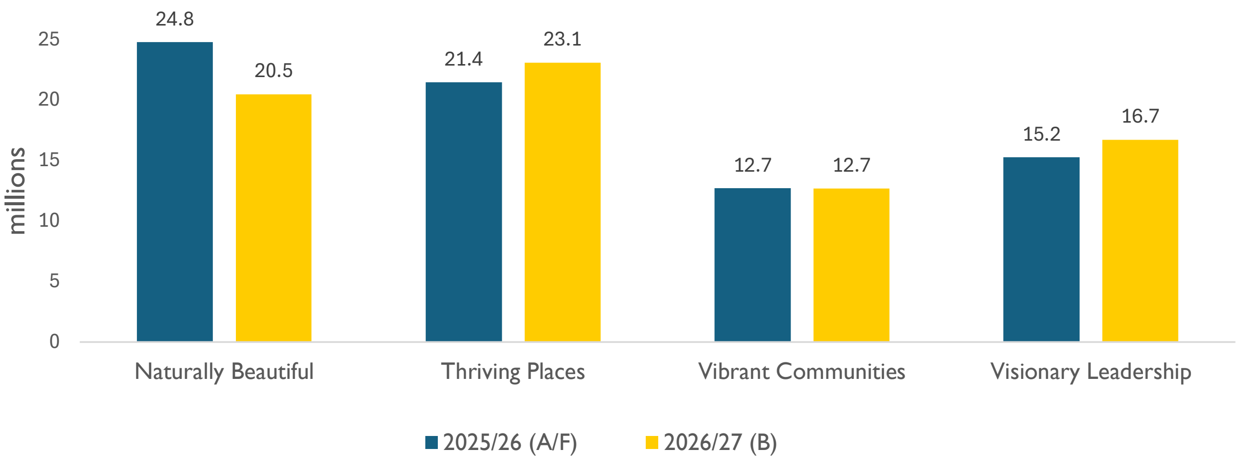
Refer to Section 7.2 for the Balance Sheet.

3.7 Financial sustainability



Council's projected adjusted underlying results range from a deficit of $9.1 million in 2026-27 to $9.9 million in 2029-30. This reflects the impact of a significant increase in depreciation expense resulting from asset revaluation uplifts, significant waste compliance costs through old landfill rehabilitation, and a projected 2.5 per cent rate cap beyond the 2026-27 year.

3.8 Strategic objectives



The Budget includes a range of services and initiatives to be funded that will contribute to the achievement of the strategic objectives specified in the Council Plan. The above graph shows the level of funding allocated in the Budget compared to 2025-26 Forecast at Quarter 2.

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

4. Rating Information

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

4.1 Rating context

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

In developing the Budget, Council's Rating Strategy was reviewed and updated following community consultation. Rates and charges were identified as an important source of revenue, and 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 2026-27 the FGRS cap has been set at 2.75%. 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.

Council has resolved to make changes to the existing rate differentials following community consultation from November 2025 to January 2026 and adoption of a new Rating Strategy. The changes reduce the rating differential for farm land from 80% to 65%, and increase the rating differential for vacant land from 150% to 200%. Developed land remains unchanged at 100%. Council has also resolved to reform the Rural Land Management Program to ensure alignment with Council Plan objectives, to deliver enhanced biodiversity and natural asset protection that targets high-value conservation work.

To achieve Council's objectives while maintaining service levels and a strong capital expenditure program, the average general rate will increase by 2.75% in line with the rate cap.

This will raise total rates and charges for 2026-27 to $85,205,000.

4.2 Current and proposed rates and charges

The following table sets out current and future proposed increases in revenue from total rates and charges and is based on the forecast financial position of Council as at 30 June 2026. Please note that the total rates and charges increase includes expected growth within the municipality during these periods. The average rate increase per assessment is anticipated to be in accordance with the projected rate cap.

Year	Rate Cap Increase %	Waste Charge increase %	Total Rates and charges $'000s	Total Rates & Charges Increase %
2025/26	3.00%	8.7%	81,314	4.4%
2026/27	2.75%	8.4%	85,205	4.8%
2027/28	2.50%	5.0%	89,021	4.5%
2028/29	2.50%	5.0%	92,878	4.3%
2029/30	2.50%	5.0%	96,911	4.3%

4.3 Rating Structure

Council proposes to apply various rates:

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

b) Farm Land rate
The Farm rate currently set at 65% of the Developed Land rate (previously 80%) is based on the definition of a farm within the Valuation of Land Act 1960 . The Valuation of Land Act 1960 definition of Farm Land for valuation purposes requires that farm properties are at least 2 hectares and be:

i. primarily used for agricultural production (grazing, dairying, poultry farming, pig farming, fish farming, tree farming, bee keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind); and,

ii. used by a business which has a significant or substantial commercial purpose, seeks to make a profit on a continuous or repetitive basis or has a reasonable prospect of making a profit from the agricultural activities being undertaken.

c) Vacant Land rate
The vacant land differential rate applies to all vacant land in the Shire (except for Farm Land) and is set at 200% of the developed land rate (previously 150%) on the basis that Council will encourage development of vacant land and therefore generate economic development within the Shire.

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

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

For more information on the rates and charges see Note 8.1.1.

4.4 Consideration of Ministerial Guidelines for Differential Rates

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

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

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

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

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

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

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

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

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

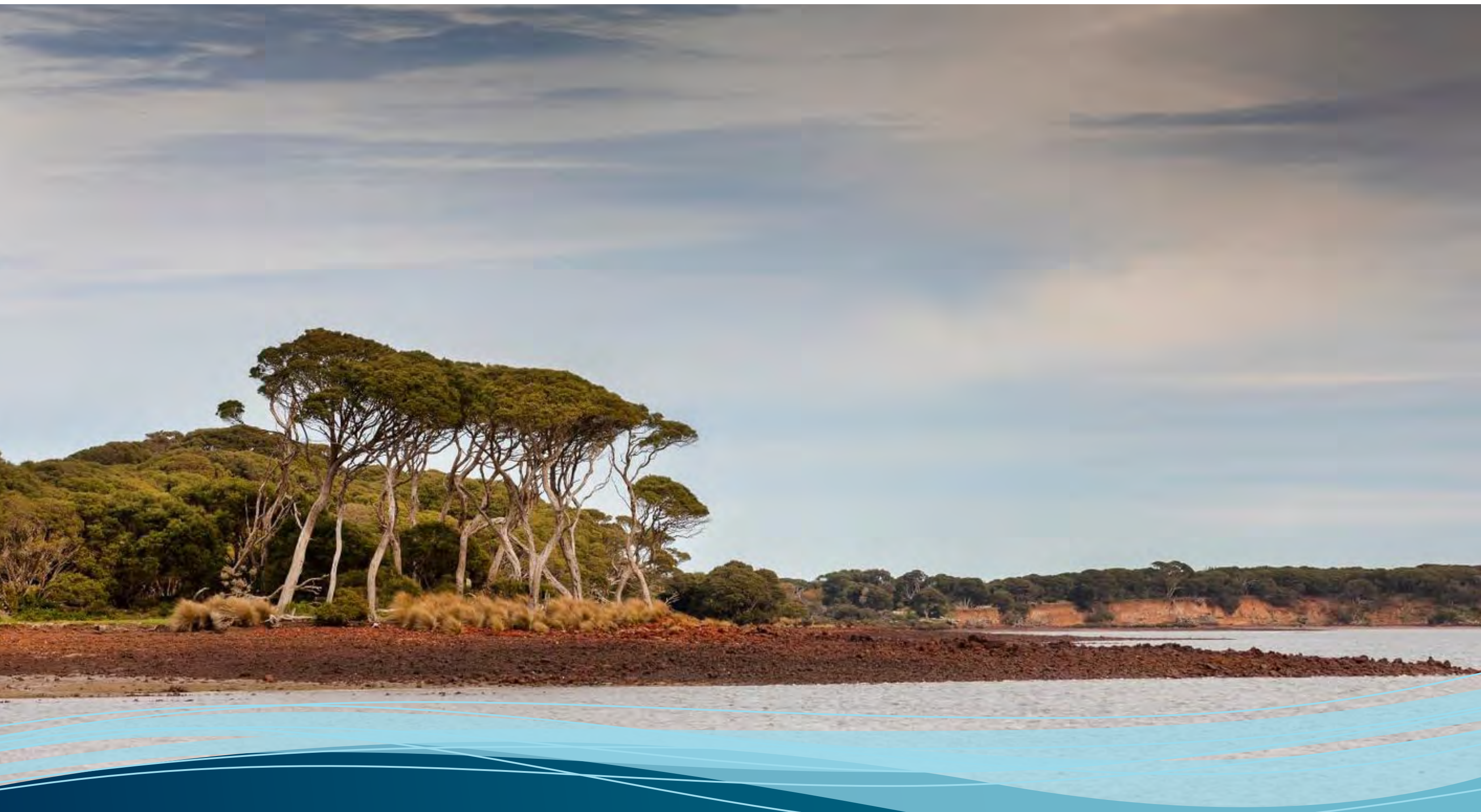
Council believes that the Wealth Tax principle is the most equitable and efficient to adopt in terms of its rating structure. Some moderation of the effect of property value on the level of rates levied is however required to make the rating system more equitable and stable than it would be in the absence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

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

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

4.5 General revaluation of properties

The *Valuation of Land Act 1960* is the principal legislation for the determination of property valuations. Under the *Valuation of Land Act 1960*, the Victorian Valuer-General conducts property valuations annually. Bass Coast Shire Council applies a Capital Improved Valuation (CIV) to all properties within the municipality to take into account the full developed value of the property. This basis of valuation takes into account the total market value of the land, including buildings and other improvements.



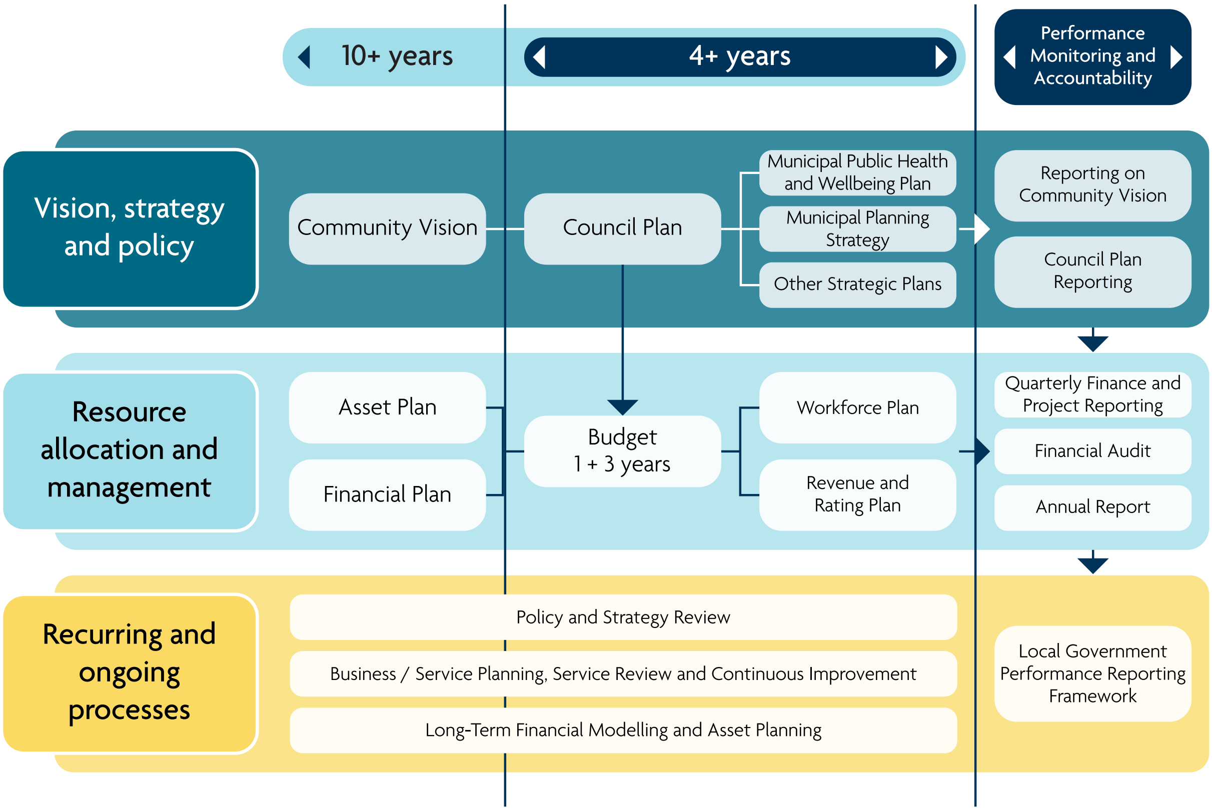
5. Link to the Integrated Planning and Reporting Framework

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

5.1 Planning and accountability framework

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

Bass Coast Integrated Planning and Reporting Framework



Source: Department of Government Services

The timing of each component of the Integrated Planning and Reporting Framework is critical to the successful achievement of the planned outcomes.

5.2 Key planning considerations

Service level planning

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

5.3 Our purpose

Community Vision

From its flowing hills to its coastal woodlands and wild unspoiled coastlines, the Bass Coast is a source of celebration for all who live in and visit the region. Our townships are vibrant, rich with culture and full of life, each with its own distinct character. Drawing on our creativity, innovation and resilience we've created a thriving and diverse economy that supports sustainable agriculture and industry. We live proudly on Bunurong Country, and build on learnings from our First Peoples and their knowledge. We coexist in harmony with our environment, and are prepared for future challenges and changes. We are the people of the Bass Coast. Experience our cultures and history, and contribute to our story.

Operating Principle

Bass Coast Shire Council is committed to delivering good governance for the benefit and well-being of the local communities and future generations. This involves partnering with the communities to address current needs and be prepared for future challenges. In all that we do, Council is committed to being:

Responsive
Actively engaging with the community, listening with intent, and addressing needs promptly and appropriately.

Efficient
Maximising the impact of our resources by reducing waste and providing highquality, cost-effective services

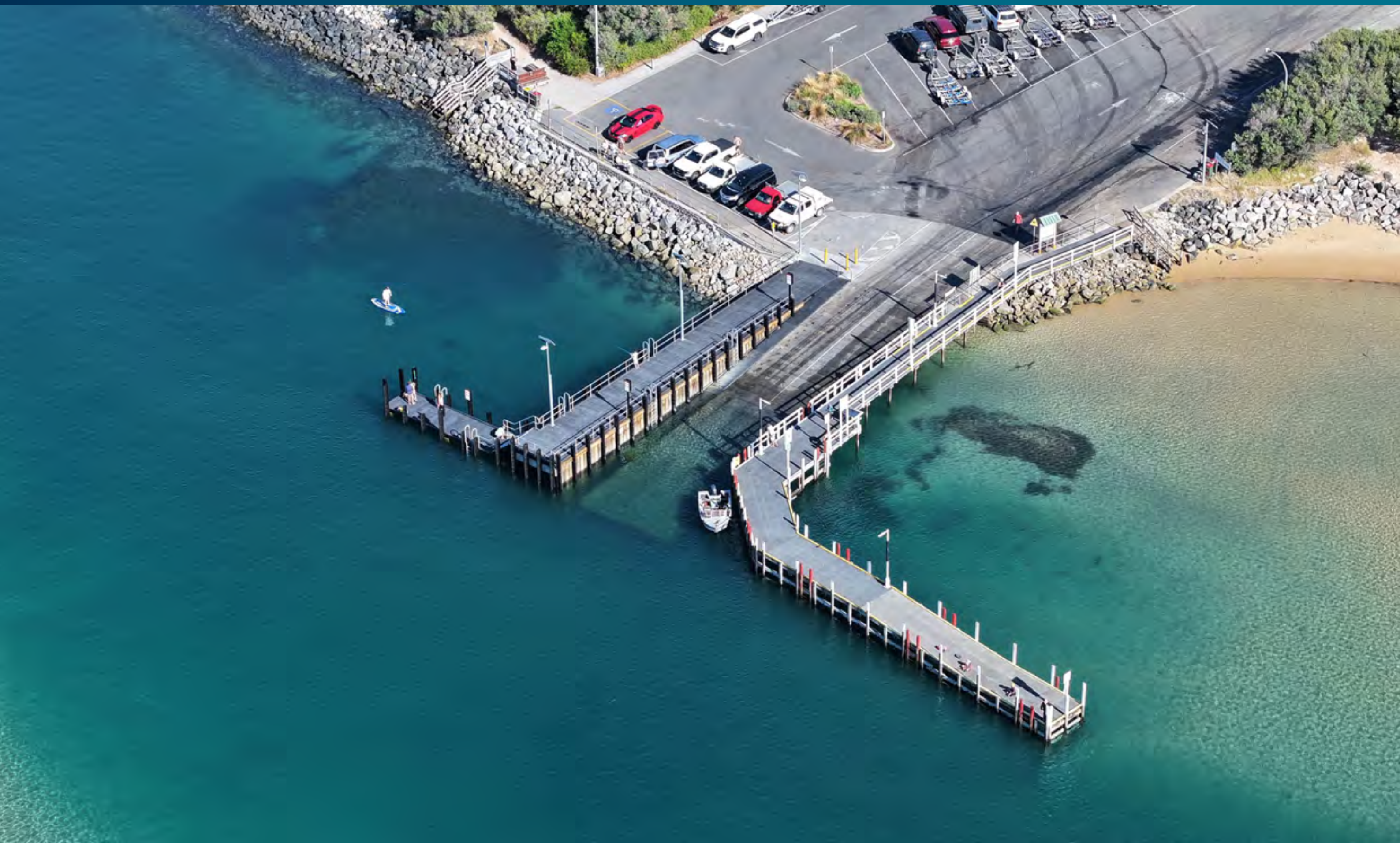
Transparent
Operating with openness, inclusivity, and accountability in all decision-making processes.

Future-focused
Identifying challenges and opportunities, showing strong leadership to foster resilience, support climate adaptation, and make decisions that benefit both current and future generations.

Our values

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

- Accountability
- Passion
- Respect
- Community
- Integrity



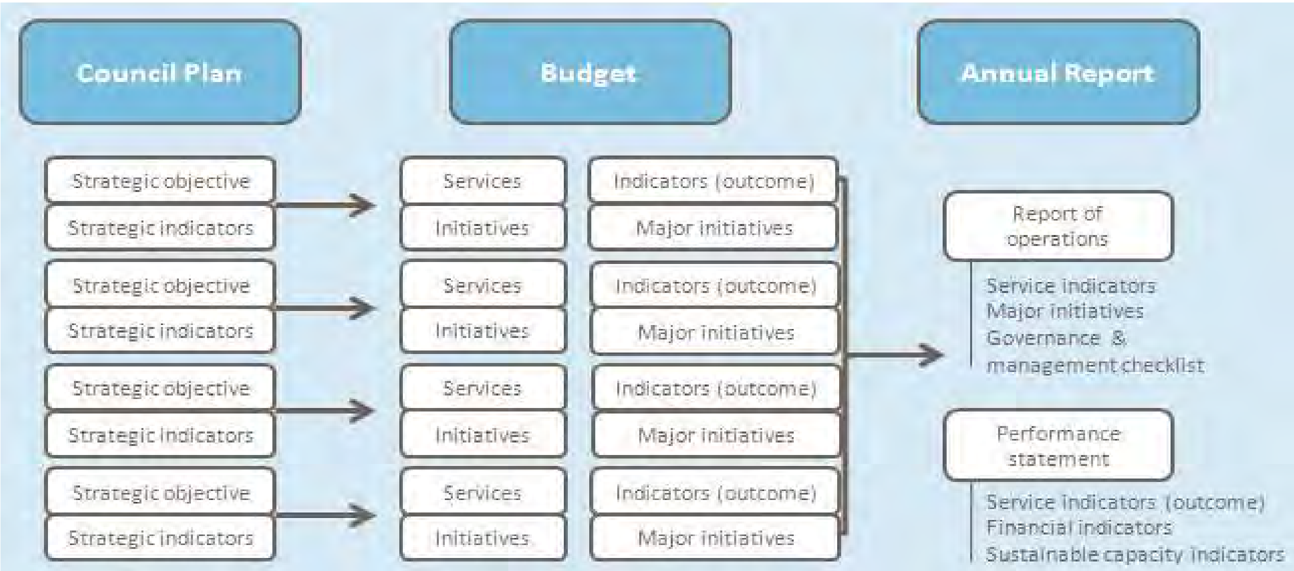
5.4 Strategic Objectives

Council delivers services and major initiatives under 30 major service categories. Each contributes to the achievement of one of the four Strategic Objectives as set out in the Council Plan 2025-2029. The following table lists the four Strategic Objectives as described in the Council Plan. Further detail of services is provided in Section 6.

Strategic Objective		Description
1.	Naturally Beautiful	Together we build resilience and protect and enhance our natural environment.
2.	Thriving Places	Facilities and infrastructure meet current and future needs. Growth is sustainable and well planned. Our economy, agriculture, tourism and industries are resilient. Unique character is preserved.
3.	Vibrant Communities	Communities are healthy, inclusive, safe and socially connected. Communities celebrate opportunity, recreation, diversity, heritage and reconciliation.
4.	Visionary Leadership	Our communities flourish through leadership that is open and responsible, ensuring decisions serve the communities best interests, and comply with legislative obligations.

6. Services and service performance indicators

This section provides a description of the services and major initiatives to be funded in the Budget for the 2026-27 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan 2025-2029. It also describes several initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify major initiatives and service performance outcome indicators in the Budget and report against them in its Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Government Services

6.1 Strategic Objective 1: Naturally Beautiful

Described below are the services, major initiatives and service performance indicators for each business area to achieve our objective of Naturally Beautiful; Together we build resilience and protect and enhance our natural environment.

Services

Service areas	Description of services provided		2024/25 Actual $'000	2025/26 Forecast $'000	2026/27 Budget $'000
Governance & Leadership	Deliver leadership and management to build resilience and protect and enhance our natural environment.	*Income*	-	-	-
		Expenditure	697	705	639
		Surplus / (Deficit)	(697)	(705)	(639)
Environmental Partnerships	Support environmental partnership relationships and oversee management agreements and projects.	*Income*	2	5	-
		Expenditure	351	380	379
		Surplus / (Deficit)	(349)	(375)	(379)
Environmental Policy & Strategy	Manage environmental strategies and plans.	*Income*	138	32	5
		Expenditure	191	233	141
		Surplus / (Deficit)	(53)	(201)	(136)
Environmental Program Delivery	Manage foreshore and bushland reservices, urban forestry and sustainability programs.	*Income*	97	246	21
		Expenditure	2,495	2,671	1,771
		Surplus / (Deficit)	(2,398)	(2,425)	(1,750)
Resource Recovery & Waste Management	Kerbside bin collection, manage active and closed landfills, operate Transfer Stations, waste education.	*Income*	3,867	3,598	3,742
		Expenditure	15,386	23,145	19,754
		Surplus / (Deficit)	(11,519)	(19,547)	(16,012)
Open Space	Maintain fit for purpose wetlands. Deliver tree planting program.	*Income*	-	-	-
		Expenditure	1,374	1,517	1,556
		Surplus / (Deficit)	(1,374)	(1,517)	(1,556)

6.1 Strategic Objective 1: Naturally Beautiful (continued)

Major Initiatives

1. Deliver the Urban Forestry Strategy planting program
2. Reform the Rural Land Management Program and align to Council Plan objectives, to deliver enhanced biodiversity and natural asset protection that targets high-value conservation work
3. Develop priority actions for the Circular Economy Framework
4. Partner with Bass Coast Landcare Network and Western Port Biosphere Foundation to deliver environmental leadership that promotes biodiversity, waterway health and climate resilience across the region

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Target or desired trend
Increase number of trees within shire townships	Council plant 1500 trees
Community satisfation of waste management	Maintain or increase
Percentage of Council electricity use from renewable sources	100%
Increase native vegetation across the Shire	Council and partners plant 360,000 native plants in the rural landscape

Domain	Indicator	Performance Measure
Environment*	Waste management	Kerbside collection waste to landfill per serviced property
Cost	Waste management	Cost of kerbside waste collection services

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

6.2 Strategic Objective 2: Thriving Places

Described below are the services, major initiatives and service performance indicators for each business area to achieve our objective of Thriving Places; Facilities and infrastructure meet current and future needs. Growth is sustainable and well-planned. Our economy, agriculture, tourism and industries are resilient. Unique character is preserved.

Service areas	Description of services provided		2024/25 Actual $'000	2025/26 Forecast $'000	2026/27 Budget $'000
Building & Statutory Planning	Administer and enforce building requirements and regulations. Assess planning permits and other applications, provide land use advice.	*Income*	1,153	1,200	1,201
		Expenditure	2,791	2,601	2,913
		Surplus / (Deficit)	(1,638)	(1,401)	(1,712)
Buildings, Plant & Operations	Maintain Council owned facilities, public amenities and equipment.	*Income*	-	22	79
		Expenditure	3,611	3,954	4,231
		Surplus / (Deficit)	(3,611)	(3,932)	(4,152)
Economic Development	Drive sustainable economic growth by delivering strategic marketing and brand development, supporting local business, and enhancing the region through visitor experience and event development.	*Income*	248	124	117
		Expenditure	1,831	1,793	1,818
		Surplus / (Deficit)	(1,583)	(1,669)	(1,701)
Construction, Civil Design & Assets	Deliver, manage and maintain fit for purpose community infrastructure and assets.	*Income*	92	20	20
		Expenditure	2,476	2,824	2,704
		Surplus / (Deficit)	(2,384)	(2,804)	(2,684)
Development Services	Facilitate quality and functional infrastructure, Ensure development compliance.	*Income*	572	488	571
		Expenditure	1,322	1,377	1,489
		Surplus / (Deficit)	(750)	(889)	(918)
Governance & Leadership	Deliver leadership and management to ensure facilities and infrastructure meet current and future needs; Growth is sustainable and well planned; Our economy, agriculture, tourism and industries are resilient, and our unique character is preserved.	*Income*	-	-	-
		Expenditure	1,895	1,981	1,960
		Surplus / (Deficit)	(1,895)	(1,981)	(1,960)

6.2 Strategic Objective 2: Thriving Places (continued)

Service areas	Description of services provided		Actual $'000	Forecast $'000	Budget $'000
Growth Area Planning	Assess planning permits. Collect and manage developer contributions. Monitor and prioritise the delivery of infrastructure.	*Income*	29	104	25
		Expenditure	1,299	1,238	1,721
		Surplus / (Deficit)	(1,270)	(1,134)	(1,696)
Major Projects	Master planning and advocacy for transformative projects.	*Income*	-	-	-
		Expenditure	123	108	127
		Surplus / (Deficit)	(123)	(108)	(127)
Open Space	Maintain fit for purpose open spaces, tracks and trails, playgrounds and public amenities.	*Income*	96	100	103
		Expenditure	4,371	4,882	5,156
		Surplus / (Deficit)	(4,275)	(4,782)	(5,053)
Property	Oversee Council managed land, including leases and licensing, and purchasing and sales.	*Income*	1,111	1,702	1,310
		Expenditure	744	1,097	697
		Surplus / (Deficit)	367	605	613
Roads & Drainage	Maintain fit for purpose local roads, footpaths and drainage systems.	*Income*	2,910	1,974	2,088
		Expenditure	4,696	4,914	5,200
		Surplus / (Deficit)	(1,786)	(2,940)	(3,112)
Structures	Maintain fit for purpose marine structures, bridges, boardwalks, major culverts, retaining walls, jetties and public artwork.	*Income*	334	40	100
		Expenditure	437	454	681
		Surplus / (Deficit)	(103)	(414)	(581)

Major Initiatives

5. Deliver Invest Bass Coast – a digital investment attraction project
6. Obtain Eco Destination Certification
7. Deliver the 2026-2027 Capital Works Program
8. Amend the Road Management Plan
9. Finalise the Bass Coast Planning Scheme Review
10. Advocate for funding for the delivery of Stage 1 of the Phillip Island Sporting Precinct
11. Finalise delivery of stage 1 of the Cowes Foreshore Precinct Project works
12. Continue Land Use Planning, Partnership Development and Master Planning of the Former Wonthaggi Secondary College Site
13. Progress Detailed Designs for the Bass Coast Aquatic and Leisure Centre (Wonthaggi)
14. Commence a Planning Scheme Amendment to implement priority actions of the Wonthaggi Structure Plan Review
15. Finalise a Planning Scheme Amendment to implement priority actions of the San Remo Structure Plan
16. Finalise background studies for the environmental values mapping across the Shire, including the Western Port Woodlands
17. Develop the Encroachments Policy

6.2 Strategic Objective 2: Thriving Places (continued)

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Target or desired trend
Community satisfaction of sealed roads	Maintain or increase
Percentage of Council's Capital Works Program completed	80%
Renewal Funding Ratio	85-115%
Community satisfaction of recreational facilities	Maintain or increase
Annual total number of visits to leisure centres	Maintain or increase
Community satisfaction of the appearance of public areas	Maintain or increase
Community satisfaction of tourism development	Maintain or increase
Number of business permit applications supported through Council's Business Concierge Program	Maintain or increase

Domain	Indicator	Performance Measure
Environment*	Roads	Sealed local roads below the intervention level
Responsiveness*	Statutory planning	Planning applications decided within the relevant required time

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

6.3 Strategic Objective 3: Vibrant Communities

Described below are the services, major initiatives and service performance indicators for each business area to achieve our objective of Vibrant Communities; Communities are healthy, inclusive, safe and socially connected. Communities celebrate opportunity, recreation, diversity, heritage and reconciliation.

Service areas	Description of services provided		2024/25 Actual $'000	2025/26 Forecast $'000	2026/27 Budget $'000
Arts Culture & Heritage	Deliver vibrant cultural experiences including activating cultural facilities and supporting creative community projects.	*Income*	1,196	1,197	1,143
		Expenditure	2,701	2,737	2,654
		Surplus / (Deficit)	(1,505)	(1,540)	(1,511)
Community Wellbeing	Supports people at every stage of life to build inclusive and connected communities. Promote inclusion, accessibility, and safe, welcoming spaces for all. Manage contracted service of maternal child health, youth services and libraries. Coordinate kindergarten enrolment services and deliver immunisation and community grants.	*Income*	258	335	108
		Expenditure	4,427	4,762	4,726
		Surplus / (Deficit)	(4,169)	(4,427)	(4,618)
Community Safety & Resilience	Administer local laws, domestic animal management, school crossings, parking enforcement, boat ramp operations, environmental health and other regulatory compliance. Lead emergency management response and community safety initiatives.	*Income*	2,177	2,205	2,361
		Expenditure	3,361	3,938	3,909
		Surplus / (Deficit)	(1,184)	(1,733)	(1,548)
Customer & Visitor Experience	Deliver high quality customer service that is welcoming and inclusive.	*Income*	266	286	284
		Expenditure	2,361	2,309	2,389
		Surplus / (Deficit)	(2,095)	(2,023)	(2,105)

6.3 Strategic Objective 3: Vibrant Communities (continued)

Service areas	Description of services provided		Actual $'000	Forecast $'000	Budget $'000
Governance & Leadership	Deliver leadership and management to ensure communities are healthy, inclusive, safe and socially connected; Foster communities that celebrate opportunity, recreation, diversity, heritage and reconciliation.	*Income*	-	-	-
		Expenditure	438	474	187
		Surplus / (Deficit)	(438)	(474)	(187)
Recreation & Leisure	Planning, maintenance and service delivery of recreation facilities, sporting grounds, leisure facilities, projects, programs and strategies.	*Income*	33	54	15
		Expenditure	1,691	1,872	1,776
		Surplus / (Deficit)	(1,658)	(1,818)	(1,761)
Transport & Movement	Transport planning, traffic and road safety, Electric Vehicle (EV) charging, road and drainage upgrade projects.	*Income*	-	6	-
		Expenditure	770	691	924
		Surplus / (Deficit)	(770)	(685)	(924)

6.3 Strategic Objective 3: Vibrant Communities (continued)

Major Initiatives

18. Deliver the Healthy, Safe and Resilience Plan 2025-2029 and Disability Action Plan 2025-2029
19. Deliver the Domestic Animal Management Plan 2026-2029
20. Develop the 2026-2029 Municipal Emergency Management Plan (MEMP) in partnership with Municipal Emergency Management Planning Committee agencies
21. Implement the First Nations Framework and further engage the Bass Coast First Nations Communities in development of inaugural Reconciliation Action Plan.
22. Progress implementation of dinosaur trail masterplan

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Target or desired trend
Youth Services contract KPIs met or exceeded	≥ 85 % of KPIs met or exceeded each year
Community satisfaction with art centres and libraries	Maintain or increase
Community satisfaction with community and cultural activities	Maintain or increase

Domain	Indicator	Performance Measure
Community	Library services	Library membership
Cost	Library services	Cost of library services
Responsiveness	Food safety	Critical and major non-compliance outcome notifications

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

6.4 Strategic Objective 4: Visionary Leadership

Described below are the services, major initiatives and service performance indicators for each business area to achieve our objective of Visionary Leadership; Our communities flourish through leadership that is open and responsible, ensuring decisions serve the communities best interests, and comply with legislative obligations.

Service areas	Description of services provided		2024/25 Actual $'000	2025/26 Forecast $'000	2026/27 Budget $'000
Communications & Engagement	Provide relevant and accessible information, engage authentically with the community, and advocate for its needs.	*Income*	-	-	-
		Expenditure	903	925	1,236
		Surplus / (Deficit)	(903)	(925)	(1,236)
Corporate Planning and Performance	Provide strategic planning and performance reporting to support organisational goals and compliance.	*Income*	-	-	-
		Expenditure	445	404	467
		Surplus / (Deficit)	(445)	(404)	(467)
Finance, Systems & HR	Manage financial operations, business systems, and strategic procurement. Deliver HR functions including recruitment, workforce planning, employee relations, health, safety and wellbeing and development.	*Income*	3,003	3,017	2,419
		Expenditure	9,961	11,558	12,364
		Surplus / (Deficit)	(6,958)	(8,541)	(9,946)
Governance & Leadership	Deliver governance and leadership for Council, including Councillors and management.	*Income*	67	90	19
		Expenditure	3,470	2,989	2,548
		Surplus / (Deficit)	(3,403)	(2,899)	(2,529)
Governance	Deliver governance for Council, including Council meetings, compliance, Audit and Risk Committee, insurance, risk management and corporate information.	*Income*	-	1	2
		Expenditure	2,191	2,480	2,530
		Surplus / (Deficit)	(2,191)	(2,479)	(2,528)

Major Initiatives

23. Enhance customer experience by improving engagement channels
24. Finalise a review of the Waste Service Charge
25. Deliver a new Council website
26. Deliver the Workforce Plan 2026-2029
27. Actively champion Council's advocacy priorities
28. Deliver sector leading beach safety through partnership

6.4 Strategic Objective 4: Visionary Leadership (continued)

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Target or desired trend
Views on Engage Bass Coast website	Maintain or increase
Responsive customer service	≥ 70% resolution at first contact via customer service
Community satisfaction with customer service	Maintain or increase
Enable more efficient interactions with Council	Increase annually % of digital interactions
Percentage of total income from sources other than rates	Maintain or increase
Community satisfaction with Overall Council direction	Maintain or increase
Community satisfaction with Value for money	Maintain or increase
Community satisfaction with Council decisions	Maintain or increase
Community satisfaction with overall Council performance	Maintain or increase
Community satisfaction with lobbying on behalf of community	Maintain or increase
Community satisfaction with informing community	Maintain or increase

Domain	Indicator	Performance Measure
Governance*	Community engagement	Satisfaction with the opportunities offered by Council to be consulted on or engaged in Council decisions
Governance	Financial decisions	Total unpaid rates and charges

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

6.7 Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Governance	Community engagement	Satisfaction with the opportunities offered by Council to be consulted on or engaged in Council decisions (community satisfaction rating out of 100 with the consultation and engagement efforts of Council)	Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement
	Financial decisions	Total unpaid rates and charges (total unpaid rates and charges and unpaid interest on rates and charges for all financial years as a percentage of all rates and charges for the financial year)	[Sum of unpaid rates and charges and unpaid interest on rates and charges for all financial years / Sum of all rates and charges for the financial year] x100
Community	Library services	Library membership (Percentage of the population that are registered library members)	[Number of registered library members / Population] x100
Environment	Roads	Sealed local roads below the intervention level (percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)	[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100
	Waste management	Kerbside collection waste to landfill per serviced property (amount of waste collected from kerbside waste collection services that is sent to landfill per serviced property)	Amount of waste in tonnes (t) collected from kerbside waste collection services that is sent to landfill / Number of serviced properties

6.7 Service Performance Outcome Indicators (continued)

Service	Indicator	Performance Measure	Computation
Responsiveness	Food 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
	Statutory planning	Planning applications decided within the relevant required time (percentage of regular and VicSmart planning application decisions made within the relevant required time)	[Number of planning application decisions made within 60 days for regular permits and 10 days for VicSmart permits / Number of planning application decisions made] x100
Cost	Library services	Cost of library services (direct cost of library services per head of population)	Direct cost of library services / Population
	Waste management	Cost of kerbside waste collection services (direct cost of kerbside waste collection services per serviced property)	Direct cost of kerbside waste collection services / Number of serviced properties

6.8 Performance Statement

Any service performance indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 98 of the Act and included in the 2026-27 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial management and financial forecasting (outlined in Section 9.3). Some of these prescribed indicators are not included in this Budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The Major Initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

6.9 Reconciliation with budgeted operating result

Strategic Objectives	Surplus/ (Deficit) $'000	Expenditure $'000	Income / Revenue $'000
Naturally Beautiful	(20,472)	24,240	3,768
Thriving Places	(23,083)	28,697	5,614
Vibrant Communities	(12,654)	16,565	3,911
Visionary Leadership	(16,705)	19,145	2,440
Total	(72,914)	88,647	15,733

Expenses added in:	
Depreciation & Amortisation	29,993
Borrowing Costs	887
Finance costs - leases	46
Other expenses/Adjustments	45
Landfill Provision Amounts Used	(514)
Deficit before funding sources	(103,371)
Funding sources added in	
Rates & charges	85,205
General Purpose Financial Assistance Grant	7,331
Capital Grants	6,771
Capital Contributions	1,086
Total funding sources	100,393
Operating surplus/(deficit) for the year	(2,978)

7. Financial Statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The Budget information for the year 2026-27 has been supplemented with projections to 2029-30.

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

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

7.1 Comprehensive Income Statement

For the four years ending 30 June 2030

	NOTE	Forecast Actual 2025/26 $'000	Budget 2026/27 $'000	Projections 2027/28 $'000	2028/29 $'000	2029/30 $'000
Income / Revenue						
Rates and charges	8.1.1	81,314	85,205	89,021	92,878	96,911
Statutory fees and fines	8.1.2	3,431	3,858	3,994	4,135	4,281
User fees	8.1.3	6,423	6,214	6,433	6,660	6,895
Grants - operating	8.1.4	10,186	9,873	9,944	10,192	10,447
Grants - capital	8.1.4	14,409	6,771	4,202	8,567	15,522
Contributions - monetary	8.1.5	717	1,308	1,113	798	694
Net gain (or loss) on disposal of property, infrastructure, plant and equipment		64	-	-	-	-
Other income	8.1.6	3,509	2,897	2,591	2,644	2,546
Total income / revenue		**120,053**	**116,126**	**117,297**	**125,874**	**137,295**
Expenses						
Employee costs	8.1.7	39,226	40,665	42,029	43,723	45,485
Materials and services	8.1.8	46,643	43,648	42,497	43,828	44,847
Depreciation	8.1.9	28,607	29,288	31,896	35,212	36,613
Amortisation - intangible assets		350	357	365	372	379
Depreciation - right of use		371	347	321	333	345
Allowance for impairment		47	14	10	10	10
Borrowing costs	8.2.1	1,096	887	778	724	1,050
Finance costs - leases		46	46	56	48	39
Other expenses	8.1.10	4,910	3,851	3,983	4,122	4,268
Total expenses		**121,296**	**119,104**	**121,934**	**128,372**	**133,036**
Surplus/(deficit) for the year		**(1,243)**	**(2,978)**	**(4,637)**	**(2,498)**	**4,260**
Total comprehensive result		**(1,243)**	**(2,978)**	**(4,637)**	**(2,498)**	**4,260**

7.2 Balance Sheet

For the four years ending 30 June 2030

	NOTE	Forecast Actual 2025/26 $'000	Budget 2026/27 $'000	Projections 2027/28 $'000	2028/29 $'000	2029/30 $'000
Assets						
Cash and cash equivalents		25,201	17,772	11,224	13,912	12,308
Trade and other receivables		11,955	10,009	10,103	10,887	11,958
Other financial assets		27,776	27,776	27,776	27,776	27,776
Inventories		55	55	55	55	55
Other assets		1,346	1,363	1,381	1,399	1,418
Total current assets		**66,333**	**56,975**	**50,539**	**54,029**	**53,514**
Non-current assets						
Property, infrastructure, plant & equipment		1,351,717	1,351,502	1,349,431	1,349,190	1,360,979
Right-of-use assets		775	1,781	1,524	1,248	949
Intangible assets		2,518	4,832	4,964	4,592	4,213
Total non-current assets		**1,355,010**	**1,358,114**	**1,355,920**	**1,355,030**	**1,366,141**
Total assets		**1,421,343**	**1,415,090**	**1,406,459**	**1,409,060**	**1,419,655**
Liabilities						
Current liabilities						
Trade and other payables		9,666	7,628	7,627	7,920	8,170
Trust funds and deposits		2,379	2,427	2,475	2,525	2,575
Contract and other liabilities		16,590	16,590	16,590	16,590	16,590
Provisions		11,023	9,213	9,111	10,182	9,102
Interest-bearing liabilities	8.2.1	5,012	5,050	2,288	2,979	3,416
Lease liabilities	8.2.2	342	291	312	333	356
Total current liabilities		**45,012**	**41,199**	**38,402**	**40,529**	**40,210**
Non-current liabilities						
Provisions		12,146	15,090	15,246	13,834	13,502
Interest-bearing liabilities	8.2.1	19,105	15,635	14,540	19,213	26,522
Lease liabilities	8.2.2	460	1,524	1,265	977	654
Total non-current liabilities		**31,711**	**32,249**	**31,052**	**34,023**	**40,678**
Total liabilities		**76,723**	**73,448**	**69,453**	**74,552**	**80,888**
Net assets		**1,344,620**	**1,341,642**	**1,337,005**	**1,334,508**	**1,338,767**
Equity						
Accumulated surplus		379,962	382,814	384,218	378,232	381,895
Reserves		964,658	958,828	952,787	956,275	956,872
Total equity		**1,344,620**	**1,341,642**	**1,337,005**	**1,334,508**	**1,338,767**

7.3 Statement of Changes in Equity

For the four years ending 30 June 2030

	NOTE	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
2026 Forecast Actual					
Balance at beginning of the financial year		1,345,863	368,487	930,596	46,780
Surplus/(deficit) for the year		(1,243)	(1,243)	-	-
Net asset revaluation gain		-	-	-	-
Transfers to other reserves		-	(5,653)	-	5,653
Transfers from other reserves		-	18,370	-	(18,370)
Balance at end of the financial year		**1,344,620**	**379,961**	**930,596**	**34,063**
2027 Budget					
Balance at beginning of the financial year		1,344,620	379,961	930,596	34,063
Surplus/(deficit) for the year		(2,978)	(2,978)	-	-
Net asset revaluation gain		-	-	-	-
Transfers to other reserves	8.3.1	-	(2,075)	-	2,075
Transfers from other reserves	8.3.1	-	7,905	-	(7,905)
Balance at end of the financial year		**1,341,642**	**382,813**	**930,596**	**28,233**
2028					
Balance at beginning of the financial year		1,341,642	382,813	930,596	28,233
Surplus/(deficit) for the year		(4,637)	(4,637)	-	-
Net asset revaluation gain		-	-	-	-
Transfers to other reserves		-	(709)	-	709
Transfers from other reserves		-	6,749	-	(6,749)
Balance at end of the financial year		**1,337,005**	**384,217**	**930,596**	**22,192**
2029					
Balance at beginning of the financial year		1,337,005	384,217	930,596	22,192
Surplus/(deficit) for the year		(2,498)	(2,498)	-	-
Net asset revaluation gain		-	-	-	-
Transfers to other reserves		-	(4,460)	-	4,460
Transfers from other reserves		-	972	-	(972)
Balance at end of the financial year		**1,334,508**	**378,231**	**930,596**	**25,680**
2030					
Balance at beginning of the financial year		1,334,508	378,231	930,596	25,680
Surplus/(deficit) for the year		4,260	4,260	-	-
Net asset revaluation gain		-	-	-	-
Transfers to other reserves		-	(3,579)	-	3,579
Transfers from other reserves		-	2,983	-	(2,983)
Balance at end of the financial year		**1,338,767**	**381,894**	**930,596**	**26,277**

7.4 Statement of Cash Flows

For the four years ending 30 June 2030

NOTE	Forecast Actual 2025/26 $'000	Budget 2026/27 $'000	Projections 2027/28 $'000	2028/29 $'000	2029/30 $'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Rates and charges	85,116	85,714	88,275	92,081	96,108
Statutory fees and fines	3,430	4,291	4,382	4,534	4,695
User fees	6,189	6,911	7,057	7,303	7,562
Grants - operating	9,715	9,983	9,939	10,169	10,425
Grants - capital	13,707	6,846	4,414	8,207	14,950
Interest received	2,303	1,817	1,541	1,568	1,443
Trust funds and deposits taken	87	48	49	50	50
Other receipts	2,817	3,140	2,889	2,588	2,497
Net GST refund / payment	5,866	6,904	6,218	6,812	8,176
Employee costs	(37,497)	(41,566)	(41,934)	(43,582)	(45,348)
Materials and services	(50,896)	(48,214)	(45,488)	(46,764)	(49,482)
Other payments	(7,313)	(6,617)	(6,087)	(6,078)	(5,752)
Net cash provided by/(used in) operating activities	**33,524**	**29,256**	**31,253**	**36,888**	**45,325**
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(35,456)	(32,470)	(33,289)	(38,999)	(53,865)
Proceeds from sale of property, infrastructure, plant and equipment	683	490	481	531	623
Proceeds/(Payments) from/for Financial Assets	3,664	-	-	-	-
Net cash provided by/ (used in) investing activities	**(31,109)**	**(31,980)**	**(32,808)**	**(38,468)**	**(53,242)**
Cash flows from financing activities					
Finance costs	(1,096)	(887)	(778)	(724)	(1,050)
Proceeds from borrowings	2,000	1,340	1,200	7,700	10,750
Repayment of borrowings	(7,138)	(4,771)	(5,058)	(2,336)	(3,004)
Interest paid - lease liability	(46)	(46)	(56)	(48)	(39)
Repayment of lease liabilities	(365)	(340)	(302)	(323)	(346)
Net cash provided by/(used in) financing activities	**(6,645)**	**(4,705)**	**(4,994)**	**4,269**	**6,312**
Net increase/(decrease) in cash & cash equivalents	(4,230)	(7,429)	(6,548)	2,688	(1,604)
Cash and cash equivalents at the beginning of the financial year	29,431	25,201	17,772	11,224	13,912
Cash and cash equivalents at the end of year	**25,201**	**17,772**	**11,224**	**13,912**	**12,308**

7.5 Statement of Capital Works

For the four years ending 30 June 2030

	NOTE	Forecast Actual 2025/26 $'000	Budget 2026/27 $'000	Projections 2027/28 $'000	2028/29 $'000	2029/30 $'000
Property						
Land improvements		10,001	7,678	4,641	6,485	5,636
Total land		**10,001**	**7,678**	**4,641**	**6,485**	**5,636**
Buildings		6,943	5,672	4,999	14,966	28,284
Total buildings		**6,943**	**5,672**	**4,999**	**14,966**	**28,284**
Total property		**16,944**	**13,350**	**9,640**	**21,451**	**33,920**
Plant and equipment						
Plant, machinery and equipment		3,657	1,480	1,520	1,450	1,430
Computers and telecommunications		700	768	660	660	660
Other infrastructure		-	-	104	-	109
Total plant and equipment		**4,357**	**2,248**	**2,284**	**2,110**	**2,199**
Infrastructure						
Roads		7,966	6,818	5,859	6,315	6,619
Bridges		953	1,760	2,000	2,000	2,100
Footpaths and cycleways		3,316	2,097	2,247	1,706	636
Drainage		1,494	970	1,070	1,000	1,270
Waste management		426	2,274	7,163	872	2,224
Total infrastructure		**14,155**	**13,919**	**18,339**	**11,893**	**12,849**
Total capital works expenditure	8.4.1	**35,456**	**29,518**	**30,263**	**35,454**	**48,968**
Represented by:						
New asset expenditure		12,595	7,500	8,780	14,607	25,959
Asset renewal expenditure		17,706	15,369	16,666	16,636	18,064
Asset expansion expenditure		577	1,185	2,397	240	1,575
Asset upgrade expenditure		4,578	5,464	2,420	3,971	3,370
Total capital works expenditure	8.4.1	**35,456**	**29,518**	**30,263**	**35,454**	**48,968**
Funding sources represented by:						
Grants		14,409	6,771	4,202	8,567	15,522
Contributions		400	1,086	885	565	455
Council cash		17,722	20,321	23,975	18,622	22,241
Borrowings		2,925	1,340	1,200	7,700	10,750
Total capital works expenditure	8.4.1	**35,456**	**29,518**	**30,263**	**35,454**	**48,968**

7.6 Funding Statement

For the four years ending 30 June 2030

	NOTE	Forecast Actual 2025/26 $'000	Budget 2026/27 $'000	Projections 2027/28 $'000	2028/29 $'000	2029/30 $'000
Revenue						
Rates and charges		81,313	85,205	89,021	92,878	96,911
Statutory fees and fines		3,431	3,858	3,994	4,135	4,281
User fees		6,423	6,214	6,433	6,660	6,895
Grants - operating		10,187	9,873	9,944	10,192	10,447
Contributions - monetary		317	222	228	233	239
Interest revenue		2,299	1,817	1,541	1,568	1,443
Other income		1,210	1,080	1,050	1,076	1,103
Total revenue		**105,180**	**108,269**	**112,210**	**116,742**	**121,318**
Proceeds						
Sale of assets		683	445	438	483	567
Total proceeds		**683**	**445**	**438**	**483**	**567**
Expenses						
Employee costs		(39,226)	(40,665)	(42,029)	(43,723)	(45,485)
Materials and services		(46,643)	(43,648)	(42,322)	(43,376)	(44,264)
Borrowing costs		(1,096)	(887)	(778)	(724)	(1,050)
Interest on leases		(46)	(46)	(56)	(48)	(39)
Other expenses		(4,940)	(3,865)	(4,168)	(4,585)	(4,861)
Total expenses		**(91,951)**	**(89,111)**	**(89,353)**	**(92,455)**	**(95,698)**
Reserve fund movements						
Transfers from/(to) reserves		12,717	5,830	6,041	(3,488)	(596)
Net reserve movements		**12,717**	**5,830**	**6,041**	**(3,488)**	**(596)**
Capital expenditure and income						
Grants - capital		14,409	6,771	4,202	8,567	15,522
Contributions - monetary		400	1,086	885	565	455
Repayment of borrowings		(7,138)	(4,771)	(5,058)	(2,336)	(3,004)
Repayment of lease liabilities		(365)	(340)	(302)	(323)	(346)
New loans		2,000	1,340	1,200	7,700	10,750
Capital works		(35,456)	(29,518)	(30,263)	(35,454)	(48,968)
Net capital works and income		**(26,150)**	**(25,433)**	**(29,335)**	**(21,281)**	**(25,590)**
Surplus/(deficit)		**479**	**-**	**-**	**-**	**-**

7.7 Statement of Human Resources

For the four years ending 30 June 2030

	Forecast Actual	Budget	Projections		
	2025/26	2026/27	2027/28	2028/29	2029/30
	$'000	$'000	$'000	$'000	$'000
Employee Expenditure					
Employee costs - operating	39,226	40,665	42,029	43,723	45,485
Employee costs - capital	1,374	1,926	1,990	2,070	2,154
Total employee expenditure	**40,600**	**42,591**	**44,019**	**45,793**	**47,639**
Employee numbers					
Employee	346.5	351.5	351.7	355.7	359.7
Total employee numbers	**346.5**	**351.5**	**351.7**	**355.7**	**359.7**

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

		Comprises			
	Budget	Permanent			
Division	2026/27	Full time	Part time	Casual	Temporary
	$'000	$'000	$'000	$'000	$'000
Chief Executive Office	520	520	-	-	-
Community and Culture	16,861	13,799	2,473	458	132
Future Places	12,957	11,639	1,318	-	-
Innovation and Engagement	12,167	9,897	2,086	-	184
Total permanent employee expenditure	**42,505**				
Other employee related expenditure	86				
Capitalised labour costs	(1,926)				
Total expenditure	**40,665**				

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

		Comprises			
Division	Budget	Permanent		Casual	Temporary
	2026/27	Full Time	Part time		
Chief Executive Office	2.0	2.0	-	-	-
Community and Culture	150.1	121.0	27.1	-	2.0
Future Places	96.8	84.0	12.8	-	-
Innovation and Engagement	102.6	79.0	21.8	-	1.8
Total staff	**351.5**	**286.0**	**61.7**	**-**	**3.8**

7.8 Human Resources by Gender

Summary of Planned Human Resources Expenditure

For the four years ending 30 June 2030

	2026/27 $'000	2027/28 $'000	2028/29 $'000	2029/30 $'000
Chief Executive Office				
Permanent - Full time	520	535	551	568
Women	147	151	156	160
Men	373	384	396	407
Total Chief Executive Office	**520**	**535**	**551**	**568**
Community and Culture				
Permanent - Full time	13,799	14,359	14,941	15,546
Women	4,640	4,853	5,050	5,254
Men	8,895	9,232	9,605	9,995
Persons of self-described gender	88	92	95	99
Vacant positions	176	183	190	198
Permanent - Part time	2,473	2,567	2,670	2,779
Women	1,217	1,263	1,314	1,368
Men	1,194	1,239	1,289	1,341
Vacant positions	62	65	67	70
Total Community and Culture	**16,272**	**16,926**	**17,611**	**18,325**
Future Places				
Permanent - Full time	11,639	12,156	12,648	13,160
Women	3,747	3,964	4,125	4,292
Men	7,259	7,534	7,839	8,157
Vacant positions	633	657	684	712
Permanent - Part time	1,318	1,368	1,423	1,481
Women	929	964	1,003	1,044
Men	332	345	359	374
Vacant positions	56	58	61	63
Total Future Places	**12,957**	**13,523**	**14,071**	**14,641**
Innovation and Engagement				
Permanent - Full time	9,897	10,310	10,727	11,162
Women	6,701	6,955	7,237	7,530
Men	2,676	2,816	2,930	3,048
Vacant positions	519	539	561	584
Permanent - Part time	2,086	2,165	2,252	2,344
Women	1,720	1,785	1,857	1,932
Men	77	79	83	86
Vacant positions	289	300	313	325
Total Innovation and Engagement	**11,983**	**12,474**	**12,980**	**13,505**
Casuals, temporary and other expenditure	859	561	580	600
Capitalised labour costs	**(1,926)**	**(1,990)**	**(2,070)**	**(2,154)**
Total staff expenditure	**40,665**	**42,029**	**43,723**	**45,485**

7.8 Human Resources by Gender (continued)

	2026/27 FTE	2027/28 FTE	2028/29 FTE	2029/30 FTE
Chief Executive Office				
Permanent - Full time	2.0	2.0	2.0	2.0
Women	1.0	1.0	1.0	1.0
Men	1.0	1.0	1.0	1.0
Total Chief Executive Office	**2.0**	**2.0**	**2.0**	**2.0**
Community and Culture				
Permanent - Full time	121.0	122.0	123.0	124.0
Women	37.0	38.0	39.0	40.0
Men	83.0	83.0	83.0	83.0
Persons of self-described gender	1.0	1.0	1.0	1.0
Vacant positions	0.0	0.0	0.0	0.0
Permanent - Part time	27.1	27.1	27.1	27.1
Women	12.5	12.5	12.5	12.5
Men	12.7	12.7	12.7	12.7
Vacant positions	1.9	1.9	1.9	1.9
Total Community and Culture	**148.1**	**149.1**	**150.1**	**151.1**
Future Places				
Permanent - Full time	84.0	86.0	88.0	90.0
Women	27.0	29.0	31.0	33.0
Men	50.0	50.0	50.0	50.0
Vacant positions	7.0	7.0	7.0	7.0
Permanent - Part time	12.8	12.8	12.8	12.8
Women	8.9	8.9	8.9	8.9
Men	2.6	2.6	2.6	2.6
Vacant positions	1.4	1.4	1.4	1.4
Total Future Places	**96.8**	**98.8**	**100.8**	**102.8**
Innovation and Engagement				
Permanent - Full time	79.0	80.0	81.0	82.0
Women	52.0	52.0	52.0	52.0
Men	19.0	20.0	21.0	22.0
Vacant positions	8.0	8.0	8.0	8.0
Permanent - Part time	21.8	21.8	21.8	21.8
Women	16.4	16.4	16.4	16.4
Men	0.6	0.6	0.6	0.6
Vacant positions	4.8	4.8	4.8	4.8
Total Innovation and Engagement	**100.8**	**101.8**	**102.8**	**103.8**
Casuals and temporary employees	3.8	0.0	0.0	0.0
Capitalised labour*	*16*	*16*	*16*	*16*
Total employee numbers	**351.5**	**351.7**	**355.7**	**359.7**

*this does not have any impact on total employee numbers

8. Notes to the financial statements

8.1 Comprehensive Income Statement

8.1.1 Rates and charges

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

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

In developing the Budget, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the financial planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2026-27 the FGRS cap has been set at 2.75%. 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 2.75% in line with the rate cap.

This will raise total rates and charges for 2026-27 to $85,205,000.

8.1.1(a) Reconciliation of total rates and charges

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

	Forecast Actual 2025/26 $'000	Budget 2026/27 $'000	Change $'000	Change %
General rates*	61,604	63,717	2,113	3.4%
Service rates and charges	18,971	20,517	1,546	8.1%
Supplementary rates and rate adjustments	395	504	109	27.6%
Interest on rates and charges	261	435	174	66.7%
Revenue in lieu of rates	36	32	(4)	(11.1%)
Total rates and charges	**81,267**	**85,205**	**3,938**	**4.8%**

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

8.1.1(b) Rate in the dollar to be levied as general rates

The rate in the dollar to be levied as general rates under section 158 of the *Local Government Act 1989* for each type or class of land compared with the previous financial year

General rate for rateable properties	2025/26 Cents / $ CIV	2026/27 Cents / $ CIV	Change %
Residential	0.231210	0.239195	3.5%
Farm	0.184960	0.155477	(15.9%)
Commercial	0.231210	0.239195	3.5%
Industrial	0.231210	0.239195	3.5%
Vacant Land	0.346820	0.478390	37.9%
Recreational	0.138726	0.143517	3.5%

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

8.1.1(c) Estimated total amount to be raised by general rates

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

Type or class of land	2025/26 $'000	2026/27 $'000	Change $'000	Change %
Residential	50,082	51,308	1,226	2.4%
Farm	3,978	3,328	(650)	(16.3%)
Commercial	2,156	2,369	213	9.9%
Industrial	684	732	48	7.0%
Vacant Land	4,665	5,941	1,276	27.4%
Recreational	38	39	1	2.0%
Total amount to be raised by general	**61,604**	**63,717**	**2,113**	**3.4%**

8.1.1(d) Number of assessments

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

Type or class of land	2025/26 Number	2026/27 Number	Change Number	Change %
Residential	29,636	29,941	305	1.0%
Farm	1,002	1,015	13	1.3%
Commercial	930	931	1	0.1%
Industrial	460	478	18	3.9%
Vacant Land	2,619	2,476	(143)	(5.5%)
Recreational	20	20	-	0.0%
Total number of assessments	**34,667**	**34,861**	**194**	**0.6%**

8.1.1(e) Basis of valuation

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

8.1.1(f) Estimated total value of land

Type or class of land	2025/26 $'000	2026/27 $'000	Change $'000	Change %
Residential	21,657,630	21,450,170	(207,460)	(1.0%)
Farm	2,150,245	2,140,685	(9,560)	(0.4%)
Commercial	964,180	990,300	26,120	2.7%
Industrial	272,185	306,128	33,943	12.5%
Vacant Land	1,342,189	1,241,976	(100,213)	(7.5%)
Recreational	27,560	27,180	(380)	(1.4%)
Total value of land	**26,413,989**	**26,156,439**	**(257,550)**	**(1.0%)**

8.1.1(g) Rate or unit amount to be levied

The rate or unit amount to be levied for each type of service rate or charge under Section 162 of the *Local Government Act 1989* compared with the previous financial year and detailed disclosure of the actual services rendered for the amount levied:

Type of Charge	2025/26 $	2026/27 $	Change $	Change %
Waste charge	618.00	681.73	63.73	10.3%
- 240 Litre organics				
- 240 litre recycle				
- 120 litre landfill				
Waste charge - with 20% Pensioner Rebate	618.00	544.92	- 73.08	(11.8%)
Additional recycling 240 litre bin	128.00	141.20	13.20	10.3%
Additional recycling 240 litre bin - commercial	128.00	141.20	13.20	10.3%
Additional organics 240 litre bin	161.00	177.60	16.60	10.3%
Additional organics 240 litre bin - commercial	161.00	177.60	16.60	10.3%
Additional landfill 120 litre bin	160.00	176.50	16.50	10.3%
Additional landfill 120 litre bin - commercial	161.50	178.20	16.70	10.3%
Additional landfill 240 litre bin	283.00	312.20	29.20	10.3%
Additional landfill 240 litre bin - commercial	286.50	316.00	29.50	10.3%
Upsized landfill bin (120 litre to 240 litre)	123.60	136.35	12.75	10.3%
Upsized landfill bin with a medical exemption	-	-	-	0.0%

8.1.1(h) Estimated total amount to be raised

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

Type of Charge	2025/26 $	2026/27 $	Change $	Change %
Waste	18,926,164	20,517,055	1,590,891	8.4%
Total service rates and charges	**18,926,164**	**20,517,055**	**1,590,891**	**8.4%**

8.1.1(i) Estimated total amount to be raised by supplementary charges

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

Type of Charge	2025/26 $	2026/27 $	Change $	Change %
Supplementary rates	600,000	400,000	(200,000)	(33.3%)
Supplementary Waste charges	120,000	104,000	(16,000)	(13.3%)
Total supplementary rates and charges	**720,000**	**504,000**	**(216,000)**	**(30.0%)**

8.1.1(j) Estimated total amount to be raised by all rates and charges

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

Type of Charge	2025/26 $	2026/27 $	Change $	Change %
General rates	61,603,510	63,717,451	2,113,941	3.4%
Waste management charge	18,926,164	20,517,055	1,590,891	8.4%
Supplementary rates	720,000	504,000	(216,000)	(30.0%)
Revenue in lieu of rates	35,000	32,000	(3,000)	(8.6%)
Total rates and charges	**81,284,674**	**84,770,506**	**3,485,832**	**4.3%**

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

8.1.1(k) Fair Go Rates System Compliance

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

	2025/26	2026/27
Total rates	$ 59,813,388	$ 62,014,362
Number of rateable properties	34,667	34,861
Base average rate	$ 1,725	$ 1,779
Maximum rate increase (set by Government)	3.00%	2.75%
Capped average rate	$ 1,777	$ 1,828
Maximum general rates	$ 61,607,790	$ 63,719,757
Budget general rates	$ 61,603,510	$ 63,717,451
Budgeted supplementary rates	$ 720,000	$ 504,000
Budgeted total rates	$ 62,323,510	$ 64,221,451

8.1.1(l) 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 (2026-27: estimated $400,000 and 2025-26: $600,000)
- The variation of returned levels of value (e.g. valuation appeals)
- Changes in use of land such that rateable land becomes non-rateable land and vice versa
- Changes in use of land such that residential land becomes business land and vice versa.

8.1.1(m) Differential rates

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

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

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

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

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

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

8.1.1(n) Differential 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 100% (0.239195 cents in the dollar) of CIV for all rateable residential, commercial and industrial properties.
- A general rate of 65% (0.155477 cents in the dollar) of CIV for all rateable farm properties.
- A general rate of 200% (0.47839 cents in the dollar) of CIV for all rateable vacant land from all categories.
- A general rate of 60% (0.143517 cents in the dollar) of CIV for all rateable recreational and cultural properties.

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

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

8.1.1(o) Residential land

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

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

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

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

The use of the land within this differential rate, in the case of improved land, is any use of land.

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

The types of buildings on the land within this differential rate are all buildings already on the land or which will be constructed prior to the expiry of the 2026-27 financial year.

8.1.1(p) Commercial land

Commercial land is any land which is:

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

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

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

The use of the land within this differential rate, in the case of improved land, is any use of land.

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

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2026-27 financial year.

8.1.1(q) Industrial land

Industrial land is any land which is:

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

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

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

The use of the land within this differential rate, in the case of improved land, is any use of land.

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

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2026-27 financial year.

8.1.1(r) Farm land

Farm land is any land which is:

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

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

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

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

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2026-27 financial year.

8.1.1(s) Vacant land

Vacant land is any land which is:

- Considered vacant in that it has no buildings or dwellings constructed on it prior to the expiry of the 2025-26 financial year; and,
- May include land zoned as residential, commercial, industrial or rural residential.

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

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

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

8.1.1(t) Recreational land

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

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

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

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

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2026-27 financial year.

8.1.2 Statutory fees and fines

	Forecast Actual 2025/26 $'000	Budget 2026/27 $'000	Change $'000	Change %
Infringements and costs	422	409	(13)	(3.1%)
Town planning fees	288	440	152	52.9%
Land information certificates	90	90	0	0.5%
Permits	2,631	2,919	287	10.9%
Total statutory fees and fines	**3,431**	**3,858**	**427**	**12.4%**

8.1.3 User Fees

	Forecast Actual 2025/26 $'000	Budget 2026/27 $'000	Change $'000	Change %
Aged and health services	4	10	6	131.1%
Leisure centre and recreation	1,639	1,284	(356)	(21.7%)
Waste management services	3,167	3,297	130	4.1%
Other fees and charges	1,612	1,624	12	0.7%
Total user fees	**6,423**	**6,214**	**(209)**	**(3.2%)**

8.1.4 Grants

	Forecast Actual 2025/26 $'000	Budget 2026/27 $'000	Change $'000	Change %
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	13,537	11,523	(2,014)	(14.9%)
State funded grants	11,059	5,120	(5,938)	(53.7%)
Total grants received	**24,596**	**16,644**	**(7,952)**	**(32.3%)**
(a) Operating Grants				
Recurrent - Commonwealth Government				
Financial Assistance Grants	9,077	9,439	362	4.0%
Other	29	29	(0)	(0.0%)
Recurrent - State Government				
Community safety	164	168	4	2.5%
Community health	37	31	(6)	(15.3%)
Environment	20	21	0	1.2%
Other	73	13	(60)	(82.6%)
Total recurrent grants	**9,400**	**9,701**	**300**	**3.2%**
Non-recurrent - State Government				
Emergency management	26	-	(26)	(100.0%)
Recreation	101	100	(1)	(1.2%)
Community safety	36	-	(36)	(100.0%)
Other	623	72	(551)	(88.4%)
Total non-recurrent grants	**786**	**172**	**(614)**	**(78.1%)**
Total operating grants	**10,186**	**9,873**	**(313)**	**(3.1%)**
(b) Capital Grants				
Recurrent - Commonwealth Government				
Roads to recovery	1,095	1,755	660	60.3%
Total recurrent grants	**1,095**	**1,755**	**660**	**60.3%**
Non-recurrent - Commonwealth Government				
Buildings	957	300	(657)	(68.6%)
Transport network	2,379	-	(2,379)	(100.0%)
Non-recurrent - State Government				
Buildings	1,204	500	(704)	(58.5%)
Open space	4,811	2,700	(2,111)	(43.9%)
Transport network	881	668	(213)	(24.2%)
Recreation	36	848	812	2255.6%
Other	3,045	-	(3,045)	(100.0%)
Total non-recurrent grants	**13,314**	**5,016**	**(8,298)**	**(62.3%)**
Total capital grants	**14,409**	**6,771**	**(7,638)**	**(53.0%)**
Total Grants	**24,595**	**16,644**	**(7,952)**	**(32.3%)**

8.1.5 Contributions

	Forecast Actual 2025/26 $'000	Budget 2026/27 $'000	Change $'000	Change %
Monetary	717	1,308	591	82.5%
Total contributions	**717**	**1,308**	**591**	**82.5%**

8.1.6 Other income

	Forecast Actual 2025/26 $'000	Budget 2026/27 $'000	Change $'000	Change %
Interest	2,299	1,817	(482)	(21.0%)
Dividends	4	4	-	0.0%
Other rent	254	225	(29)	(11.3%)
Other	952	852	(100)	(10.6%)
Total other income	**3,509**	**2,897**	**(611)**	**(17.4%)**

8.1.7 Employee Costs

	Forecast Actual 2025/26 $'000	Budget 2026/27 $'000	Change $'000	Change %
Wages and salaries	30,164	31,095	932	3.1%
Annual leave	3,002	3,242	240	8.0%
Long service leave	949	896	(53)	(5.6%)
WorkCover	717	957	240	33.5%
Superannuation	4,239	4,389	150	3.5%
Fringe benefits tax	155	86	(69)	(44.6%)
Total employee costs	**39,226**	**40,665**	**1,439**	**3.7%**

8.1.8 Materials and services

	Forecast Actual 2025/26 $'000	Budget 2026/27 $'000	Change $'000	Change %
Contractor payments	19,701	13,352	(6,348)	(32.2%)
Building maintenance	2	2	(0)	(22.3%)
General maintenance	2,289	2,634	345	15.1%
Utilities	1,147	1,114	(33)	(2.8%)
Office administration	316	369	53	16.8%
Information technology	2,949	3,141	192	6.5%
Insurance	1,135	1,263	128	11.3%
Consultants	2,705	3,489	783	29.0%
Banking and financing Fees	149	135	(14)	(9.2%)
Subscriptions and memberships	341	351	11	3.2%
Advertising	374	320	(53)	(14.3%)
Cost of goods sold	169	194	25	14.5%
Consumables	1,225	1,522	297	24.2%
Legal and debt recovery	592	507	(85)	(14.4%)
Employee development and recruitment	845	968	124	14.6%
Waste management	9,601	11,161	1,560	16.3%
Communications	389	405	16	4.0%
Other	549	493	(56)	(10.1%)
Library services	2,152	2,212	59	2.7%
Property leases	14	15	1	5.5%
Total materials and services	**46,643**	**43,648**	**(2,995)**	**(6.4%)**

8.1.9 Depreciation

	Forecast Actual 2025/26 $'000	Budget 2026/27 $'000	Change $'000	Change %
Property	6,646	6,858	211	3.2%
Plant & equipment	2,806	3,057	252	9.0%
Infrastructure	19,155	19,373	218	1.1%
Total depreciation	**28,607**	**29,288**	**682**	**2.4%**

8.1.10 Other expenses

	Forecast Actual 2025/26 $'000	Budget 2026/27 $'000	Change $'000	Change %
Auditors' remuneration - VAGO	81	69	(12)	(14.9%)
Auditors' remuneration - Internal	57	58	1	1.3%
Audit services - non financial	40	118		
Councillors' allowances	418	469	51	12.1%
Land management rebate	556	-	(556)	(100.0%)
Fire services levy	125	150	25	19.7%
Landfill levy	1,526	1,792	266	17.4%
Contributions to other organisations	2,032	1,095	(938)	(46.1%)
Stamp duty	37	75	38	101.4%
Fee waiver	37	26	(11)	(30.1%)
Total other expenses	**4,910**	**3,851**	**(1,060)**	**(21.6%)**

8.2 Balance Sheet

8.2.1 Borrowings

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

	Forecast Actual 2025/26 $'000	Budget 2026/27 $'000	Projections 2027/28 $'000	2028/29 $'000	2029/30 $'000
Amount borrowed as at 30 June of the prior year	29,255	24,117	20,686	16,828	22,191
Amount proposed to be borrowed	2,000	1,340	1,200	7,700	10,750
Amount projected to be redeemed	(7,138)	(4,771)	(5,058)	(2,336)	(3,004)
Amount of borrowings as at 30 June	**24,117**	**20,686**	**16,828**	**22,191**	**29,938**

The use of borrowings is subject to outstanding debt remaining below 60% of rates revenue. In the 2026-27 financial year, Council proposes to raise $1.34 million in new borrowings to fund $1.34 million of the capital works program for Thompson Reserve Lighting Upgrade.

8.2.2 Leases

Right-of-use assets and lease liabilities have been recognised as outlined in the table below, in accordance with AASB 16 Leases.

	Forecast Actual 2025/26 $'000	Budget 2026/27 $'000	Change $'000	Change %
Right-of-use assets				
Land and buildings	188	1,278	1,090	579.8%
Equipment	587	503	(84)	(14.3%)
Total right-of-use assets	**775**	**1,781**	**1,006**	**129.8%**
Lease liabilities				
Current lease Liabilities				
Land and buildings	197	215	18	9.1%
Equipment	145	76	(69)	(47.6%)
Total current lease liabilities	**342**	**291**	**(51)**	**(14.9%)**
Non-current lease liabilities				
Land and buildings	-	1,067	1,067	0.0%
Equipment	460	457	(3)	(0.7%)
Total non-current lease liabilities	**460**	**1,524**	**1,064**	**231.3%**
Total lease liabilities	**802**	**1,815**	**1,013**	**126.3%**

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 3.9%.

8.2.3 Proposal to Lease Council Land

This section presents a summary of Council's proposals to lease land to external parties in the 2026-27 financial year. Council hereby gives public notice of its intention to lease the property pursuant to Section 115 of the *Local Government Act 2020* and Council's Community Engagement Policy.

The properties listed below:

- 22 Pier Road, Grantville
- 2 Edgar Street, Inverloch
- 23 Back Beach Road, San Remo
- 136 White Road, Wonthaggi
- Cowes Jetty Goods Shed, The Esplanade, Cowes

8.3 Statement of Changes in Equity

8.3.1 Statement of Investment Reserves

	Forecast Actual 2025/26 $'000	Budget 2026/27 $'000	Projections 2027/28 $'000	2028/29 $'000	2029/30 $'000
Art in Public Places	102	153	102	156	102
Future Sustainability Fund	350	145	145	145	145
Landfill rehabilitation reserve	882	703	267	703	1,236
Resort & Recreation Interest Reserve	984	1,124	1,250	1,364	1,466
Skate park	261	261	11	11	11
Strategic Land Acquisitions Reserve	500	500	500	500	500
Strategic works	15,114	13,571	8,452	11,647	11,132
Tracks & Trails Reserve	2,352	1,298	458	118	118
Unallocated surplus	3,071	-	-	-	-
VGC grant received in advance	4,594	4,594	4,594	4,594	4,594
Wonthaggi North East Developer Contribution Plan	606	636	666	696	726
Wonthaggi North East Land Acquisitions Reserve	3,000	3,000	3,500	3,500	4,000
Total Reserves	**31,816**	**25,986**	**19,945**	**23,433**	**24,030**

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

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

8.4 Capital Works Program

This section presents a listing of the capital works projects that will be undertaken for the 2026-27 year, classified by expenditure type and funding source. Works are also disclosed as current budget or carried forward from prior year.

8.4.1 Capital Works Program Summary

	Forecast 2025/26 $'000	Budget 2026/27 $'000	Change $'000	%
Property	16,944	13,350	(3,594)	(21.21%)
Plant and equipment	4,357	2,248	(2,109)	(48.39%)
Infrastructure	14,155	13,919	(236)	(1.67%)
Total	**35,456**	**29,518**	**(5,938)**	**(16.75%)**

		Asset expenditure types				Summary of Funding Sources			
	Project Cost $'000	New $'000	Renewal $'000	Upgrade $'000	Expansion $'000	Grants $'000	Contrib. $'000	Council cash $'000	Borrowings $'000
Property	13,350	5,250	4,620	3,480	-	4,348	325	7,337	1,340
Plant and equipment	2,248	-	2,165	83	-	-	-	2,248	-
Infrastructure	13,919	2,250	8,584	1,900	1,185	2,423	761	10,735	-
Total	**29,518**	**7,500**	**15,369**	**5,464**	**1,185**	**6,771**	**1,086**	**20,321**	**1,340**

8.4.2 Detailed list of Capital Works

	Project Cost	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
PROPERTY									
Land Improvements									
Climate Change Actions	275	275	-	-		-	-	275	-
Cowes Activity Centre Plan	3,625	3,625	-	-	-	2,700	-	925	-
Dog Parks	100	100	-	-	-	-	-	100	-
MTB/BMX Implementation	100	100	-	-	-	-	-	100	-
Open Space renewal program	1,448	-	1,448	-	-	-	200	1,248	-
Playspace Renewal and Upgrade	300	-	300	-	-	-	65	235	-
Recreation Projects Design	60	-	-	60	-	-	-	60	-
Sporting Fields Upgrade & Renewal	720	-	-	720	-	250	-	470	-
San Remo Potters Hill Embankment Stabilization Design	50	50	-	-	-	-	-	50	-
Wonthaggi Netball Lighting & Court Upgrade	500	-	-	500	-	220	-	280	-
Wyeth-McNamara Park Playground Design	200	200	-	-	-	78	-	122	-
Skate Park - Graydens Reserve Newhaven	300	-	-	300	-	300	-	-	-
Land Improvements Total	**7,678**	**4,350**	**1,748**	**1,580**	**-**	**3,548**	**265**	**3,865**	**-**
Buildings					**-**				
Aquatics & Leisure Centres	500	500	-	-	-	-	-	500	-
Buildings renewal program	2,847	-	2,847	-	-	-	-	2,847	-
Community Facilities Renewal Program	25	-	25	-	-	-	-	25	-
Disability Action Plan	100	100	-	-	-	-	-	100	-
Former Wonthaggi Secondary College Site	300	300	-	-	-	300	-	-	-
Pavilion Upgrades and Renewals	1,900	-	-	1,900	-	500	60	-	1,340
Buildings Total	**5,672**	**900**	**2,872**	**1,900**	**-**	**800**	**60**	**3,472**	**1,340**
PROPERTY TOTAL	**13,350**	**5,250**	**4,620**	**3,480**	**-**	**4,348**	**325**	**7,337**	**1,340**

8.4.2 Detailed list of Capital Works (Continued)

	Project Cost	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
PLANT AND EQUIPMENT									
Computers and telecommunications									
Computers and Telecommunications renewal prog	672	-	625	47	-	-	-	672	-
Cultural Facilities	60	-	60	-	-	-	-	60	-
Old Post Office - FFE and IT	36	-	-	36	-	-	-	36	-
Computers and telecommunications Total	**768**	**-**	**685**	**83**	**-**	**-**	**-**	**768**	**-**
Plant, machinery and equipment									
Plant, Fleet & Equipment renewal program	1,480	-	1,480	-	-	-	-	1,480	-
Plant, machinery and equipment Total	**1,480**	**-**	**1,480**	**-**	**-**	**-**	**-**	**1,480**	**-**
PLANT AND EQUIPMENT TOTAL	**2,248**	**-**	**2,165**	**83**	**-**	**-**	**-**	**2,248**	**-**
INFRASTRUCTURE									
Bridges									
Bridges renewal program	1,760	-	1,760	-	-	-	-	1,760	-
Bridges Total	**1,760**	**-**	**1,760**	**-**	**-**	**-**	**-**	**1,760**	**-**
Drainage									
Storm Water renewal program	970	-	970	-	-	-	-	970	-
Drainage Total	**970**	**-**	**970**	**-**	**-**	**-**	**-**	**970**	**-**
Footpaths and cycleways									
Footpath gaps program (RAMP)	235	-	-	-	235	-	-	235	-
Pathways renewal program	262	-	262	-	-	-	-	262	-
Tracks and Trails Strategy	400	400	-	-	-	200	-	200	-
Tracks & Trails	1,200	1,200	-	-	-	468	-	732	-
Footpaths and cycleways Total	**2,097**	**1,600**	**262**	**-**	**235**	**668**	**-**	**1,429**	**-**

8.4.2 Detailed list of Capital Works (Continued)

	Project Cost	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Roads									
Road and Drainage Improvement Program	1,900	-	-	1,900	-	-	761	1,139	-
Rural Roads renewal program	1,629	-	1,629	-	-	-	-	1,629	-
San Remo Structure Plan	50	50	-	-	-	-	-	50	-
Unsealed Roads renewal program	600	-	600	-	-	-	-	600	-
Urban roads renewal program	2,639	-	2,639	-	-	1,755	-	884	-
Roads Total	**6,818**	**50**	**4,868**	**1,900**	**-**	**1,755**	**761**	**4,302**	**-**
Landfill cells									
Grantville Cell 8A Construction	450	-	-	-	450	-	-	450	-
Landfill cells Total	**450**	**-**	**-**	**-**	**450**	**-**	**-**	**450**	**-**
Waste									
Grantville Landfill Leachate Storage / Collection Inf	500	-	-	-	500	-	-	500	-
Waste Renewal and Replacement Program	724	-	724	-	-	-	-	724	-
Wonthaggi Landfill & Transfer Station Boundary Fe	600	600	-	-	-	-	-	600	-
Waste Total	**1,824**	**600**	**724**	**-**	**500**	**-**	**-**	**1,824**	**-**
INFRASTRUCTURE TOTAL	**13,919**	**2,250**	**8,584**	**1,900**	**1,185**	**2,423**	**761**	**10,735**	**-**
TOTAL CAPITAL WORKS PROGRAM	**29,518**	**7,500**	**15,369**	**5,464**	**1,185**	**6,771**	**1,086**	**20,321**	**1,340**

8.4.3 Summary of Planned Capital Works Expenditure

For the year ending 30 June 2027

Capital Works Area	Project Cost	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
PROPERTY									
Land Improvements	7,678	4,350	1,748	1,580	-	3,548	265	3,865	-
Total Land	**7,678**	**4,350**	**1,748**	**1,580**	**-**	**3,548**	**265**	**3,865**	**-**
Buildings	5,672	900	2,872	1,900	-	800	60	3,472	1,340
Total Buildings	**5,672**	**900**	**2,872**	**1,900**	**-**	**800**	**60**	**3,472**	**1,340**
TOTAL PROPERTY	**13,350**	**5,250**	**4,620**	**3,480**	**-**	**4,348**	**325**	**7,337**	**1,340**
PLANT AND EQUIPMENT									
Computers and telecommunications	768	-	685	83	-	-	-	768	-
Plant, machinery and equipment	1,480	-	1,480	-	-	-	-	1,480	-
TOTAL PLANT AND EQUIPMENT	**2,248**	**-**	**2,165**	**83**	**-**	**-**	**-**	**2,248**	**-**
INFRASTRUCTURE									
Bridges	1,760	-	1,760	-	-	-	-	1,760	-
Drainage	970	-	970	-	-	-	-	970	-
Footpaths and Cycleways	2,097	1,600	262	-	235	668	-	1,429	-
Roads	6,818	50	4,868	1,900	-	1,755	761	4,302	-
Landfill cells	450	-	-	-	450	-	-	450	-
Waste	1,824	600	724	-	500	-	-	1,824	-
TOTAL INFRASTRUCTURE	**13,919**	**2,250**	**8,584**	**1,900**	**1,185**	**2,423**	**761**	**10,735**	**-**
TOTAL CAPITAL WORKS	**29,518**	**7,500**	**15,369**	**5,464**	**1,185**	**6,771**	**1,086**	**20,321**	**1,340**

8.4.3 Summary of Planned Capital Works Expenditure (continued)

For the year ending 30 June 2028

Capital Works Area	Project Cost	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
PROPERTY									
Land Improvements	4,641	2,325	1,381	935	-	675	825	2,141	1,000
Total Land	**4,641**	**2,325**	**1,381**	**935**	**-**	**675**	**825**	**2,141**	**1,000**
Buildings	4,999	-	3,774	1,225	-	690	60	4,049	200
Total Buildings	**4,999**	**-**	**3,774**	**1,225**	**-**	**690**	**60**	**4,049**	**200**
TOTAL PROPERTY	**9,640**	**2,325**	**5,155**	**2,160**	**-**	**1,365**	**885**	**6,190**	**1,200**
PLANT AND EQUIPMENT									
Artworks	104	104	-	-	-	-	-	104	-
Computers and telecommunications	660	-	660	-	-	-	-	660	-
Plant, machinery and equipment	1,520	70	1,450	-	-	-	-	1,520	-
TOTAL PLANT AND EQUIPMENT	**2,284**	**174**	**2,110**	**-**	**-**	**-**	**-**	**2,284**	**-**
INFRASTRUCTURE									
Bridges	2,000	-	2,000	-	-	-	-	2,000	-
Drainage	1,070	-	1,070	-	-	-	-	1,070	-
Footpaths and cycleways	2,247	1,751	261	-	235	840	-	1,407	-
Landfill cells	1,697	-	-	-	1,697	-	-	1,697	-
Roads	5,859	380	5,219	260	-	1,997	-	3,862	-
Waste management	5,466	4,150	851	-	465	-	-	5,466	-
TOTAL INFRASTRUCTURE	**18,339**	**6,281**	**9,401**	**260**	**2,397**	**2,837**	**-**	**15,502**	**-**
TOTAL CAPITAL WORKS	**30,263**	**8,780**	**16,666**	**2,420**	**2,397**	**4,202**	**885**	**23,975**	**1,200**

8.4.3 Summary of Planned Capital Works Expenditure (continued)

For the year ending 30 June 2029

Capital Works Area	Project Cost	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
PROPERTY									
Land Improvements	6,485	3,100	1,365	2,020	-	1,820	310	2,355	2,000
Total Land	**6,485**	**3,100**	**1,365**	**2,020**	**-**	**1,820**	**310**	**2,355**	**2,000**
Buildings	14,966	9,907	3,809	1,250	-	4,250	50	4,966	5,700
Total Buildings	**14,966**	**9,907**	**3,809**	**1,250**	**-**	**4,250**	**50**	**4,966**	**5,700**
TOTAL PROPERTY	**21,451**	**13,007**	**5,174**	**3,270**	**-**	**6,070**	**360**	**7,321**	**7,700**
PLANT AND EQUIPMENT									
Computers and telecommunications	660	-	660	-	-	-	-	660	-
Plant, machinery and equipment	1,450	-	1,450	-	-	-	-	1,450	-
TOTAL PLANT AND EQUIPMENT	**2,110**	**-**	**2,110**	**-**	**-**	**-**	**-**	**2,110**	**-**
INFRASTRUCTURE									
Bridges	2,000	-	2,000	-	-	-	-	2,000	-
Drainage	1,000	-	1,000	-	-	-	-	1,000	-
Footpaths and cycleways	1,706	1,200	266	-	240	550	-	1,156	-
Roads	6,315	400	5,214	701	-	1,947	205	4,163	-
Waste Management	872	-	872	-	-	-	-	872	-
TOTAL INFRASTRUCTURE	**11,893**	**1,600**	**9,352**	**701**	**240**	**2,497**	**205**	**9,191**	**-**
TOTAL CAPITAL WORKS	**35,454**	**14,607**	**16,636**	**3,971**	**240**	**8,567**	**565**	**18,622**	**7,700**

8.4.3 Summary of Planned Capital Works Expenditure (continued)

For the year ending 30 June 2030

Capital Works Area	Project Cost	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
PROPERTY									
Land Improvements	5,636	3,650	1,716	270	-	925	250	4,461	-
Total Land	**5,636**	**3,650**	**1,716**	**270**	**-**	**925**	**250**	**4,461**	**-**
Buildings	28,284	22,000	4,384	1,900	-	12,650	-	4,884	10,750
Total Buildings	**28,284**	**22,000**	**4,384**	**1,900**	**-**	**12,650**	**-**	**4,884**	**10,750**
TOTAL PROPERTY	**33,920**	**25,650**	**6,100**	**2,170**	**-**	**13,575**	**250**	**9,345**	**10,750**
PLANT AND EQUIPMENT									
Artworks	109	109	-	-	-	-	-	109	-
Computers and telecommunications	660	-	660	-	-	-	-	660	-
Plant, machinery and equipment	1,430	-	1,430	-	-	-	-	1,430	-
TOTAL PLANT AND EQUIPMENT	**2,199**	**109**	**2,090**	**-**	**-**	**-**	**-**	**2,199**	**-**
INFRASTRUCTURE									
Bridges	2,100	-	2,100	-	-	-	-	2,100	-
Drainage	1,270	-	1,270	-	-	-	-	1,270	-
Footpaths and cycleways	636	-	391	-	245	-	-	636	-
Roads	6,619	200	5,219	1,200	-	1,947	205	4,467	-
Waste Management	2,224	-	894	-	1,330	-	-	2,224	-
TOTAL INFRASTRUCTURE	**12,849**	**200**	**9,874**	**1,200**	**1,575**	**1,947**	**205**	**10,697**	**-**
TOTAL CAPITAL WORKS	**48,968**	**25,959**	**18,064**	**3,370**	**1,575**	**15,522**	**455**	**22,241**	**10,750**

9. Performance and financial indicators

9.1 Targeted Performance Indicators (Council selected)

The following table highlights Council's current and projected performance across eight targeted performance indicators selected by Council from the range of prescribed performance measures contained in the *Local Government (Planning and Reporting) Regulations 2020*. These indicators provide a useful analysis of Council's intentions and performance and should be interpreted in the context of the organisation's objectives.

Results against these indicators and targets will be reported in Council's Performance Statement included in the Annual Report.

Domain / **Indicator**	**Measure**	**Notes**	**Actual**	**Forecast**	**Target**	**Target Projections**			**Trend**
			2024/25	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**+/o/-**
Community Aquatic facilities	**Utilisation of aquatic facilities** Number of visits to aquatic facilities/Population	1	3.36	6.25	6.25	6.50	6.50	6.50	**o**
Community Library services	**Library membership** Number of registered library members/Population	2	46.88%	46.44%	46.50%	46.55%	46.59%	46.64%	**o**
Responsiveness Food safety	**Critical and major non-compliance outcome notifications** Critical non-compliance and major non-compliance outcome notifications about food premises that are followed up/Critical non-compliance and major non-compliance outcome notifications about food premises	3	100%	100%	100%	100%	100%	100%	**o**
Financial forecasting Loans and borrowings	**Loans and borrowings compared to own source revenue** Interest-bearing loans and borrowings/Own-source revenue	4	New in 2026/27	25.47%	21.07%	16.49%	20.87%	27.06%	**-**

9.1 Targeted Performance Indicators (Council selected) (continued)

Domain / Indicator	Measure	Notes	Actual 2024/25	Forecast 2025/26	Target 2026/27	Target Projections 2027/28	2028/29	2029/30	Trend +/o/-
Financial forecasting Population	**Expenses per head of population** Total expenses/Population	5	$ 2,616.14	$ 2,750.41	$ 2,667.38	$ 2,697.06	$ 2,804.41	$ 2,870.43	-
Financial forecasting Population	**Infrastructure per head of population** Value of infrastructure/Population	6	$ 23,886.52	$ 23,740.64	$ 23,442.86	$ 23,107.72	$ 22,817.24	$ 22,789.99	-
Financial forecasting Revenue and grants	**Recurrent grants per head of population** Recurrent grants/Population	7	$ 343.32	$ 238.00	$ 256.56	$ 261.91	$ 263.00	$ 265.26	+
Financial management Expenditure and revenue level	**Average rate per property assessment** Sum of all general rates and municipal charges/Number of property assessments	8	$ 1,726.71	$ 1,779.93	$ 1,825.57	$ 1,875.01	$ 1,921.98	$ 1,970.17	-

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

9.2 Targeted Performance Indicators (Mandatory)

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

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

Targeted service performance indicators - Mandatory

Domain / **Indicator**	Measure	Notes	Actual 2024/25	Forecast 2025/26	Target 2026/27	Target Projections 2027/28	Target Projections 2028/29	Target Projections 2029/30	Trend +/o/-
Governance **Community engagement** (council decisions made and implemented with community input)	**Satisfaction with the opportunities offered by Council to be consulted on or engaged in Council decisions** Community satisfaction rating out of 100 with the consultation and engagement efforts of Council	9	51	51	51	51	52	52	o
Environment **Roads** (sealed local roads are maintained and renewed to ensure a safe network)	**Sealed local roads below the intervention level** Number of kms of sealed local roads below the renewal intervention level set by Council / kms of sealed local roads	10	93.86%	90.00%	90.00%	90.00%	90.00%	90.00%	o
Responsiveness **Statutory planning** (Councils decide on planning applications and fulfill their legislative duties in a timely manner)	**Planning applications decided within the relevant required time** Number of planning application decisions made within the relevant required time / Number of planning application decisions made	11	76.75%	71.64%	72.00%	74.00%	76.00%	78.00%	+
Environment **Waste management** (waste is minimised and sustainability is promoted)	**Kerbside collection waste to landfill per serviced property** Waste in tonnage collected from kerbside waste collection services sent to landfill / Number of serviced properties	12	New in 2026/27	0.22	0.22	0.20	0.20	0.20	o

9.2 Targeted Performance Indicators (Mandatory) (continued)

Targeted financial performance indicators - Mandatory

Domain / **Indicator**	Measure	Notes	Actual 2024/25	Forecast 2025/26	Target 2026/27	Target Projections 2027/28	2028/29	2029/30	Trend +/o/-
Financial management **Liquidity** (sufficient working capital and cash is available to cover expenses)	**Current assets compared to current liabilities** Current assets / current liabilities	13	171.22%	147.37%	138.29%	131.61%	133.31%	133.09%	-
Financial forecasting **Asset renewal and upgrade** (renewal and upgrade of assets is planned and delivered)	**Asset renewal and upgrade compared to depreciation** Asset renewal and upgrade expenses / Asset depreciation	14	65.86%	77.90%	71.13%	59.84%	58.52%	58.54%	-
Financial management **Rates concentration** (revenue is generated from a range of sources)	**Rates compared to adjusted underlying revenue** Rate revenue / adjusted underlying revenue	15	72.65%	76.51%	77.44%	78.02%	78.32%	78.68%	o
Financial management **Expenditure and revenue level** (resources are used efficiently in the delivery of services)	**Expenses per property assessment** Total expenses / no. of property assessments	16	$3,287.11	$3,479.42	$3,374.34	$3,411.89	$3,547.66	$3,631.19	o

Key to Forecast Trend:

+ Forecasts improvement in Council's financial performance/financial position indicator

o Forecasts that Council's financial performance/financial position indicator will be steady

- Forecasts deterioration in Council's financial performance/financial position indicator

9.3 Financial performance indicators

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

The financial performance indicators below are the prescribed financial performance indicators contained in Part 2 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.

Domain / **Indicator**	**Measure**	**Notes**	**Actual**	**Forecast**	**Budget**	**Projections**			**Trend**
			2024/25	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**+/o/-**
Financial forecasting									
Indebtedness (level of long term liabilities is appropriate to the size and nature of a Council's activities)	**Non-current liabilities compared to own-source revenue** Non-current liabilities / own source revenue	17	38.76%	33.49%	32.85%	30.43%	32.00%	36.77%	-
Loans and borrowings (level of interest bearing loans and borrowings is appropriate to the size and nature of Council's activities)	**Loans and borrowings repayments compared to own-source revenue** Interest and principal repayments on interest bearing loans and borrowings / own-source revenue	18	New in 2026/27	8.70%	5.76%	5.72%	2.88%	3.66%	+
Revenue and grants (revenue is generated from a range of sources to fund the delivery of services to the community)	**Own-source revenue per head of population** Own source revenue / Population	19	$2,080.12	$2,146.80	$ 2,198.65	$2,257.00	$2,322.60	$2,387.04	+

9.3 Financial performance indicators (continued)

Domain / **Indicator**	**Measure**	**Notes**	**Actual 2024/25**	**Forecast 2025/26**	**Budget 2026/27**	**Projections 2027/28**	**2028/29**	**2029/30**	**Trend +/o/-**
Financial management									
Liquidity *(sufficient working capital and cash is available to cover expenses)*	**Cash compared to current liabilities** Cash / current liabilities	20	New in 2026/27	55.99%	43.14%	29.23%	34.33%	30.61%	**-**
Operating position *(an adjusted underlying surplus is generated in the ordinary course of business)*	**Adjusted underlying surplus (or deficit)** Adjusted underlying surplus (deficit) / Adjusted underlying revenue	21	-6.33%	-14.07%	-8.25%	-6.86%	-8.25%	-8.01%	**o**
Rates effort *(rating level is set based on the community's capacity to pay)*	**Rates compared to property value** Rate revenue / CIV of rateable properties in the municipal district	22	0.29%	0.31%	0.32%	0.33%	0.33%	0.34%	**o**
Rates collection *(rates and charges are being responsibly collected)*	**Rates and charges debt** Unpaid rates and charges / all rates and charges	23	New in 2026/27	15.03%	15.50%	16.00%	16.00%	16.00%	**o**

Key to Forecast Trend:

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

Notes to indicators

1. **Utilisation of acquatic facilities**
   Council is not aware of any circumstances which would materially impact the result over the next four years.
2. **Library membership**
   Council is not aware of any circumstances which would materially impact the result over the next four years.
3. **Critical and major non-compliance outcome notifications**
   Council is not aware of any circumstances which would materially impact the result over the next four years.
4. **Loans and borrowings compared to own source revenue**
   Borrowings are expected to increase over the next four years to fund intergenerational capital projects.
5. **Expenses per head of population**
   As a large regional shire, Council has a low population density, resulting in larger service delivery and asset management costs.
6. **Infrastructure per head of population**
   Council expects the value of infrastructure per head of population to decrease over the four years, reflective of the asset renewal gap due to increases in depreciation expense.
7. **Recurrent grants per head of population**
   Council expects recurrent grants to increase steadily per head of population.
8. **Average rate per property assessment**
   Council's dependency on rate revenue is linked to the expected rate cap over the term of the projections.
9. **Satisfaction with the opportunities offered by Council to be consulted on or engaged in Council decisions**
   Council is not aware of any circumstances which would materially impact the result over the next four years.
10. **Sealed local roads below the intervention level**
    Target set in line with asset management plans. Council is not aware of any circumstances which would materially impact the result over the next four years.
11. **Planning applications decided within the relevant required time**
    Council is not aware of any circumstances which would materially impact the result over the next four years.
12. **Kerbside collection waste to landfill per serviced property**
    Council is not aware of any circumstances which would materially impact the result over the next four years.
13. **Current assets compared to current liabilities (working capital)**
    This decrease is due to utilisation of council's cash reserves on large multi-year capital projects.
14. **Asset renewal and upgrade compared to depreciation**
    Council utilises an Asset Management Plan to outline renewal and upgrade strategies for optimum efficiencies levels.
15. **Rates compared to adjusted underlying revenue**
    Council continues to have a high reliance on rate revenue to fund operations, consistent with other large rural Councils.
16. **Expenses per property assessment**
    Council's expenses are projected to increase at a faster rate than population growth due to impacts of the consumer price index.

Notes to indicators (continued)

17. Non-current liabilities compared to own-source revenue

Councils use of borrowings is within the limitations outlined in Section 9, and is within the range of being low risk over the four year period.

18. Loans and borrowings repayments compared to own-source revenue

The low percentage values projected show Councils exposure to debt, as revenue generated is primarily used to provide services rather than service debt.

19. Own-source revenue per head of population

Councils own source revenue is projected to increase at a greater rate than expected population growth.

20. Cash compared to current liabilities

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

21. Adjusted underlying surplus (or deficit)

The underlying result reflects the capacity of Council to generate sufficient own-source revenue to fund operating expenditure and increased depreciation costs as limited by the rate cap environment with costs expected to increase at a greater rate than the rate cap.

22. Rates compared to property value

Council's rates effort is expected to increase steadily over the four years. Revaluation of ratable property capital improved value has decreased in prior years.

23. Rates and charges debt

A low percentage of rates and charges remains outstanding at the end of each rating payment cycle. Council expects this percentage to be steady, noting debt owing on active payment plans due to hardship is not included in this calculation of this measure.