










BASS COAST

Annual Budget 2020/21

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Executive summary

Council has prepared the Budget for 2020/2021 which is aligned to the vision in the Council Plan 2017-2021. It seeks to maintain our existing services and infrastructure as well as deliver projects and services that are valued by our community. The Budget provides for $2.8 million in direct relief and economic stimulus as a response to COVID-19. It contains a capital program of $28 million, which will provide public realm improvements. The Budget has been developed within the rate cap increase of 2.0% mandated by the State Government.

The 2.0% rate cap increase is essential to the continued delivery of core services and infrastructure. It also supports the planned delivery of major intergenerational capital projects in our long term financial plan. Benchmarking across the sector indicates 70% of councils are increasing rates in line with the cap. Aligning with the rate cap enables Council to continue delivering critical services, public amenity benefits and deliver a significant capital expenditure program. All of which will help stimulate the local economy and provide employment opportunities. Council is acutely aware of the financial and social impacts of COVID-19 in our community. Ratepayers will have the ability to access rate relief should they need it under our new advanced COVID-19 Hardship Policy adopted by Council in May 2020.

The Budget provides the authorisation for the delivery of all services and includes performance measures, intended borrowings, and sets the rates and charges for the year. It also identifies the Capital Works projects that are planned to be commenced and/or delivered during 2020/21.

The Budget includes a Strategic Resource Plan, providing a four year financial outlook for the Council including forward cash flow, balance sheet and capital works projections. Projections for a number of Financial Indicators including indicators set by the Victorian Auditor-General's Office (VAGO) and Local Government Victoria (LGV) have also been included in the Budget. The forward indicators confirm that Bass Coast's financial position will remain sound with ongoing operating and adjusted operating surpluses and increased investment in capital expenditure including asset renewal. While the Budget reflects increased Council borrowings, this is tied to the major capital investment program and the level of debt is still expected to remain within prudential guidelines (indebtedness ratio less than 60 per cent).

The Budget projects an operating surplus of $3.1 million for 2020/21 and a balanced Funding Statement position. It offers a record capital works program of $28 million, an array of major strategic projects for delivery across a number of different precincts and growth and development within the shire. The Budget responds to the operational impacts of COVID-19 to Council as we continue our recovery program. It provides both direct relief to the community and stimulus to the local economy through the fast-track of project spend. This has been achieved through continually seeking efficiencies from the way in which in which Council operates and through the prudent use of borrowings and existing reserves.

Budget Highlights

1 Key things we are funding

Over $2.8 million in economic stimulus and direct relief to the community in response to the COVID-19 pandemic. Following the $965,000 allocated to COVID-19 Response and Recovery in April 2020, a second recovery package is proposed in the 2020/21 Budget. This package does not include grants, but proposes fee waivers, funding to promote the Shire and identifies projects to stimulate the economy. If adopted, this $2.8 million package would bring Council's total contribution to COVID-19 Response and Recovery to approximately $4 million. Highlights of this package include:

- Freeze on fees and charges - $350,000
- Full financial year waiver of business signage, footpath trading and liquor licences - $45,000
- Three months' rent relief to Council lessee's - $200,000
- Business and Event recovery support - $40,000
- Affordable Housing Initiative - $130,000
- Fast-track of a number of strategic initiatives and capital works in order to stimulate the local economy.

New funding has been provided in the proposed operating budget for the following strategic plans, minor projects and major precincts:

- Bass Coast Dinosaur Trail Masterplan - $250,000
- Public Realm Improvement plans, Cowes - $250,000
- GAP Road feasibility assessment and plan - $100,000
- Strategic Positioning of Wonthaggi to support its growth - $40,000
- Wonthaggi Secondary College Senior Campus Structure Plan - $100,000
- Wonthaggi North East Precinct structure plan - $150,000
- Rhyll Jetty Activity Area precinct plan - $30,000

Our investment in capital projects continues to be a priority with a proposed program of $27.94 million. This program as detailed in Appendix 3, includes:

- Land purchases and various building works $17.61 million
- The replacement of plant, fleet and equipment $2.33 million
- Infrastructure works such as pathways, roads, drainage, open space and recreation facilities $8.01 million

More specifically, the proposed capital budget includes:

- Aquatics planning and design - $2.825 million
- Cowes Cultural and Community Centre Redevelopment (Phase one) - $4.0 million
- Wonthaggi Guide Park - $1.15 million
- Phillip Island Transfer Station - $0.25 million
- Climate Change Actions - $0.5 million
- Anderson Road Boat Ramp East Carpark Upgrade, Cowes - $0.38 million
- Dalyston Netball Court and Toilet Pavilion Upgrade - $0.5 million

The Budget includes an allocation of $1.65 million to complete Council's core system implementation. This will maximise the investment to date and leverage technology advancements since the projects commencement in September 2016. Of the $1.65 million investment, the vendor spend is approximately $750,000 and specialist consultant spend is approximately $300,000. The remaining $600,000 is utilising in-house skills and expertise to deliver the project. This project is providing the platform for Council's business transformation and will continue to deliver process efficiencies and improve the experience for our customers

The Budget continues to support our agricultural community with a rating differential of 80% plus the opportunity to apply for the Rural Land Management Program, which returns approximately $634,000 in environmental value to the rural community. A formal review of Council's Rating Strategy was initiated during 2019-20. This review has been discontinued as a result of the COVID-19 Pandemic.

2 Strategic Objectives

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

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

Strategic Objective 1: Advocacy

Strategic Objective 2: Economic Development

Strategic Objective 3: Environment

1. Develop Climate Change Action Plan 2020-2030

Strategic Objective 4: Governance

2. Implement the Local Government Act
3. Develop the Council Plan 2021-2025

Strategic Objective 5: Health and Wellbeing

Strategic Objective 6: Liveability

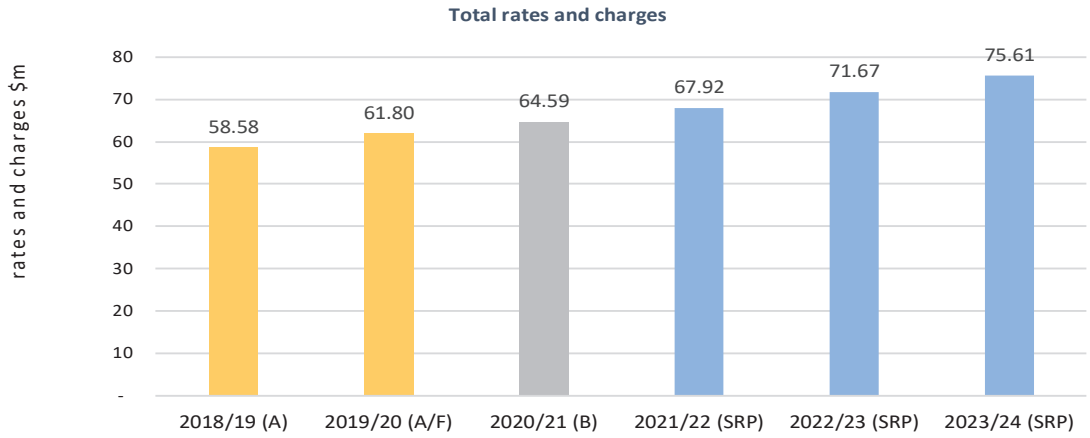
Strategic Objective 7: Our Character

4. Commence design and construction of the Cowes Cultural and Community Centre
5. Commence implementation of the Wonthaggi North East Precinct Structure Plan and Developer Contributions Plan

3 Summary of financial position

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

3.1 Total rates and charges

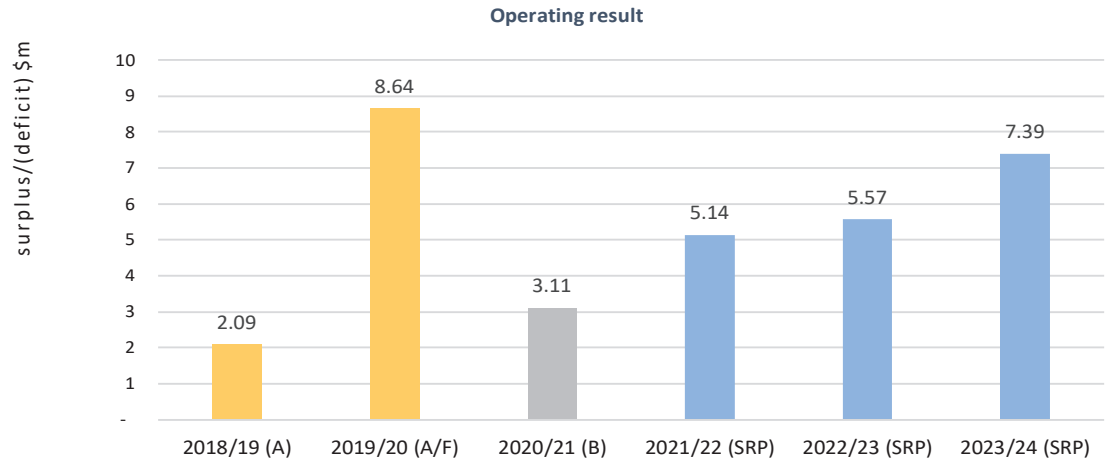


A/F = Actual / Forecast, B = Budget, SRP = Strategic Resource Plan Estimate

The average rates will increase by 2.0% for the 2020/21 year, with total rates being raised of $50.6 million, including $0.5 million generated from supplementary rates.

The total rates and charges for the 2020/21 year are expected to be $64.59 million, which is an increase of 4.21% on the prior year. The garbage charge, which is calculated based on the cost to Council of providing the garbage service, has been impacted by the increased cost of recycling and planned capital works for waste infrastructure. Therefore, will increase from $449.00 in 2019/20 to $496.49 in 2020/21. Refer also to Section 8 and Appendix 2 for more information.

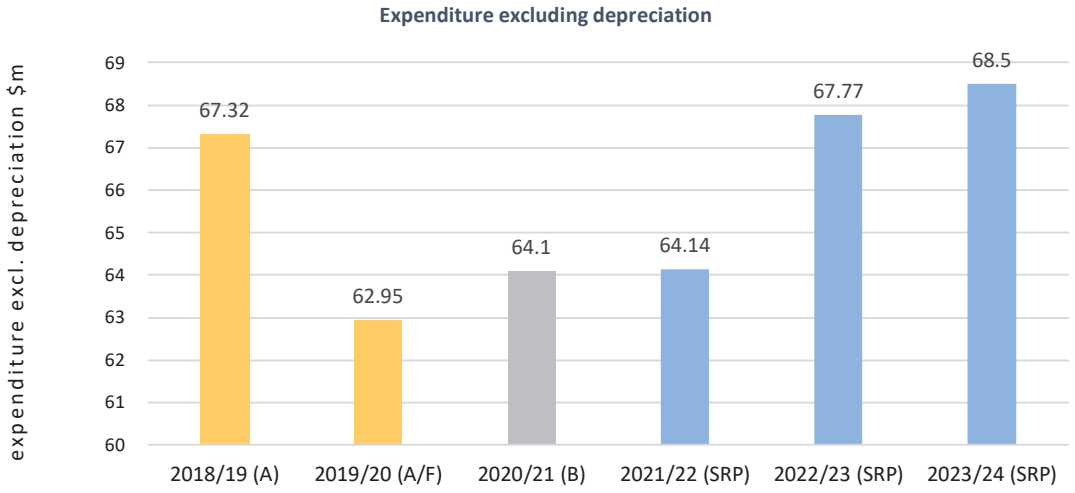
3.2 Operating result



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

The expected operating result for the 2020/21 year is a surplus of $3.105 million which will increase each year over the term of the SRP. The improved operating result is due to continued focus on creating sustainable efficiencies. The higher than usual operating result in 2019/20 is due to a number of non-recurring grants and contributions received.

3.3 Expenditure excluding depreciation

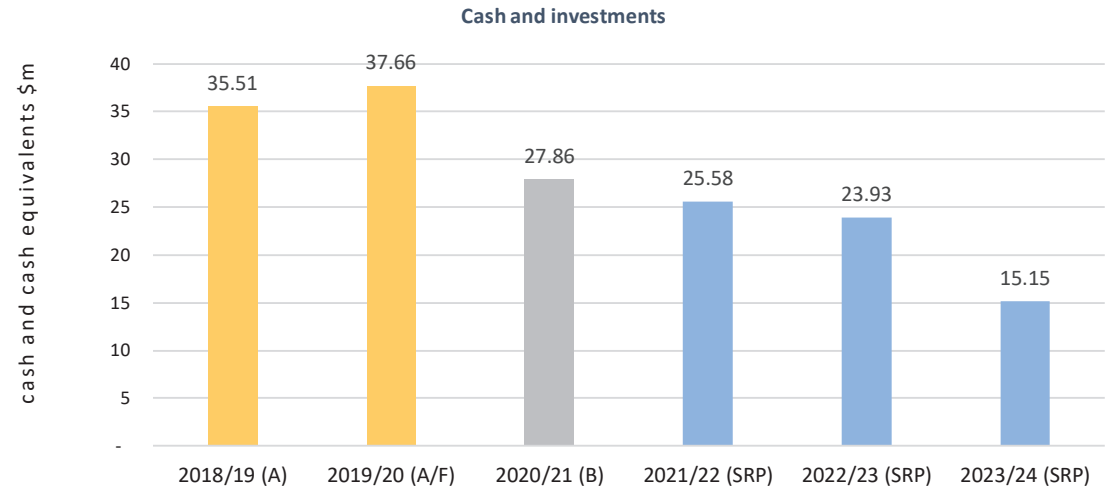


A/F = Actual / Forecast, B = Budget, SRP = Strategic Resource Plan Estimate

Expenditure excluding depreciation for the 2020/21 year is expected to be $64.1 million which is a 2% increase from 2019/20. This increase includes the impact of providing direct relief and economic stimulus to the community as part of the COVID-19 recovery program. The increase in expenditure seen in 2022/23 is a result of costs associated with planned landfill rehabilitation.

Refer to Section 6 for a list of services.

3.4 Cash and investments

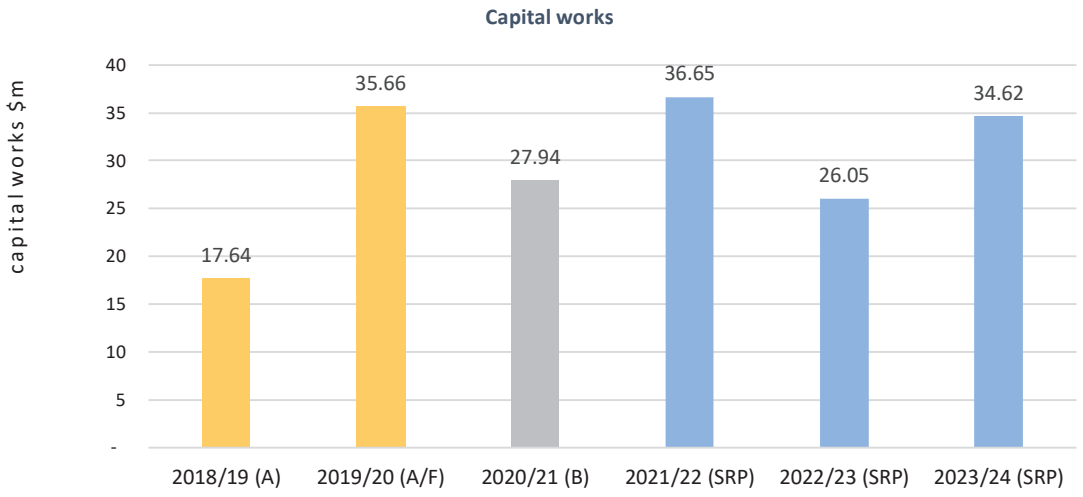


A/F = Actual / Forecast, B = Budget, SRP = Strategic Resource Plan Estimate

Cash and investments are expected to reduce by $22.51 million over the term of the SRP to $15.15 million as at 30 June 2024. This is primarily due to a continued focus on delivering large capital works programs across the term of the SRP and reduced reliance on grant funding not yet secured. (Cash and investments are forecast to be $37.66 million as at 30 June 2020).

Refer also to Appendix 1 for the Statement of Cash Flows, and Appendix 3 for the detailed capital works program for 2020/21.

3.5 Capital works

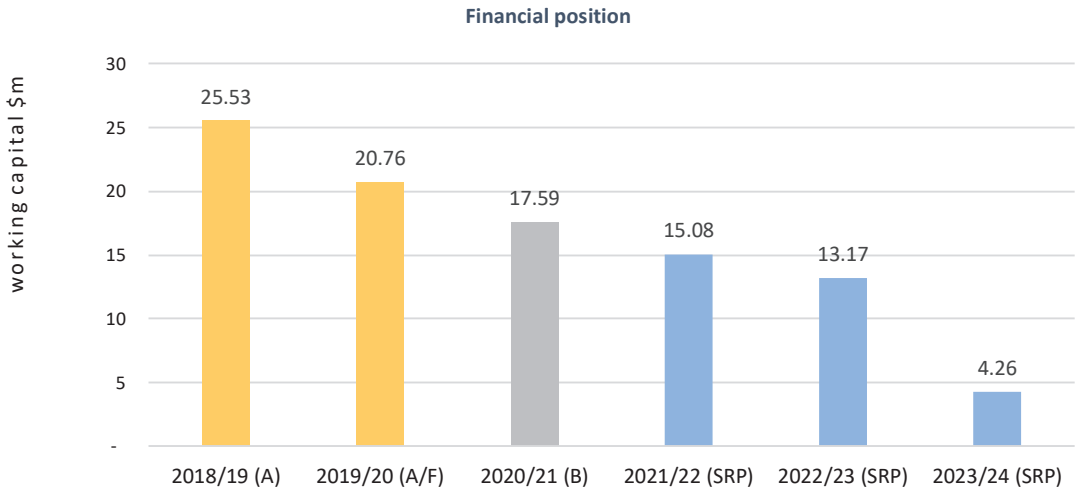


A/F = Actual / Forecast, B = Budget, SRP = Strategic Resource Plan Estimate

The capital works program for the 2020/21 year is expected to be $27.94 million. The program will be funded by capital grants of $3.107 million, contributions of $0.645 million, borrowings of $5.502 million and the remainder from Council cash. The capital expenditure program has been set and prioritised based on a rigorous process of consultation that has enabled Council to assess needs and develop sound business cases for each project. The 2020/21 program includes a number of major projects including Aquatics planning and design, Phase one of the Cowes Cultural and Community Centre Redevelopment and Wonthaggi Guide Park.

Refer also to Appendix 1 for the Statement of Capital Works and Appendix 3 for the detailed capital works program for 2020/21.

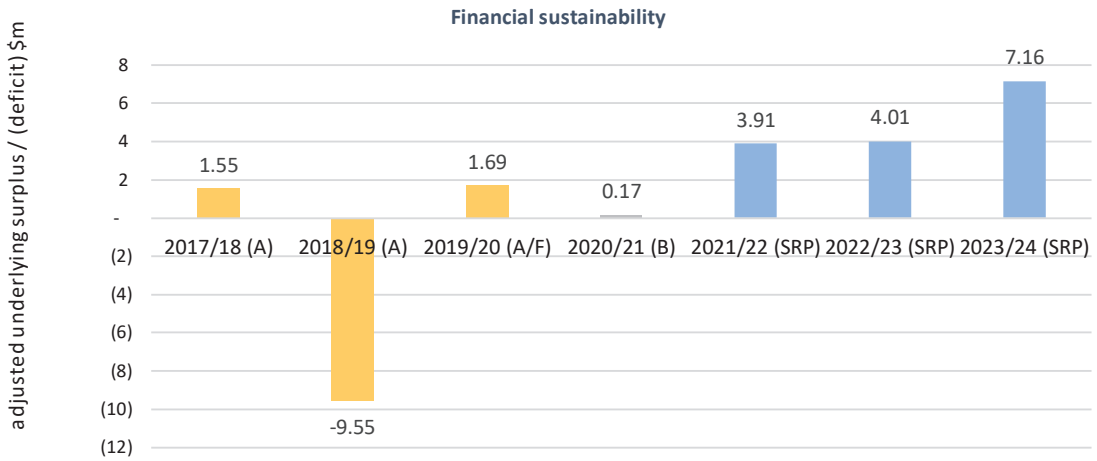
3.6 Financial position



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

Council's working capital ratio is expected to reduce over the term of the Strategic Resource Plan from 1.8 (forecast 30 June 2020) to 1.2 by June 2024. This is largely due to the reduction in cash as a result of investment in the capital works program and reduced reliance on unsecured future grant funding. Refer also Appendix 1 for the Balance Sheet.

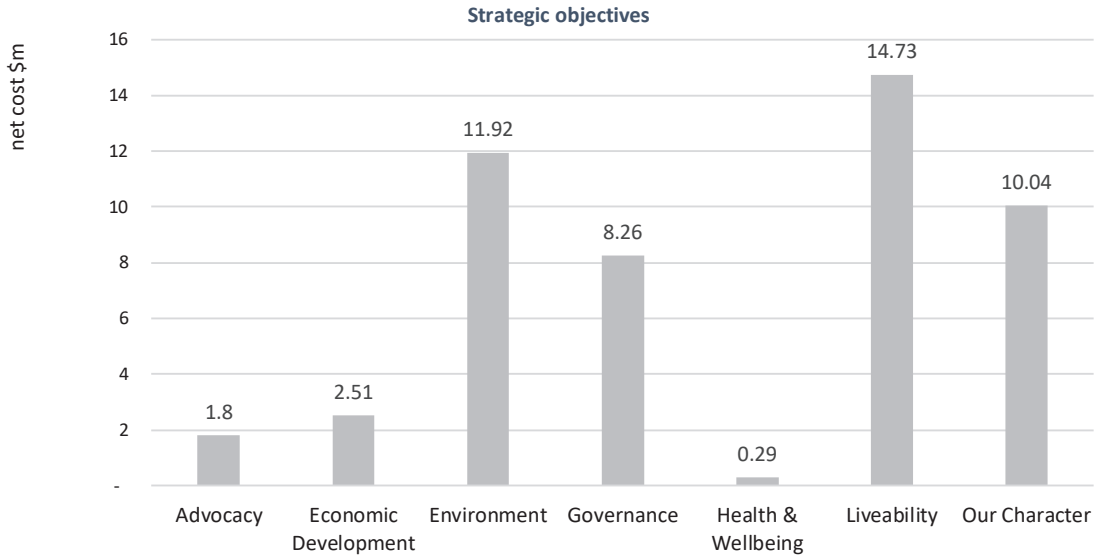
3.7 Financial sustainability



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

A Long Term Financial Plan has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives as specified in the Council Plan. The adjusted underlying result, which is a measure of financial sustainability, reflects ongoing surpluses over the four year outlook. The surplus of $0.17 million in 2020/21 includes the impact of direct relief and economic stimulus provided to the community as part of the COVID-19 recovery program. The adjusted underlying deficit of $9.55 million in 2018/19, is due to one off operational projects and landfill provisions.

3.8 Strategic objectives



The Annual Budget includes a range of services and initiatives to be funded that will contribute to achieving the strategic objectives specified in the Council Plan. The above graph shows the level of funding allocated in the budget to achieve the strategic objectives as set out in the Council Plan for the 2020/21 year.

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

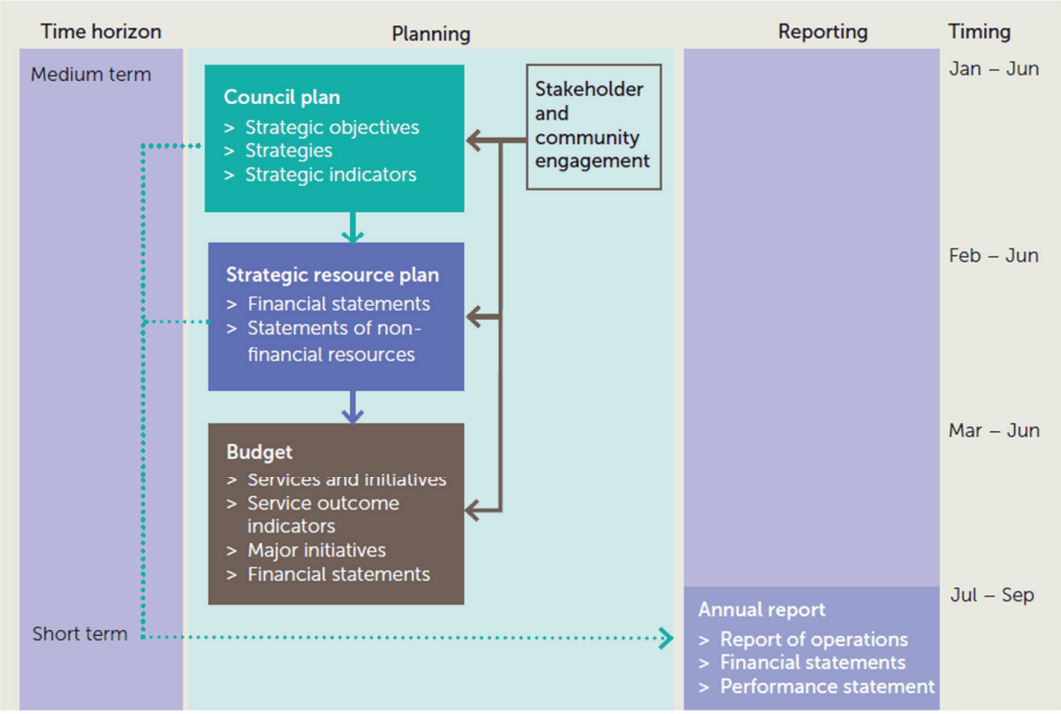
Overview

4 Link to the Council Plan

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

4.1 Planning and accountability framework

The Strategic Resource Plan, part of and prepared in conjunction with the Council Plan, is a rolling four year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The Annual Budget is framed within the Strategic Resource Plan, taking into account the services and initiatives which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



Source: Department of Environment, Land, Water and Planning

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

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

4.2 Key planning considerations

Service level planning

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

4.3 Budget Processes

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

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

Council Budget 2020/21 timelines have been extended by two months due to the impact of COVID-19.

The 2020/21 Budget is for the year 1 July 2020 to 30 June 2021 and is prepared in accordance with the Act and Regulations. The Budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These Statements have been prepared for the year ending 30 June 2021 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards and the Local Government Model Accounts. The Budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the Budget.

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

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

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

The final step is for Council to adopt the Budget after receiving and considering any submissions from interested parties. The Budget is required to be adopted by 31 August and a copy submitted to the Minister within 28 days after adoption. The key dates for the budget process are summarised below:

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

4.4 Our purpose

Our vision

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

Our mission

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

Our values

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

- **Excellence**
- **Passion**
- **Integrity**
- **Imagination**
- **Courage**

4.5 Strategic objectives

Council delivers services and initiatives under 40 major service categories. Each contributes to the achievement of one of the seven Strategic Objectives as set out in the Council Plan for the years 2017-2021. The following table lists the seven Strategic Objectives as described in the Council Plan. Further detail of services is provided in Section 6.

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

5 Budget influences

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

5.1 Snapshot of Bass Coast Shire Council

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

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

Population

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

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

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

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

Ageing population

The municipality has a very significant ageing resident population, with 27.8% of residents aged over 65 at the 2016 Census. The median age for Bass Coast residents is 12 years older than the Australian average, reflecting that Bass Coast is well represented in the older working age brackets.

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

Cultural diversity

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

Housing

The Shire has seen significant appreciation in its property valuation in the last ten years. This has mainly resulted from a combination of the relative value compared to neighbouring Mornington Peninsula for second homes and increased accessibility to the south eastern suburbs of Melbourne. For long standing residents this has led to a strengthening of their net wealth, but not necessarily their disposable income.

Education and occupation

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

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

Budget implications

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

- The appreciation of house prices over the last ten years has seen a growth in the wealth of Bass Coast residents, however a large proportion of residents are not economically active, with wealth tied up in long term investments or housing.
- Whilst the influx of 3.4 million visitors per year contributes to the strength of the tourism sector and supports 3,200 jobs, the Council generates a comparatively insignificant income from those non-household owning visitors. In contrast, Council invests a significant amount of cash in attracting the visitors and also in delivering services which they benefit from.

5.2 External influences

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

- The Victorian State Government has set the 2020/21 rates increase cap at 2.00%.
- Consumer Price Index (CPI) increases on goods and services of 2.2% through the year to March quarter 2020 (ABS release 28 April 2020). State-wide CPI is forecast to be 2.0% for the 2019/20 year and 2.25% in 2020/21 (Victorian Budget Papers 2019/20).
- Australian Average Weekly Earnings (AWE) growth for Full-time adult ordinary time earnings in the 12 months to November 2019 was 3.2% (ABS release 23 March 2020). The Wages Price Index in Victoria is projected to be 3.0% in 2019/20 and 3.25% in 2020/21 (Victorian Budget Papers 2019/20).
- Cost shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real cost increases. Examples of services that are subject to cost shifting include school crossing supervision, library services and home and community care for aged residents. In all these services the level of payment received by Council from the State and/or Commonwealth Government does not reflect the real cost of providing the service to the community.
- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of Government in Australia. In addition, Councils are entrusted with the maintenance of more than 30% of all Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the State Government with the introduction of the Fire Services Property Levy Act 2012.

5.3 COVID-19 Influences

As a result of the 2020 COVID-19 pandemic, there are a number of budget implications in the short and long term as follows:

- Community relief and local economic stimulus provisions through fast-track of projects has been funded in 2020/21 Budget and 2019/20 forecast. Funding for these have been found through organisational efficiencies and re-prioritisation of projects.
- Review and development of Council financial hardship policy, providing increased support for rate obligations to those impacted by COVID-19.
- Freeze on fees and charges for 2020/21 financial year will reduce projected revenue across the 4-year SRP and the 10-year plan.
- Significant reductions in interest rates as a result of COVID-19 will impact Council both from an investment and borrowing perspective, negating the impact to a minimal level.
- Targeted fee relief provided in economic development to support local business.
- Short term transformation of service delivery to allow for off-site working and provision of services adhering to new social distancing guidelines. This includes continued service delivery following the temporary closure of physical Council offices, customer service and visitor information centres. Site social distancing considerations for maintenance, local laws, environmental health, parks and garden officers have been implemented. Provisions for updates to working processes and reliance on technology in order to allow for working from home arrangements.

5.4 Internal influences

As well as external influences, there are also internal influences which are expected to have a significant impact on the 2020/21 Budget. These matters have arisen from events occurring in the 2019/20 year resulting in variances between the forecast actual and budgeted results for that year and matters expected to arise in the 2020/21 year.

Council adopted an Enterprise Agreement in the 2018/19 financial year which provides a 1.8% annual salary increment to Council officers across the three years ending 30 June 2022. Senior Council officers have foregone their 1.8% annual salary increment in an effort to respond to COVID-19.

Council resolved to discontinue involvement in investigating a shared service entity. An investigation was conducted to review Councils internal corporate services and consider possible amalgamation of these services with three other Gippsland local authorities. Benefits of this shared services were considered minimal and Council has committed to implementing internal innovations and efficiencies through the use of the new Business Transformation business unit. This has enabled council to redirect $300,000 in the 2020/21 Budget to alternate initiatives, including support for COVID-19.

5.5 Budget principles

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

- Existing fees and charges to be frozen at 2019/20 levels as a COVID-19 relief measure to the community.
- Grants to be based on confirmed funding levels.
- New revenue sources to be identified where possible.
- Service levels to be maintained at 2019/20 levels with the aim to use fewer resources with an emphasis on innovation and efficiency.
- Salaries and wages to be increased in line with the recently renegotiated Enterprise Agreement (1.8 per cent plus an allowance for banding increments).
- New initiatives or employee proposals to be justified through a business case.
- Real savings in expenditure and increases in revenue identified in 2019/20 to be preserved
- Operating revenues and expenses arising from completed 2019/20 capital projects to be included.

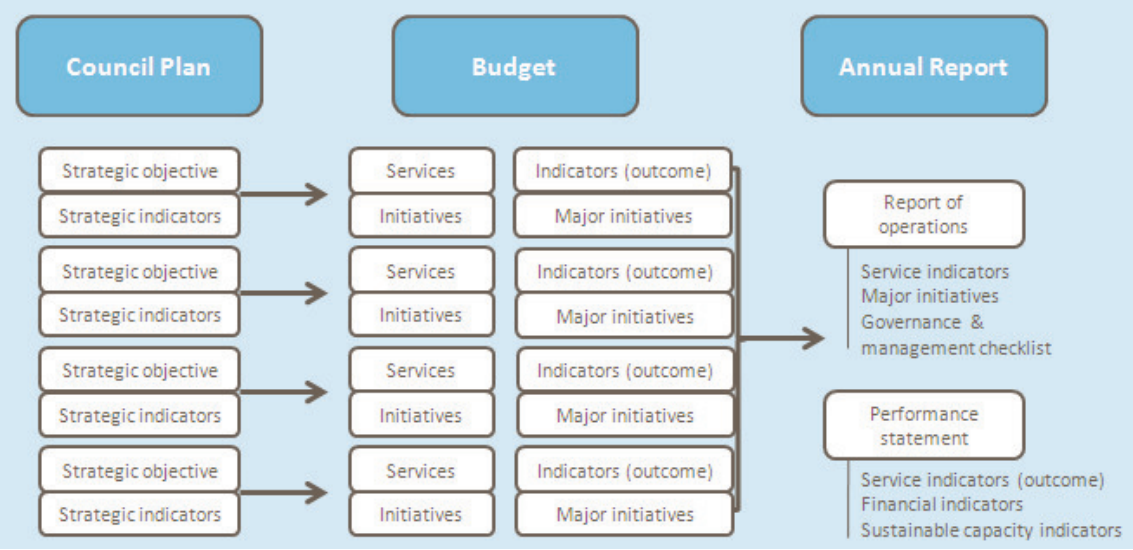
5.6 Long term strategies

The Budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2020/21 to 2023/24 (Section 7), Rating Strategy (Section 8) and Other Strategies (Sections 9 and 10) including borrowings and infrastructure.

Services Provided by Council

6 Services and service performance indicators

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



Source: Department of Environment, Land, Water and Planning

6.1 Strategic Objective 1: Advocacy

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

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost $'000
Mayor, Council & Chief Executive Office	This advocacy item includes the activities related to the Mayor, Councillors, Chief Executive and associated support.	1,321 0 1,321
Advocacy	Deliver the objectives of the Advocacy Strategy	480 0 480

Major Initiatives

There are no major initiatives indicated for the 2020/21 year

Initiatives

i. Continue to implement the Advocacy Strategy

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Measures
Community Satisfaction with Advocacy	• Community Satisfaction Survey
Advocacy Priorities	• Action Plan Achievement

6.2 Strategic Objective 2: Economic Development

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

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost $'000
Economic Development Management	This service is responsible for managing the activities to deliver the economic development strategic objective.	172 0 172
Economic Development	This service supports local business operators to build their skills and run more efficient business operations leading to increased investment and employment opportunities.	415 (2) 414
Events and Tourism	This service assists with tourism development for the region, provides visitor services through the operation of Visitor Information Centres, provides management of the Inverloch Community Hub and coordinates Council involvement in event activities in the Shire.	2,250 (324) 1,926

Major Initiatives

There are no major initiatives indicated for the 2020/21 year

Initiatives

ii. Implement relevant Year 2-5 actions in the Phillip Island and San Remo Visitor Economy Strategy 2035, Growing Tourism

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Measures
Visitation in off-peak season	• Events held in off peak season in Bass Coast
Focus on eco-tourism	• Events attracted to Bass Coast
Investment in infrastructure improvements	• Public Sector (Municipal, State and Federal) • Private Sector Investment
Economic Development Strategy 2016-21	• Action Plan Achievement
Phillip Island and San Remo Visitor Economy Strategy 2035 - Growing Tourism	• Action Plan Achievement

6.3 Strategic Objective 3: Environment

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

Services

Service area	Description of services provided	Expenditure (Revenue) Net Cost $'000
Coastal and Bushland Management	This service manages coast and bushland reserves to ensure safe use and enjoyment by the community and conservation of biodiversity.	900 (5) 895
Climate Change and Sustainability	This service helps to maintain and improve the local natural environment by complying with environmental regulations, mitigating and adapting to the effects of climate change, providing environmental education for staff and the community, and recording and reporting on the organisations greenhouse emissions and water use.	265 0 265
Waste Services	This service provides the effective management of Council's waste services including the contracted collection of domestic, smaller commercial, public place garbage and recycling and domestic hard waste. This service monitors and investigates reports of illegally dumped rubbish and litter including issuing compliance notices and infringements, and aims to reduce waste to landfill in accordance with the State Government's "Towards Zero Waste" strategy through waste and recycling education programs.	11,965 (2,451) 9,514
Sustainable Environment Management	This service is responsible for managing the activities to deliver the Natural Environment strategic objective.	199 0 199
Land and Catchment	This service is responsible for managing Council's coast and bushland reserves to ensure safe use and enjoyment by the community and conservation of biodiversity.	1,106 (58) 1,048

Major Initiatives

1) Climate Change Action Plan 2020-2030

Initiatives

There are no initiatives indicated for the 2020/21 year

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Measures
Corporate and community emissions reduction	• Corporate greenhouse gas levels • Community emissions profile
Restoration of coastal and inland vegetation corridors	• Native vegetation cover
Waste Management Strategy 2015-25	• Diversion of kerbside waste from landfill
Natural Environment Strategy 2016-26	• Action plan achievement

Performance Indicators	Measures
Waste diversion	• Kerbside collection waste diverted from landfill*

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

6.4 Strategic Objective 4: Governance

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

Services

Service areas	Description of services provided	Expenditure (Revenue) Net Cost $'000
Governance Management	This service is responsible for managing the activities to deliver the governance strategic objective.	1,163 0 1,163
Finance	This service provides responsive and reliable financial services and reporting to enable the organisation to make effective and timely decisions; ensures the organisation meets its financial legislative and statutory compliance obligations; and accurately accounts for and reports on the activities of Council.	1,169 (5,682) (4,513)
Procurement and Fleet	This service provides contract management support services, coordinates the tender process, prepares tender and quote documentation; monitors officer obligations under the Competition and Consumer Act and monitors spending with suppliers to ensure legislative compliance; maintains and administers procurement systems; and provides fleet management services (including services for plant management).	109 225 334
Revenue	This service is responsible for raising and collecting ratepayer revenue and special charges; maintaining property data including street and property addressing; providing valuation services, including revaluation of all properties in the municipality every two years and supplementary valuations as required.	1,217 (148) 1,070
Communications and Engagement	This service informs staff and community on key Council issues; provides professional advice on consultation and engagement within Council; and assists and educates Council staff on effective and professional communication with the community and stakeholders in order to raise the profile of Council and protect Council's image.	396 0 396

Service areas	Description of services provided	Expenditure (Revenue) Net Cost $'000
Corporate Planning, Performance and Reporting	This services provides an oversight to Council's Corporate Planning and Business Planning and improvement processes that integrate with risk management and insurance; ensures Council has the appropriate process, authorisations and delegations in order to make transparent and accountable decisions; provides support and compliance to Committees of Management and the Wonthaggi and San Remo Cemetery Trusts; manages Council's property portfolio including Crown Land where Council is the appointed Committee of Management; and oversees Council's Service Review Program.	2,689 (1,092) 1,597
Customer Service	This service provides frontline customer service to our customers and ratepayers to provide services and to enable contact with Council staff about services provided by Council.	1,311 0 1,311
Corporate Information	This service assists the organisation to ensure records are captured efficiently and accurately; accurately digitises physical records into a compliant electronic format; and conducts staff training and inductions in Information Management Awareness, Information Privacy, Freedom of Information and Confidentiality.	437 (2) 436
Information Technology	This service provides, supports and maintains reliable and cost effective communications and computing systems, facilities and infrastructure to Council staff enabling them to deliver services in a smart, productive and efficient way.	4,106 0 4,106
Business Transformation	To support and drive a culture of effectiveness and efficiency improvement across the organisation focusing on excellence in culture, systems and processes.	186 0 186
Human Resources	This service delivers workforce planning and recruitment, employee relations, human resources information and reporting, and payment of salaries and wages to Council employees.	641 (0) 640
Organisation Development	This service provides leadership, advice, programs and support to the whole organisation in the areas of OHS, WorkCover, health and wellbeing, payroll, leadership and organisation culture, and learning and development. This service also provides a coordinated approach for the Wonthaggi Civic Centre for the amenity of staff and the community.	1,072 (220) 852

Service areas	Description of services provided	Expenditure (Revenue) Net Cost $'000
Asset Management Systems	This service protects the value of Council's assets through effective asset management systems and processes to deliver the best outcome for the community.	449 0 449
Geographic Information Systems (GIS)	This service provides Geographic Information Systems for Council including the management of software architecture and tools to enable strategic planning across the organisation.	236 (0) 235

Major Initiatives

2) Implement the Local Government Act 2020
3) Develop the Council Plan 2021-2025

Initiatives

iii. Continue Implementation of the Business Transformation program including the OneCouncil Solution

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Measures
Community Satisfaction with Council Decisions	• Community Satisfaction Survey
Transparency of Council decisions	• Community Satisfaction Survey
Community Satisfaction with Consultation and Engagement	• Community Satisfaction Survey
Community satisfaction with customer contact	• Community Satisfaction Survey
Local Government Performance Reporting Framework (LGPRF) – Financial Performance	• Measures as identified in LGPRF
Victorian Auditor General Office (VAGO) Financial Sustainability indicators	• The Strategic Resource Plan and the Long Term Financial Plan to meet VAGO low risk indicators
Other financial and non-financial performance indicators	• Quarterly and year to date financial reporting • Quarterly and year to date non-financial performance reporting • Information technology improvements
Revenue opportunities	• Action plan achievement

Performance Indicators	Measures
Satisfaction	• Satisfaction with Council decisions*

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

6.5 Strategic Objective 5: Health and Wellbeing

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

Services

Service areas	Description of services provided	Expenditure (Revenue) Net Cost $'000
Environmental Health	This service provides Environmental Health services such as immunisation programs and monitoring compliance with health regulations to the community and businesses to promote health and wellbeing.	765 (479) 286

Major Initiatives

There are no major initiatives indicated for the 2020/21 year

Initiatives

iv. Continue the development of the Reconciliation Action Plan

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Measures
Municipal Emergency Management Plan 2014	• Compliance plan achievement
Youth Action Plan 2016-2020	• Action plan achievement
Municipal Public Health and Wellbeing Action Plan	• Action plan achievement
Disability Action Plan 2016-2020	• Action plan achievement
Municipal Early Years Plan 2016-2020	• Action plan achievement

Performance Indicators	Measures
Food Safety – Health and Safety	• Critical and major non-compliance notifications*

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

6.6 Strategic Objective 6: Liveability

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

Services

Service areas	Description of services provided	Expenditure (Revenue) Net Cost $'000
Infrastructure Management	This service is responsible for managing the infrastructure activities to deliver the sustainable development and growth strategic objective.	1,104 (108) 996
Asset Management	This service plans for the preservation, protection and expansion of existing and future infrastructure assets for their maximum possible design life and minimum ongoing life-cycle cost, while responding to the community's changing needs and expectations. This service also provides advice to Planning Approvals and Strategic Planning on new developments across Bass Coast.	969 (107) 862
Civil Construction and Design	This service undertakes design, tendering, contract management and supervision of various works within Council's capital works program to ensure delivery to a quality standard, to scope, on time and on budget.	863 (125) 738
Building Maintenance	This service maintains Council buildings in accordance with the building asset management plan.	1,454 (40) 1,414
Plant	This service provides plant and vehicle management services to the infrastructure maintenance department.	1,176 108 1,284
Roads	This service maintains Council's roads and road related infrastructure.	4,770 (1,443) 3,327
Local Laws and Emergency Management	This service assists the organisation to ensure Council and the municipality is in a state of preparedness to fulfil its responsibilities in Emergency Management. The service also implements Council's responsibilities under legislation including the Domestic Animals Act and Council's Local Laws, to promote community safety and promulgate harmonious community relationships.	2,085 (723) 1,362
Recreation and Culture	This service supports, encourages and develops leisure projects, programs and services, along with a range of recreational facilities including an aquatic centre, fully equipped Gymnasiums, and an extensive range of recreational programs, and a library service that caters for the needs of residents	5,145 (395) 4,750

Major Initiatives

There are no major initiatives indicated for the 2020/21 year

Initiatives

v. Commence the Municipal Affordable Housing Feasibility Study

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Measures
Community grants program	• Community Grants funding program
Municipal Recreation Plan (Active Bass Coast)	• Action plan achievement
Municipal Public Health and Wellbeing Plan	• Action plan achievement
Community infrastructure that improves quality of life	• Capital Works program achievement
Asset Management Policy and Strategy Improvements	• Action plan achievement
Annual maintenance programs	• Action plan achievement
Pathways Network Plan 2016	• Action plan achievement
Domestic Animal Management Plan 2017-2020	• Action plan achievement
Arts and Culture Plan 2015-2019	• Action plan achievement
Youth Action Plan 2016-2020	• Action plan achievement

Performance Indicators	Measures
Roads Satisfaction	• Satisfaction with sealed local roads*
Libraries Participation	• Active library members*
Aquatic facilities	• Utilisation of aquatic facilities*
Animal management	• Animal management prosecutions*

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

6.7 Strategic Objective 7: Our Character

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

Services

Service areas	Description of services provided	Expenditure (Revenue) Net Cost $'000
Parks	This service maintains open spaces including parks, gardens, reserves, foreshores and sporting ovals.	4,464 0 4,464
Planning and Character Management	This service is responsible for managing the sustainable development and growth activities that develop the character of the municipality. In addition this service enforces the Bass Coast Planning Scheme including the management and investigation of complaints, liaison and negotiation to achieve positive outcomes after breaches have occurred and the legal activities associated with Planning Enforcement.	729 0 729
Building Services	This service is responsible for the assessment and determination of building applications, conducting building inspections, advising residents on building-related matters and implementing pool safety and essential safety audits.	658 (254) 404
Development Services	This service manages subdivision design and construction, and is responsible for ensuring engineering requirements of planning applications are adequately considered and controlled.	787 (300) 487
Statutory Planning	This service provides assessment of planning permit applications against the various requirements of the Bass Coast Planning Scheme and the Planning and Environment Act to ensure that development across the Shire is appropriately planned and controlled.	1,244 (602) 642
Strategic Planning	This service maintains the Bass Coast Planning Scheme by development and delivery of key Strategic Planning projects and policies, and the assessment of planning scheme amendments. This service also plans for recreation facilities and services to meet the current and future needs of the community.	1,016 0 1,016
Major Projects	This service leads feasibility studies, master planning, and the effective design, and delivery of transformational projects. Manages the design and development of urban design, open space projects and provides sustainable recreation planning, strategy and policy development.	708 0 708
Social and Community Planning	This service has the responsibility to frame and respond to the challenges of social inclusion that present to Council. This service provides and gives support to community development,	1,590 0 1,590

Major Initiatives

4) Commence design and construction of the Cowes Cultural and Community Centre
5) Commence implementation of the Wonthaggi North East Precinct Structure Plan and Developer Contributions Plan

Initiatives

vi. Commence feasibility and design of the Bass Coast Aquatics facility and Phillip Island Aquatics facility

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Measures
Community capacity building	• Community building events
Overall Community Satisfaction	• Community Satisfaction Survey
Representation on key planning issues	• Representation at State Government
Statutory Planning decisions	• Determinations at VCAT • Statutory Planning legislative timelines

Performance Indicators	Measures
Decision making	• Planning decisions upheld at VCAT*

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

6.8 Service Performance Outcome Indicators

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

6.9 Performance Statement

Any service performance indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2020/21 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in Section 7) and sustainable capacity, which are not included in this budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The Major Initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

6.10 Reconciliation with budgeted operating result

	Net Cost (Revenue) $'000	Expenditure $'000	Revenue $'000
Advocacy	1,801	1,801	-
Economic Development	2,512	2,838	(325)
Environment	11,921	14,436	(2,514)
Governance	8,260	15,177	(6,917)
Health and Wellbeing	286	765	(479)
Liveability	14,732	17,565	(2,833)
Our Character	10,040	11,196	(1,156)
Total	**49,554**	**63,778**	**(14,224)**

Expenses added in:	
Depreciation	**15,362**
Finance costs	**317**
Deficit before funding sources	65,233
Funding sources added in:	
Rates and charges revenue	**(64,586)**
Capital Grants	**(3,107)**
Capital Contributions	**(645)**
Total funding sources	(68,339)
Operating (surplus)/deficit for the year	(3,105)

Long Term Strategies

7 Strategic Resource Plan (SRP)

7.1 Plan development

The Act requires a Strategic Resource Plan (SRP) to be prepared describing both financial and non-financial resources (including human resources) for at least the next four financial years to achieve the strategic objectives in the Council Plan. In preparing the SRP, Council must take into account all other plans and strategies in regard to services and initiatives which commit financial and non-financial resources for the period of the SRP.

Council has prepared a SRP for the four years 2020/21 to 2023/24 and a Long Term Financial Plan (LTFP) for the ten years 2020/21 to 2029/30 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

The key objective, which underlines the development of the SRP, is financial sustainability in the medium to long term, while still achieving Council's strategic objectives as specified in the Council Plan. The key financial objectives, which underpin the SRP, are:

- Ensure expenditure growth is lower than the overall inflation rate (CPI)
- Maintain a viable cash position, ensuring financial sustainability in the long term
- Achieve underlying operating surpluses
- Maintain debt levels within prudential guidelines
- Pursue grant funding for strategic capital projects from the state and federal government
- Responsible rate increases that will see Council continue to be low rating, but meet community asset renewal needs.

In preparing the SRP, Council has also been mindful of the need to comply with the following Principles of Sound Financial Management as contained in the Act:

- Prudently manage financial risks relating to debt, assets and liabilities
- Provide reasonable stability in the level of rates
- Consider the financial effects of Council decisions on future generations
- Provide full, accurate and timely disclosure of financial information.

To ensure that there is clear alignment between the annual cycle and the longer term financial strategies of Council, the Annual Budget and the Strategic Resource Plan are prepared as the one plan. As such, the following financial and non-financial statements constitute both the annual budget and the Strategic Resource Plan. This annual review process ensures that there is clear alignment between both short and longer term plans.

7.2 Financial resources

The following table summarises the projected key financial results for the next four years as set out in the SRP for years 2020/21 to 2023/24.

	Forecast	Budget	Strategic Resource Plan Projections		
Indicator	2019/20	2020/21	2021/22	2022/23	2023/24
	$'000	$'000	$'000	$'000	$'000
Surplus/(deficit) for the year	8,641	3,105	5,138	5,572	7,391
Adjusted underlying result	1,687	174	3,909	4,008	7,158
Cash and investments balance	37,655	27,858	25,583	23,930	15,146
Cash flow from operations	23,613	12,923	24,026	24,923	27,818
Capital works expenditure	35,657	27,944	36,646	26,048	34,623

7.3 Financial performance indicators

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

Indicator	Measure	Notes	Actual	Forecast	Budget	Strategic Resource Plan Projections			Trend
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	+/o/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-12.3%	2.1%	0.2%	4.7%	4.6%	7.8%	+
Liquidity									
Working Capital	Current assets / current liabilities	2	172.0%	182.5%	192.9%	177.6%	165.7%	120.8%	-
Unrestricted cash	Unrestricted cash / current liabilities	3	47.6%	109.5%	102.1%	95.5%	92.5%	89.1%	-
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	30.5%	25.4%	31.5%	49.3%	50.2%	50.0%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		2.7%	10.7%	20.1%	3.5%	5.0%	5.2%	-
Indebtedness	Non-current liabilities / own source revenue		18.9%	34.6%	41.2%	54.9%	55.0%	54.1%	+
Asset renewal	Asset renewal expenses / Asset depreciation	5	86.4%	110.4%	87.9%	87.3%	84.7%	85.3%	-
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	6	75.7%	76.3%	80.3%	80.1%	80.6%	81.2%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	o
Efficiency									
Expenditure level	Total expenses/ no. of property assessments		$2,757	$2,469	$2,474	$2,431	$2,495	$2,470	o
Revenue level	Residential rate revenue / no. of residential property assessments		$1,771	$1,477	$1,504	$1,562	$1,619	$1,679	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		13.9%	26.1%	12.1%	12.0%	12.0%	12.0%	-

Key to Forecast Trend:

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

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

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

Notes to indicators

1. Adjusted underlying result

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

2. Working Capital

Council's working capital ratio is expected to reduce over the term of the SRP from 1.8 to 1.2 by June 2024 due to investment in capital works and reduced reliance on unsecured grants.

3. Unrestricted Cash

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

4. Debt compared to rates

Debt compared to rates will increase over the term of the SRP due to Council leveraging its borrowing power to enable it to raise matching grant funding and deliver an expanded capital program including some major inter-generational projects. Higher debt repayments in 2020/21 reflect the rollover of prior borrowings into a long-term debt arrangement.

5. Asset renewal

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

6. Rates concentration

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

7. Workforce turnover

Workforce turnover returns to industry average in 2020/21 after an increase in the previous year due to the once off impact of cessation of aged and disability services.

Rating Strategy

8 Rating information

This section contains information on Council's past and projected rating levels along with Council's rating structure and the impact of changes in property valuations. This section should be read in conjunction with Council's Rating Strategy which is available on Council's website.

8.1 Rating context

In developing the Strategic Resource Plan (referred to in Section 6), rates and charges were identified as an important source of revenue, accounting for 75% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the financial planning process. The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Bass Coast community.

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

8.2 Current year rates and charges

The following table sets out future proposed total increases in revenue from rates and charges and the total rates to be raised, based on the forecast financial position of Council as at 30 June 2020. Please note that the total general rates increase includes expected growth within the municipality during these periods. The average rate increase per assessment is anticipated to be in accordance with the rate cap.

	Rate Cap Applied Increase	Total General Rate Increase	Garbage Charge Increase	Total Rates and Charges Raised
	%	%	%	$'000
2019/20	2.50%	4.25%	11.11%	61,795
2020/21	2.00%	3.30%	10.85%	64,586
2021/22	2.00%	4.96%	5.21%	67,917
2022/23	2.00%	5.58%	5.37%	71,670
2023/24	2.00%	5.54%	5.37%	75,609

8.3 Rating Structure

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

a) Developed Land rate

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

b) Farm Land rate

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

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

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

c) Vacant land rate

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

d) Cultural and Recreational Land rate

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

Council also levies a Waste Services Charge.

More information on the rates and garbage charge is contained in Appendix 2 - Statutory Disclosures.

8.4 Consideration of Ministerial Guidelines for Differential Rates

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

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

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

   Council also believes that the rating structure can be administered efficiently as it is a relatively simple structure which has been in place for some time.

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

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

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

   However, any assessment of the relative benefits received by various categories of property owners raises many practical difficulties, in particular, trying to trace quantifiable consumption/benefits to particular types of property or geographic locations and attributing varying levels of access by ratepayers to services that are universally available. Any in-depth analysis of this issue could also be quite costly and impact on efficiency.

Any such analysis could reduce to arguments of what services are consumed by town versus rural, businesses versus residences, and town versus town. The exercise is not clear cut – for example it might be argued that rural ratepayers derive less benefit from street cleaning than their town counterparts but the reverse argument may be put with respect to the costs of maintaining rural roads. For these reasons, Council does not believe that setting differential rates based upon the benefit principle is practical, equitable and efficient.

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

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

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

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

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

8.5 General revaluation of properties

During the 2019/2020 year, a revaluation of all properties within the municipality was carried out and will apply from 1 July 2020 for the 2020/2021 year. The outcome of the general revaluation has been a minor change in property valuations throughout the municipality. Overall, property valuations (including the impact of supplementary valuations and new assessments) across the municipal district have increased by 4.0%. Of this increase, residential properties have increased by 3.6%, farms by 5.4%, commercial properties by 4.7%, industrial properties by 4.6% and vacant properties by 7.2%.

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

Summary of other strategies

9 Borrowings

In developing the Strategic Resource Plan (SRP) (see Section 5), borrowings was identified as an important funding source for capital works programs. In the past, Council has borrowed strongly to finance large infrastructure projects and since then has been in a phase of debt reduction. This has resulted in a reduction in debt servicing costs, but has meant that cash and investment reserves have been used as an alternate funding source to maintain robust capital works programs. With the adoption of the Long Term Financial Plan, principles are in place to responsibly guide the use of borrowings, with a focus on borrowing only for new intergenerational projects.

For the 2020/21 year, Council has decided to utilise an additional $5.5 million in new borrowings to fund the capital works program, therefore increasing total borrowings to $20.1 million as at 30 June 2021. Total loan repayments of $12.5 million includes refinancing of $11.7 million in loans already held at 30 June 2020 and loan repayments of $0.8 million. The following table sets out future borrowings, based on the forecast financial position of Council as at 30 June 2020.

Year	New Borrowings $'000	Principal Paid $'000	Interest Paid $'000	Balance 30 June $'000
2019/20	3,571	6,029	478	15,391
2020/21	17,239	12,504	317	20,125
2021/22	14,750	1,823	535	33,052
2022/23	5,164	2,692	868	35,525
2023/24	4,732	2,894	977	37,362

9.1 Statement of Borrowings

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

	2019/20 $	2020/21 $
Amount borrowed as at 30 June of the prior year	17,849	15,391
Amount proposed to be borrowed	3,571	17,239
Amount projected to be redeemed	(6,029)	(12,504)
Amount of borrowings as at 30 June	15,391	20,125

10 Infrastructure

The Council has developed an Asset Management Policy and Asset Management Strategy Improvement Plan which provides the framework for the review or preparation of asset management plans for all infrastructure asset groups. These Asset Management Plans set out the capital expenditure requirements of Council for the next 20 years by class of asset, and are a key input to the Long Term Financial Plan. The Plans predict infrastructure consumption, renewal needs, and consider infrastructure needs to meet future community service expectations. The key aspects of the process are as follows:

- Long term capital planning process which integrates with the Council Plan, Strategic Resource Plan and Annual Budget processes;
- Service plans for all service areas that rely on assets or infrastructure;
- Listing of all known capital projects within the service plans, prioritised to ensure service outcomes;
- Transparent process for prioritisation of capital projects on the basis of evaluation criteria;
- Methodology for allocating annual funding to classes of capital projects;
- Business Case template for officers to document capital project submissions; and
- Asset performance monitoring and reporting.

A key objective of the Asset Management Improvement Plan is to maintain or renew Council's existing assets at desired condition levels. If sufficient funds are not allocated to asset renewal then Council's investment in those assets will reduce, along with the capacity to deliver services to the community. At the same time, maintenance costs will increase placing greater pressure on rate revenue.

A measure of Council's performance in respect to infrastructure management is the asset renewal sustainability index. This index measures the amount of funds spent on asset renewal compared to depreciation. A value of 100% or greater is considered an aspirational target.

Indicator	Budget	Strategic Resource Plan Projections		
	2020/21	2021/22	2022/23	2023/24
Asset renewal expenditure ($'000)	13,283	13,495	13,400	13,802
Depreciation ($'000)	15,111	15,459	15,814	16,178
Asset renewal sustainability index	**88%**	**87%**	**85%**	**85%**

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

Year	Total Capital Program	Summary of funding sources			
		Grants	Contributions	Borrowings	Council cash
	$'000	$'000	$'000	$'000	$'000
2019/20	35,657	5,301	4,221	3,571	22,564
2020/21	27,944	3,107	20	5,502	19,315
2021/22	36,646	1,924	-	14,750	19,972
2022/23	26,048	1,924	333	5,164	18,628
2023/24	34,623	924	-	4,732	28,967

In addition to using cash generated from its annual operations, borrowings and external contributions such as government grants, Council has cash or investment reserves that are also used to fund a variety of capital projects. These reserves are either 'statutory' or 'discretionary' cash reserves. Statutory reserves relate to cash and investments held by Council that must be expended on a specific purpose as directed by legislation or a funding body, and include contributions to car parking, drainage and public resort and recreation. Discretionary cash reserves relate to those cash and investment balances that have been set aside by Council and can be used at Council's discretion, even though they may be earmarked for a specific purpose.

Appendix 1 - Financial statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the years 2020/21 to 2023/24 has been extracted from the Strategic Resource Plan.

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

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

11 Comprehensive Income Statement

For the four years ending June 2024

		Forecast Actual	Budget	Strategic Resource Plan Projections		
		2019/20	2020/21	2021/22	2022/23	2023/24
	NOTES	$'000	$'000	$'000	$'000	$'000
Income						
Rates and charges	19.2	61,795	64,586	67,917	71,670	75,609
Statutory fees and fines	18.1	2,802	2,467	2,811	2,910	3,013
User fees	18.2	4,121	3,926	4,086	4,209	4,335
Grants - Operating	18.3	8,400	6,745	6,854	6,991	7,131
Grants - Capital	18.3	5,561	3,107	1,924	1,924	924
Contributions - monetary	18.4	2,317	748	229	564	233
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		205	117	-	-	-
Other income	18.5	1,292	867	1,074	1,025	958
Total income		86,493	82,563	84,894	89,292	92,203
Expenses						
Employee costs	18.6	28,372	28,583	30,614	31,695	32,814
Materials and services	18.7	28,715	31,412	29,022	29,602	30,194
Bad and doubtful debts		1	10	14	15	16
Depreciation	18.8	14,571	15,111	15,459	15,814	16,178
Amortisation - intangible assets	18.9	36	26	17	-	-
Amortisation - right of use assets	18.10	291	225	141	135	135
Borrowing costs		478	317	535	868	977
Other expenses	18.11	5,388	3,773	3,955	5,592	4,498
Total expenses		77,852	79,458	79,756	83,721	84,811
Surplus/(deficit) for the year		8,641	3,105	5,138	5,572	7,391
Other comprehensive income						
Items that will not be reclassified to surplus or deficit in future periods						
Net asset revaluation increment /(decrement)		-	-	-	-	-
Total comprehensive result		8,641	3,105	5,138	5,572	7,391

12 Balance Sheet

For the four years ending 30 June 2024

	NOTES	Forecast Actual 2019/20 $'000	Budget 2020/21 $'000	Strategic Resource Plan Projections 2021/22 $'000	2022/23 $'000	2023/24 $'000
Assets						
Current assets						
Cash and cash equivalents		37,655	27,858	25,583	23,930	15,146
Trade and other receivables		6,054	8,562	8,831	9,157	9,468
Other financial assets		40	40	40	40	40
Inventories		71	71	71	71	71
Non-current assets classified as held for sale		2,094	-	-	-	-
Total current assets		45,914	36,532	34,524	33,197	24,726
Non-current assets						
Investments in associates, joint arrangement and subsidiaries		1,601	1,601	1,601	1,601	1,601
Property, infrastructure, plant & equipment		720,984	732,845	752,654	762,540	780,499
Right-of-use assets		43	17	-	-	-
Intangible assets		1,350	1,125	984	849	714
Total non-current assets		723,978	735,588	755,239	764,990	782,814
Total assets		769,892	772,120	789,763	798,187	807,540
Liabilities						
Current liabilities						
Trade and other payables		11,128	5,524	5,486	5,775	5,806
Trust funds and deposits		4,372	4,459	4,549	4,640	4,732
Provisions		7,995	7,213	6,740	6,740	6,740
Interest-bearing liabilities	9.1	1,662	1,741	2,670	2,874	3,192
Total current liabilities		25,157	18,937	19,444	20,029	20,470
Non-current liabilities						
Provisions		10,531	11,262	11,262	11,262	11,262
Lease liabilities		44	-	-	-	-
Interest-bearing liabilities	9.1	13,729	18,385	30,382	32,651	34,171
Total non-current liabilities		24,304	29,647	41,644	43,912	45,432
Total liabilities		49,461	48,584	61,088	63,941	65,902
Net assets		720,431	723,536	728,674	734,246	741,637
Equity						
Accumulated surplus		268,227	273,009	279,732	287,011	302,997
Reserves	18.12	452,204	450,527	448,942	447,235	438,640
Total equity		720,431	723,536	728,674	734,246	741,637

13 Statement of Changes in Equity

For the four years ending 30 June 2024

	NOTES	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
2020 Forecast Actual					
Balance at beginning of the financial year		715,666	250,745	421,369	43,552
Impact of adoption of new accounting standards		(3,876)	(3,876)	-	-
Adjusted opening balance		711,790	246,869	421,369	43,552
Surplus/(deficit) for the year		8,641	8,641	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(12,272)	-	12,272
Transfers from other reserves		-	24,989	-	(24,989)
Balance at end of the financial year		**720,431**	**268,227**	**421,369**	**30,835**
2021 Budget					
Balance at beginning of the financial year		720,431	268,227	421,369	30,835
Surplus/(deficit) for the year		3,105	3,105	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves	18.12	-	(4,621)	-	4,621
Transfers from other reserves	18.18	-	6,298	-	(6,298)
Balance at end of the financial year		**723,536**	**273,009**	**421,369**	**29,158**
2022					
Balance at beginning of the financial year		723,536	273,009	421,369	29,158
Surplus/(deficit) for the year		5,138	5,138	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(3,638)	-	3,638
Transfers from other reserves		-	5,224	-	(5,224)
Balance at end of the financial year		**728,674**	**279,732**	**421,369**	**27,573**
2023					
Balance at beginning of the financial year		728,674	279,732	421,369	27,573
Surplus/(deficit) for the year		5,572	5,572	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(2,519)	-	2,519
Transfers from other reserves		-	4,226	-	(4,226)
Balance at end of the financial year		**734,246**	**287,011**	**421,369**	**25,866**
2024					
Balance at beginning of the financial year		734,246	287,011	421,369	25,866
Surplus/(deficit) for the year		7,391	7,391	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		-	(9,248)	-	9,248
Transfers from other reserves		-	17,843	-	(17,843)
Balance at end of the financial year		**741,637**	**302,997**	**421,369**	**17,271**

14 Statement of Cash Flows

For the four years ending 30 June 2024

	Notes	Forecast Actual 2019/20 $'000	Budget 2020/21 $'000	Strategic Resource Plan Projections 2021/22 $'000	2022/23 $'000	2023/24 $'000
		Inflows (Outflows)	**Inflows (Outflows)**	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities						
Rates and charges		63,246	63,453	68,179	71,822	75,877
Statutory fees and fines		2,802	2,428	2,830	2,925	3,032
User fees		4,540	3,863	4,115	4,231	4,363
Grants - operating		8,445	6,638	6,902	7,027	7,177
Grants - capital		5,301	3,058	1,937	1,934	930
Contributions - monetary		2,317	748	229	564	233
Interest received		776	401	608	559	492
Trust funds and deposits taken		89	87	89	91	93
Other receipts		2,803	556	686	690	694
Net GST refund / payment		4,041	4,582	5,732	5,083	5,754
Employee costs		(30,532)	(32,626)	(32,163)	(33,170)	(34,429)
Materials and services		(33,172)	(35,562)	(30,490)	(30,979)	(31,680)
Other payments		(7,043)	(4,703)	(4,628)	(5,853)	(4,719)
Net cash provided by operating activities		23,613	**12,923**	24,026	24,923	27,818
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment		(35,657)	(30,639)	(40,211)	(28,563)	(37,995)
Proceeds from sale of property, infrastructure, plant and equipment		1,366	3,501	1,517	383	534
Net cash used in investing activities		(18,491)	**(27,138)**	(38,694)	(28,180)	(37,461)
Cash flows from financing activities						
Finance costs		(478)	(317)	(535)	(868)	(977)
Proceeds from borrowings		3,571	17,239	14,750	5,164	4,732
Repayment of borrowings		(6,029)	(12,504)	(1,823)	(2,692)	(2,894)
Interest paid - lease liability		(36)	-	-	-	-
Repayment of lease liabilities		(2)	-	-	-	-
Net cash provided by/(used in) financing activities		(2,936)	**4,417**	12,392	1,604	861
Net increase/(decrease) in cash & cash equivalents		2,186	(9,797)	(2,275)	(1,653)	(8,783)
Cash and cash equivalents at beginning of year		35,507	37,655	27,858	25,583	23,930
Cash and cash equivalents at end of year		37,693	**27,858**	25,583	23,930	15,146

15 Statement of Capital Works

For the four years ending 30 June 2024

		Forecast Actual	Budget	Strategic Resource Plan Projections		
		2019/20	2020/21	2021/22	2022/23	2023/24
	NOTES	$'000	$'000	$'000	$'000	$'000
Property						
Land		2,843	1,000	1,000	900	900
Land improvements		7,626	3,002	1,501	2,395	2,626
Total land		10,469	4,002	2,501	3,295	3,526
Buildings		4,072	13,605	19,536	11,860	19,895
Total buildings		4,072	13,605	19,536	11,860	19,895
Total property		14,541	17,607	22,037	15,155	23,421
Plant and equipment						
Plant, machinery and equipment		1,144	1,595	2,046	1,897	1,902
Computers and telecommunications		474	685	625	625	625
Total plant and equipment		1,618	2,280	2,671	2,522	2,527
Infrastructure						
Roads		12,590	4,483	3,676	3,791	3,923
Bridges		69	88	591	594	98
Footpaths and cycleways		2,488	1,186	1,019	1,322	3,435
Drainage		870	651	852	1,051	812
Waste management		3,429	1,600	5,750	1,614	407
Other infrastructure		52	50	50	-	-
Total infrastructure		19,498	8,057	11,938	8,372	8,675
Total capital works expenditure	19.1	35,657	27,944	36,646	26,048	34,623
Represented by:						
New asset expenditure		8,688	9,400	21,054	10,540	18,431
Asset renewal expenditure		16,089	13,283	13,495	13,400	13,802
Asset expansion expenditure		2,549	2,460	875	1,439	1,232
Asset upgrade expenditure		8,331	2,801	1,222	669	1,158
Total capital works expenditure	19.1	35,657	27,944	36,646	26,048	34,623
Funding sources represented by:						
Grants		4,684	3,107	1,924	1,924	924
Contributions		40	20	-	333	-
Council cash		27,362	19,315	19,972	18,628	28,967
Borrowings		3,571	5,502	14,750	5,164	4,732
Total capital works expenditure	19.1	35,657	27,944	36,646	26,048	34,623

16 Funding Impact Statement

For the four years ending 30 June 2024

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2019/20	2020/21	2021/22	2022/23	2023/24
	$'000	$'000	$'000	$'000	$'000
Revenue					
Rates and charges	61,795	64,586	67,917	71,670	75,609
Statutory fees and fines	2,859	2,467	2,811	2,910	3,013
User fees	4,121	3,926	4,086	4,209	4,335
Grants - operating	8,444	6,745	6,854	6,991	7,131
Contributions - monetary	57	103	108	110	112
Interest revenue	776	401	608	559	492
Other income	516	466	466	466	466
Total revenue	78,568	78,693	82,850	86,915	91,158
Proceeds					
Sale of assets	1,366	3,183	1,379	348	485
Total proceeds	1,366	3,183	1,379	348	485
Expenses					
Employee costs	(28,372)	(28,583)	(30,614)	(31,695)	(32,814)
Materials and services	(28,609)	(31,412)	(29,022)	(29,602)	(30,194)
Borrowing costs	(478)	(317)	(535)	(868)	(977)
Other expenses	(5,388)	(3,783)	(3,969)	(5,607)	(4,513)
Total expenses	(62,847)	(64,096)	(64,139)	(67,771)	(68,498)
Reserve fund movements					
Transfers from/(to) reserves	12,717	1,677	1,585	1,707	8,595
Net reserve movements	12,717	1,677	1,585	1,707	8,595
Capital expenditure and income					
Grants - capital	5,301	3,107	1,924	1,924	924
Contributions - monetary	4,221	645	121	454	121
Repayment of borrowings	(6,029)	(12,504)	(1,823)	(2,692)	(2,894)
New loans	3,571	17,239	14,750	5,164	4,732
Capital works	(35,657)	(27,944)	(36,646)	(26,048)	(34,623)
Net capital works and income	(28,593)	(19,457)	(21,675)	(21,198)	(31,740)
Surplus/(deficit)	1,211	-	-	-	-

17 Statement of Human Resources

For the four years ending 30 June 2024

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2019/20	2020/21	2021/22	2022/23	2023/24
	$'000	$'000	$'000	$'000	$'000
Staff expenditure					
Employee costs - operating	(28,372)	(28,583)	(30,614)	(31,695)	(32,814)
Employee costs - capital	(882)	(1,036)	(1,225)	(1,268)	(1,313)
Total staff expenditure	(29,254)	(29,619)	(31,839)	(32,962)	(34,127)
	FTE	**FTE**	FTE	FTE	FTE
Staff numbers					
Employees	287.4	**291.8**	291.8	291.8	291.8
Total staff numbers	287.4	291.8	291.8	291.8	291.8

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

Division	Budget	Comprises			
		Permanent		Casual	Temporary
	2020/21	Full Time	Part time		
	$'000	$'000	$'000	$'000	$'000
Chief Executive Office	**475**	475	-	-	-
Business Transformation	**4,326**	3,588	589	-	149
Chief Financial Officer	**2,184**	1,737	435	-	12
Partnerships, Advocacy & Economy	**3,197**	2,032	643	435	87
Place Making	**5,335**	4,564	575	10	186
Resilient Communities	**13,993**	11,788	1,922	140	143
Total permanent staff expenditure	29,510	24,183	4,164	585	578
Other expenditure	**148**				
Capitalised labour costs	**(1,075)**				
Total expenditure	28,583				

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

Department	Budget	Comprises			
		Permanent		Casual	Temporary
	2020/21	Full Time	Part time		
Chief Executive Office	**2**	2	-	-	-
Business Transformation	**37**	28	6	-	3
Chief Financial Officer	**22**	16	5	-	1
Partnerships, Advocacy & Economy	**33**	20	7	5	1
Place Making	**49**	40	7	0	2
Resilient Communities	**140**	114	22	2	2
Total permanent staff expenditure	283	220	47	7	9
Other expenditure	**-**				
Capitalised labour costs	**9**				
Total staff	292				

18 Notes to the financial statements

18.1 Statutory fees and fines

	Forecast Actual 2019/20	Budget 2020/21	Change	
	$'000	$'000	$'000	%
Infringements and costs	167	294	127	75.96%
Town planning fees	1,384	865	(519)	-37.53%
Land information certificates	82	68	(14)	-17.19%
Permits	1,169	1,241	72	6.15%
Total statutory fees and fines	2,802	2,467	(335)	-11.95%

18.2 User Fees

	Forecast Actual 2019/20	Budget 2020/21	Change	
	$'000	$'000	$'000	%
Aged and health services	358	6	(352)	-98.32%
Leisure centre and recreation	882	841	(41)	-4.69%
Waste management services	2,280	2,393	113	4.97%
Other fees and charges	602	686	84	13.97%
Total user fees	4,121	3,926	(196)	-4.75%

18.3 Grants

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall, the level of operating grants is projected to decrease by $4.2 million compared to 2019/20. Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Overall, the level of capital grants has decreased by $2.5 million compared to 2019/20 due mainly to specific funding for some large capital works projects. A list of grants by type and source, classified into recurrent and non-recurrent, is included below.

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

	Forecast Actual 2019/20 $'000	Budget 2020/21 $'000	Change $'000	Change %
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	8,037	8,345	309	4%
State funded grants	5,924	1,507	(5,177)	-87%
Total grants received	13,961	9,852	(4,869)	-35%
(a) Operating Grants				
Recurrent - Commonwealth Government				
Financial Assistance Grants	6,326	6,498	171	3%
Aged care	307	-	(307)	-100%
General home care	480	-	(480)	-100%
Recurrent - State Government				
Community health	25	27	2	7%
General home care	119	-	(119)	-100%
Respite and carer support	63	-	(63)	-100%
Assessment	194	-	(194)	-100%
Environment	61	58	(2)	-4%
Community safety	140	128	(12)	-9%
Other	10	9	(2)	-17%
Total recurrent grants	7,725	6,720	(1,005)	-13%
Non-recurrent - State Government				
Environment	73	-	(73)	-100%
Recreation	400	-	(400)	-100%
Other	202	25	(177)	-88%
Total non-recurrent grants	675	25	(650)	-96%
Total operating grants	8,400	6,745	(1,655)	-20%
(b) Capital Grants				
Recurrent - Commonwealth Government				
Roads to recovery	924	924	-	0%
Total recurrent grants	924	924	-	0%
Non-recurrent - Commonwealth Government				
Roads	-	924	924	0%
Non-recurrent - State Government				
Buildings	500	500	-	0%
Open space	720	760	(720)	-100%
Roads	2,880	-	(2,880)	-100%
Waste management	206	-	(206)	-100%
Other	332	-	(332)	-100%
Total non-recurrent grants	4,637	2,184	(3,213)	-69%
Total capital grants	5,561	3,107	(2,453)	-44%
Total Grants	13,961	9,852	(4,109)	-29%

18.4 Contributions

	Forecast Actual 2019/20 $'000	Budget 2020/21 $'000	Change $'000	Change %
Monetary	2,317	748	(1,569)	-67.72%
Total contributions	2,317	748	(1,569)	-67.72%

18.5 Other income

	Forecast Actual 2019/20 $'000	Budget 2020/21 $'000	Change $'000	Change %
Interest	776	401	(375)	-48.32%
Dividends	2	2	-	0.00%
Other rent	102	135	33	32.64%
Other	413	329	(84)	-20.34%
Total other income	1,292	867	(426)	-32.93%

18.6 Employee Costs

	Forecast Actual 2019/20 $'000	Budget 2020/21 $'000	Change $'000	Change %
Wages and salaries	27,800	22,527	(5,272)	-18.96%
Annual leave	-	2,256	2,256	100.00%
Long service leave	-	627	627	100.00%
WorkCover	424	600	176	41.51%
Superannuation	-	2,425	2,425	100.00%
Fringe benefits tax	148	148	(1)	-0.35%
Total employee costs	28,372	28,583	211	0.74%

18.7 Materials and services

	Forecast Actual 2019/20	Budget 2020/21	Change	
	$'000	$'000	$'000	%
Contractor payments	9,825	11,310	1,486	15.12%
Building maintenance	29	112	83	285.42%
General maintenance	1,455	2,284	829	56.93%
Utilities	905	843	(62)	-6.89%
Office administration	322	469	147	45.71%
Information technology	1,349	1,397	48	3.55%
Insurance	604	663	59	9.77%
Consultants	2,161	1,363	(797)	-36.89%
Banking and financing Fees	160	99	(61)	-38.29%
Subscriptions and memberships	188	244	56	29.71%
Advertising	182	253	71	39.30%
Cost of goods sold	80	89	9	11.83%
Consumables	534	796	262	48.96%
Legal and debt recovery	356	489	133	37.36%
Staff development and recruitment	715	718	3	0.39%
Waste management	6,878	7,487	609	8.86%
Communications	418	355	(63)	-15.04%
Other	449	234	(216)	-48.03%
Library services	1,851	1,898	47	2.56%
Property leases	254	308	54	21.20%
Total materials and services	28,715	31,412	2,697	9.39%

18.8 Depreciation

	Forecast Actual 2019/20	Budget 2020/21	Change	
	$'000	$'000	$'000	%
Property	2,840	2,947	106	3.75%
Plant & equipment	1,214	1,254	40	3.28%
Infrastructure	10,517	10,911	394	3.75%
Total depreciation and amortisation	14,571	15,111	540	3.71%

18.9 Amortisation – Intangible assets

	Forecast Actual 2019/20	Budget 2020/21	Change	
	$'000	$'000	$'000	%
Landfill Airspace Asset	291	225	- 66	**-22.61%**
Total amortisation - intangible assets	291	225	(66)	-22.61%

18.10 Amortisation – Right of use assets

	Forecast Actual 2019/20 $'000	Budget 2020/21 $'000	Change $'000	Change %
Property	36	26	- 11	**-29.19%**
Total amortisation - right of use assets	36	26	(11)	-29.19%

18.11 Other expenses

	Forecast Actual 2019/20 $'000	Budget 2020/21 $'000	Change $'000	Change %
Auditors' remuneration - VAGO	70	72	2	2.29%
Auditors' remuneration - Internal	53	40	(13)	-24.78%
Councillors' allowances	313	321	8	2.72%
Land management rebate	611	634	23	3.78%
Fire services levy	85	103	18	21.09%
Landfill levy	570	830	260	45.70%
Contributions to other organisations	3,280	1,293	(1,987)	-60.58%
Refund of unexpended grants	181	-	(181)	-100.00%
Fee Waivers	33	33	0	1.23%
Stamp duty	193	448	255	132.05%
Total other expenses	5,388	3,773	(1,614)	-29.96%

18.12 Statement of Investment Reserves

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2019/20 $'000	2020/21 $'000	2021/22 $'000	2022/23 $'000	2023/24 $'000
Art in public places	85	85	85	85	85
Capital lease commitments	174	150	150	150	150
Car parking reserve	33	33	33	33	33
Constrained works (carry forward)	-	-	-	-	-
Drainage reserve	8	8	8	8	8
Future sustainability fund	100	100	-	-	-
LGFV sinking fund	4,170	4,435	4,700	4,965	2,381
Long service leave	3,793	3,793	2,593	793	-
Native vegetation offset reserve	232	232	232	232	232
Non-standard street lighting reserve	193	193	193	193	193
Resort and recreation reserve	3,192	2,634	2,243	2,292	2,341
Skate park	368	368	368	368	368
Specific development contributions	593	435	465	495	525
Strategic works	4,889	2,859	4,498	5,573	2,303
Unallocated surplus	3,586	3,914	2,086	2,086	-
VGC grant received in advance	3,005	3,005	3,005	3,005	3,005
Wonthaggi North East Developer Contributions	1,330	1,830	1,830	1,830	1,830
Share of Associate's reserves (WGRLC)	181	181	181	181	181
Landfill Rehabilitation Reserve	4,903	4,903	4,903	3,577	3,636
Total Reserves	30,835	29,158	27,573	25,866	17,271

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

Reserve	Description/purpose
Resort & Recreation	This reserve contains open space contributions from developers. It is a statutory reserve established under the *Subdivision Act 1988*
Drainage	This reserve contains funds received from developers for drainage works
Non-standard Street Lighting	This reserve contains funds received from developers for the replacement/renewal of non-standard street lights.
Car Parking	This reserve contains funds received from developers as part of planning permits. The purpose of the cash contributions is in lieu of providing car park spaces
Native Vegetation Offset	This reserve contains funds contributed as part of a planning permit where the permit requires a native vegetation offset due to the works (either by council, developer or private individual) removing native vegetation.
Art in Public Places	In accordance with council resolution, funds are specifically allocated for art in public places and where the funds have not been utilised in any given year; the balance is placed into reserve.
Long Service Leave	This reserve contains the nominal value of the long service leave obligations to council staff. This reserve was required by regulation until relatively recent times.
Landfill Rehabilitation	This reserve contains funds set aside to rehabilitate council's landfill sites. The principle being that as the landfill site is consumed (filled) the users contribute sufficient funds to ensure the full life cycle rehabilitation (over approximately 20 years)
LGFV Sinking Fund	This reserve contains the funds required to repay the LGFV Bonds when and as they come due.
Capital Lease Commitments	This reserve contains council's commitment to funding future capital activities on the various caravan parks. The value is based on the lease agreements in place.
Constrained Works (Carry Forward)	This reserve contains the funding carried forward from prior financial years for works that have commenced but are not yet complete.
Specific Development Contributions	This reserve contains developer contributions that have been provided for specific projects in accordance with planning agreements.
Future Sustainability Fund	This reserve contains funding towards specific future expenditures and where they aid in the future financial sustainability of the Bass Coast Shire.
Strategic Works	This reserve contains funds set aside for future works that have yet to be clearly identified. This reserve exists to support future opportunities.
Skate Park	This reserve contains funds set aside for future skate park works as determined by the skate park strategy. The funds provided for this reserve arise from a prior council decision to allocate contract savings to reserve.
Unallocated Surplus	This reserve contains any unallocated funds available for council use.
Wonthaggi North East Developer Contributions	This reserve contains developer contributions that have been provided for specific projects in accordance with planning agreements.

Appendix 2 - Rates and charges

19 Rates and charges

19.1 Fair Go Rates System Compliance

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

	2019/20	2020/21
Total Rates	$ 47,479,776	$ 49,585,508
Number of rateable properties	31,534	32,115
Base Average Rate	$ 1,506	$ 1,544
Maximum Rate Increase (set by the State Government)	2.50%	2.00%
Capped Average Rate	$ 1,543	$ 1,575
Maximum General Rates	$ 48,666,770	$ 50,575,213
Budgeted General Rates	$ 48,666,770	$ 50,575,213
Budgeted Supplementary Rates	$ 500,000	$ 400,000
Budgeted Total Rates	$ 49,166,770	$ 50,975,213

19.2 Reconciliation of total rates and charges

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

	2019/20 Forecast	2020/21 Budget	Change	
	$'000	$'000	$'000	%
General rates*	48,652	50,575	1,923	4.0%
Waste management charge	12,030	13,336	1,306	10.9%
Special rates and charges	-	-	-	N/A
Supplementary rates and rate adjustments	820	530	(290)	-35.3%
Interest on rates and charges	185	112	(73)	-39.7%
Revenue in lieu of rates	36	34	(2)	-6.7%
Total rates and charges	61,723	64,586	2,864	4.6%

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

19.3 Rate in the dollar to be levied as general rates

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

Type or class of land	2019/20 cents/$CIV	2020/21 cents/$CIV	Change
General rate for rateable residential properties	0.31170	0.30538	-2.0%
General rate for rateable farm properties	0.24936	0.24430	-2.0%
General rate for rateable commercial properties	0.31170	0.30538	-2.0%
General rate for rateable industrial properties	0.31170	0.30538	-2.0%
General rate for rateable vacant land	0.46755	0.45807	-2.0%
Rate concession for rateable recreational properties	0.18702	0.18323	-2.0%

19.4 Estimated total amount to be raised by general rates

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

Type or class of land	2019/20	Annualised rates levied 2019/20	2020/21	Change
	$'000	$'000	$'000	%
Residential	39,121	40,131	40,746	1.53%
Farm	3,013	2,992	3,079	2.91%
Commercial	2,150	2,175	2,234	2.69%
Industrial	448	462	473	2.47%
Vacant Land	3,898	3,789	4,005	5.73%
Recreational	37	37	37	1.87%
Total amount to be raised by general rates	48,667	49,586	50,575	2.00%

The annualised amount is calculated by applying 2019/20 rates to the CIV of the rateable properties within the Bass Coast Shire at the time of establishing the budget. This will include the additional properties that have been created through the course of the 2019/20 financial year. This establishes the base position from which to apply any change to the rates for the 2020/21 financial year.

19.5 Number of assessments

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

Type or class of land	2019/20	2020/21	Change	
	Number	Number	Number	%
Residential	26,478	27,072	594	2.2%
Farm	982	987	5	0.5%
Commercial	925	928	3	0.3%
Industrial	341	356	15	4.4%
Vacant Land	2,788	2,752	(36)	-1.3%
Recreational	20	20	-	0.0%
Total number of assessments	31,534	32,115	581	1.8%

19.6 Basis of valuation

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

19.7 Estimated total value of land

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

Type or class of land	2019/20	2020/21	Change	
	$'000	$'000	$'000	%
Residential	12,875,077	13,342,715	467,639	3.6%
Farm	1,199,895	1,260,388	60,493	5.0%
Commercial	697,920	731,547	33,627	4.8%
Industrial	148,161	154,967	6,806	4.6%
Vacant Land	810,284	874,426	64,143	7.9%
Recreational	19,622	20,403	781	4.0%
Total value of land	15,750,958	16,384,445	633,488	4.0%

19.8 Rate or unit amount to be levied

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

Type of Charge	Per service 2019/20	Per service 2020/21	Change	
	$	$	$	%
Garbage charge - 240 litre organics - 240 litre recycle - 120 litre landfill	449.00	496.49	47.49	10.6%
Additional recycle bin - annual charge	100.11	100.11	-	0.0%
Additional organics bin - annual charge	95.09	95.09	-	0.0%
Additional 120 litre landfill bin - annual charge	110.51	110.51	-	0.0%
Additional 240 litre landfill bin - annual charge	166.32	166.32	-	0.0%
Upgrade landfill bin (120 litre to 240 litre) - annual charge	55.81	55.81	-	0.0%

19.9 Estimated total amount to be raised

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

Type of Charge	2019/20	2020/21	Change	
	$	$	$	%
Garbage charge	11,949,040	13,335,739	1,386,699	11.6%

19.10 Estimated total amount to be raised by supplementary charges

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

Type of Charge	2019/20	2020/21	Change	
	$	$	$	%
Supplementary rates	500,000	400,000	(100,000)	-20.0%
Supplementary garbage charges	62,831	130,000	67,169	106.9%
Total Rates and charges	562,831	530,000	(32,831)	-5.8%

19.11 Estimated total amount to be raised by all rates and charges

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

Type of Charge	2019/20	2020/21	Change	
	$	$	$	%
General rates	48,666,980	50,575,213	1,908,234	3.9%
Waste management charge	11,949,040	13,335,739	1,386,699	11.6%
Supplementary rates	562,831	530,000	(32,831)	-5.8%
Revenue in lieu of rates	36,268	33,835	(2,433)	-6.7%
Total Rates and charges	61,215,119	64,474,787	3,259,669	5.3%

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

19.12 Any significant changes that may affect the estimated amounts to be raised by rates and charges

There are no known significant changes which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:

- The making of supplementary valuations
- The variation of returned levels of value (e.g. valuation appeals)
- Changes in use of land such that rateable land becomes non-rateable land and vice versa
- Changes in use of land such that residential land becomes business land and vice versa.

20 Differential rates

20.1 Rates to be levied

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

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

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

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

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

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

20.2 Rates to be levied

The rate and amount of rates payable in relation to land in each category of differential are:

- A general rate of 0.30538% (0.30538 cents in the dollar) of CIV for all rateable residential, commercial and industrial properties
- A general rate of 0.24430% (0.24430 cents in the dollar) of CIV for all rateable farm properties
- A general rate of 0.45807% (0.45807 cents in the dollar) of CIV for rateable vacant land from all categories
- A general rate of 0.18323% (0.18323 cents in the dollar) of CIV for rateable recreational and cultural properties.

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

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

20.3 Residential land

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

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

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

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

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

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

The types of buildings on the land within this differential rate are all buildings already on the land or which will be constructed prior to the expiry of the 2020/21 financial year.

20.4 Commercial land

Commercial land is any land which is:

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

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

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

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

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

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2020/21 financial year.

20.5 Industrial land

Industrial land is any land which is:

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

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

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

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

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

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2020/21 financial year.

20.6 Farm land

Farm land is any land which is:

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

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

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

The 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 2020/21 financial year.

20.7 Vacant land

Vacant land is any land which is:

- Considered vacant in that it has no buildings or dwellings constructed on it prior to the expiry of the 2020/21 financial year and
- May include land zoned as residential, commercial, industrial or rural residential.

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

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

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

20.8 Recreational land

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

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

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

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

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2020/21 financial year.

Appendix 3 - Detailed list of Capital Works

21 Capital works program

For the year ending 30 June 2021

21.1 Detailed list of Capital Works

		Asset expenditure types				Summary of funding sources			
Capital Projects	Project Cost	New $'000	Renewal $'000	Upgrade $'000	Expansion $'000	Grants $'000	Contrib. $'000	Council cash $'000	Borrowings $'000
Property									
Land									
Land acquisitions - Wonthaggi North East DCP open space	500	-	-	-	500	-	-	500	-
Land acquisitions - Drainage	500	500	-	-	-	-	-	500	-
Land Total	**1,000**	**500**	**-**	**-**	**500**	**-**	**-**	**1,000**	**-**
Land Improvements									
Anderson Road Boat Ramp East Carpark Upgrade, Cowes	379	-	-	379	-	-	-	379	-
Bass Coast Entry Signage	200	200	-	-	-	-	-	200	-
Bay Beach Lower Carpark and Beach Access, Cape Paterson - Upgrade	56	-	-	56	-	-	-	56	-
Carparks renewal program	108	-	108	-	-	-	-	108	-
Climate Change Actions	500	500	-	-	-	-	-	500	-
Dalyston Recreation Reserve Master Plan, Upgrading of Floodlighting	45	-	-	45	-	-	-	45	-
Kilcunda Skate Park	42	42	-	-	-	-	-	42	-
Wonthaggi Activity Centre Plan priorities	250	250	-	-	-	-	-	250	-
Wonthaggi Field Lighting	250	250	-	-	-	-	-	250	-
Wonthaggi Guide Park	1,146	-	-	1,146	-	760	-	386	-
Grantville Amphitheatre Shelter	25	25	-	-	-	-	-	25	-
Tenby Point Noticeboard	2	-	2	-	-	-	-	2	-
Land Improvements Total	**3,002**	**1,267**	**110**	**1,625**	**-**	**760**	**-**	**2,242**	**-**
Buildings									
Aquatics	2,825	2,825	-	-	-	-	-	2,825	-
Buildings & Open Space renewal program	5,856	-	5,856	-	-	-	-	5,856	-
Cowes Activity Centre Plan	100	100	-	-	-	-	-	100	-
Cowes Cultural and Community Centre Redevelopment	4,000	4,000	-	-	-	-	-	-	4,000
Dalyston Netball Court and Toilet Pavillion Upgrade	500	-	-	500	-	500	-	-	-
Inverloch Community Hub Hall Air Conditioning Upgrade	74	-	-	74	-	-	-	74	-
Phillip Island Recreation Reserve	150	150	-	-	-	-	-	150	-
Designs for Sport & Recreation Reserves	100	-	-	100	-	-	-	100	-
Buildings Total	**13,605**	**7,075**	**5,856**	**674**	**-**	**500**	**-**	**9,105**	**4,000**
Property Total	**17,607**	**8,842**	**5,966**	**2,299**	**500**	**1,260**	**-**	**12,347**	**4,000**
Plant and Equipment									
Plant, machinery and equipment									
Plant, Fleet & Equipment renewal program	1,550	-	1,550	-	-	-	-	1,550	-
Street decoration renewal program	45	-	45	-	-	-	-	45	-
Plant, machinery and equipment Total	**1,595**	**-**	**1,595**	**-**	**-**	**-**	**-**	**1,595**	**-**

Capital Projects	Project Cost	Asset expenditure types				Summary of funding sources			
		New $'000	Renewal $'000	Upgrade $'000	Expansion $'000	Grants $'000	Contrib. $'000	Council cash $'000	Borrowings $'000
Computers and telecommunications									
Computers and telecommunications renewal program	685	-	685	-	-	-	-	685	-
Computers and telecommunications Total	**685**	**-**	**685**	**-**	**-**	**-**	**-**	**685**	**-**
Artworks									
Public Art	50	-	-	-	50	-	-	50	-
Artworks Total	**50**	**-**	**-**	**-**	**50**	**-**	**-**	**50**	**-**
Plant and Equipment Total	**2,330**	**-**	**2,280**	**-**	**50**	**-**	**-**	**2,330**	**-**
Infrastructure									
Roads									
Local Road Safety Improvement Program	100	-	-	100	-	-	-	100	-
Road Services Asset Management Plan (RAMP)	223	-	-	223	-	-	-	223	-
Rural Roads renewal program	1,645	-	1,645	-	-	924	-	721	-
Unsealed Roads renewal program	475	-	475	-	-	-	-	475	-
Urban Roads renewal program	2,014	-	2,014	-	-	924	-	1,091	-
Corinella Parking and Pathway Connection	26	-	-	26	-	-	-	26	-
Roads Total	**4,483**	**-**	**4,134**	**349**	**-**	**1,847**	**-**	**2,636**	**-**
Footpaths and cycleways									
Aspirational Pathways	308	308	-	-	-	-	20	288	-
Developer funded pathways	158	-	-	-	158	-	-	158	-
Footpath gaps program (RAMP)	500	-	-	-	500	-	-	500	-
Pathways renewal program	220	-	220	-	-	-	-	220	-
Footpaths and cycleways Total	**1,186**	**308**	**220**	**-**	**658**	**-**	**20**	**1,166**	**-**
Bridges									
Bridges renewal program	88	-	88	-	-	-	-	88	-
Bridges Total	**88**	**-**	**88**	**-**	**-**	**-**	**-**	**88**	**-**
Drainage									
Storm Water renewal program	595	-	595	-	-	-	-	595	-
Surf Beach and Sunderland Bay Road and Drainage Improvement (Planning & Engagement)	55	-	-	55	-	-	-	55	-
Drainage Total	**651**	**-**	**595**	**55**	**-**	**-**	**-**	**651**	**-**
Waste management									
Grantville Landfill Wheel Wash Upgrade	98	-	-	98	-	-	-	98	-
Other Waste/Depot Infrastructure	1,252	-	-	-	1,252	-	-	-	1,252
Phillip Island Transfer Station	250	250	-	-	-	-	-	-	250
Waste management Total	**1,600**	**250**	**-**	**98**	**1,252**	**-**	**-**	**98**	**1,502**
Infrastructure Total	**8,007**	**558**	**5,037**	**502**	**1,910**	**1,847**	**20**	**4,638**	**1,502**
Total capital works program	**27,944**	**9,400**	**13,283**	**2,801**	**2,460**	**3,107**	**20**	**19,315**	**5,502**

21.2 Summary

	Forecast Actual 2019/20 $'000	Budget 2020/21 $'000	Change $'000	%
Property	14,541	17,607	3,066	21%
Plant and equipment	1,618	2,280	662	41%
Infrastructure	19,498	8,057	(11,441)	-59%
Total	35,657	27,944	(7,713)	-22%

		Asset expenditure types				Summary of funding sources			
	Project Cost	New $'000	Renewal $'000	Upgrade $'000	Expansion $'000	Grants $'000	Contrib. $'000	Council cash $'000	Borrowings $'000
Property	17,607	8,842	5,966	2,299	500	1,260	-	12,347	4,000
Plant and equipment	2,330	-	2,280	-	50	-	-	2,330	-
Infrastructure	8,007	558	5,037	502	1,910	1,847	20	4,638	1,502
Total capital works program	**27,944**	**9,400**	**13,283**	**2,801**	**2,460**	**3,107**	**20**	**19,315**	**5,502**

End of Bass Coast Shire Council Budget Report

Section 223 Panel Hearing and Consideration of Submissions

Wednesday, 29 July 2020

Location
Virtual Meeting

Panel Members
Cr Brett Tessari - Mayor
Cr Geoff Ellis – Deputy Mayor
Cr Bruce Kent
Cr Pamela Rothfield
Cr Julian Brown
Cr Stephen Fullarton
Cr Michael Whelan
Cr Clare Le Serve
Cr Les Larke

Budget Submissions

Budget Report, Special Meeting of Council – 29 July 2020

Draft Budget Submissions
Submitters

No	Submitter
1	Mark Jamieson – Chairman of Phillip Island Golf Club
2	Graham Jolly
3	Lorraine Muir – President of Bass Coast Regional Aquatic Centre
4	Graham Jolly
5	Meryl and Hartley Tobin
6	Janne and Bill Morrison
7	Graham Jolly
8	Trevor Brown
9	Grantville Business and Community Association
10	Tim Herring and Tenby Point Residents Association
11	Danni Luna
12	Corinella Foreshore Reserve Committee of Management
13	Kevin Griffin Bass Coast Ratepayers and Residents Association
14	Frank Schoonevedlt
15	Mike Fincher
16	Andrea Bolch
17	Graham Jolly
18	Linda Marston - Island Voice
19	Graham Jolly
20	*Submission Withdrawn by Submitter*
21	Graham Jolly
22	Graham Jolly

BASS COAST

Draft Budget Submissions
Submitters

No	Submitter
23	Graham Jolly
24	Jessica Harrison - Housing Matters Committee
25	Phil Wright
26	Phil Dressing - Smiths Beachcomber Association
27	Ron Day
28	Rhyll Community Association
29	Elizabeth Sparkes
30	Jane Gardner
31	Graham Jolly

BASS COAST

Draft Budget Submissions

Summary of Submissions

Summary of Submission

No	Submitter	Summary of Submission	Officer Comment
1	Mark Jamieson Chairman Phillip Island Golf Club	The PIGC is seeking funding to improve the clubs energy efficiency including a large roofed pergola, frame work for indoor/outdoor blinds. The funding request of $20,000 is for materials only as they have skilled members of the club to do the construction. The pergola is needed is to increase energy efficiency and achieve financial sustainability with increased useability. PIGC have previously applied for a grant in 2019 through Building Stronger Communities through Russell Broadbent's office, however the grant application was unsuccessful.	Grant funding of $20,000 will be included in the 2020/21 Budget, providing financial assistance to the Phillip Island Golf Club to help purchase materials for the installation of a club pergola.
2	Graham Jolly	Submission requests further information to be displayed (and in detailed response to this submission) in the budget document for the following projects: 1. Affordable Housing Initiative - $130,000. 2. Fast-track of a number of strategic initiatives and capital works in order to stimulate the local economy. What will be fast tracked, where are the Capital Works Program shown and what is the allocated expense? 3. Bass coast Dinosaur Trail Master plan – $250,000. 4. Public realm improvement plans, Cowes - $250,000. 5. Gap Road feasibility assessment and plan - $100,000. 6. Strategic Positioning of Wonthaggi to support its growth - $40,000. 7. Wonthaggi Secondary College Senior Campus Structure plan – $100,000. 8. Rhyll Jetty Activity Area precinct plan - $30,000. 9. Land purchases and various building works - $10,930,000. 10. Aquatics planning and design - $3,080,000. 11. Cowes Cultural and Community Centre Redevelopment (Phase one) - $4,000,000 of borrowings. 12. Wonthaggi Guide Park - $1,150,000. 13. Phillip Island Transfer Station - $250,000. 14. Climate Change Action - $500,000. 15. Anderson Road Boat Ramp east Car park Upgrade, Cowes - $380,000. 16. Dalyston Netball Courts and Toilet Pavilion Upgrade - $500,000. The 16 projects listed have combined expenditure of $21,690,000. However the – Fast-track of a number of strategic initiatives and Capital Works in order to stimulate the local economy project or projects, has no revenue expense allocated on page 2. Why. In addition, please confirm the difference between the Rates and Charges figure as shown on page 5 of $64.59m, Page 38 $64.59m and Page 41 $63.542m.	The executive summary aims to highlight key projects and initiatives and does not provide a comprehensive list of all projects to be completed by Council during 2020/21. The reference to fast tracked projects as a result of COVID-19 includes projects which have been prioritised for inclusion in the Draft Budget in response to COVID-19, providing a recovery program to help stimulate the local economy. These projects include some of those listed within the executive summary and include both operating and capital projects such as; - Destination Gippsland Funding $30,000 - Strategic Positioning of Wonthaggi to support its growth $40,000 - Bass Coast Dinosaur Trail Masterplan $250,000 - Affordable Housing Initiative $130,000 - Aquatics Feasibility Study $75,000 - Public Realm Improvements Cowes $250,000 - Growth Area Alignment $ 100,000 - Shovel ready Designs for Sport & Recreation Reserves $ 100,000 - Gap Road Feasibility Assessment and Plan $100,000 The value outlined for land purchases and building works is detailed in pages 57-59 of the budget document. This value will be updated in line with changes made to the final budget document as a result of budget submissions. The rates and charges figure in the income statement (Page 5& 38) represents the rates and charges raised in 2020/21. The rates and charges figure in the cash flow statement represents estimated cash that will be received during the year. These amounts will differ due to our estimated debtor balances at the beginning and end of the financial year.

3	Lorraine Muir President Bass Coast Regional Aquatic Centre	Submission commends Council on their inclusion of aquatic planning and design in the 2020/21 budget. The submitter has included her budget submission from the 2019/20 year which outlines the shortcomings of the current facility and support provided from various members of the community. Given that these conditions have not changed, the submitter requests that this detail be considered throughout the continued aquatics decision making process.	Thank you very much for the Bass Coast regional aquatic centre working group letter of support, for the inclusion of aquatics planning and design in the draft 2020/2021 budget. The money allocated in the 2020/2021 budget is for Councils to commence feasibility and design works for the Bass Coast and Phillip Island Aquatic and Leisure facilities.
4	Graham Jolly	Submission on Waste with the following questions: 1. Why does the garbage charges shown in the budget document not match the Contract variation report put to Council on 17 June? 2. I request the Waste Contracts charge to be costed based on the Tonnage collected and NOT the number of properties. The current Waste contractor to provide Tonnage details. 3. I request adjustments to the budget for all waste collection to reflect the new negotiated contract agreed cost. 4. I request the State Government Landfill Levy be separated on the rates notice as this charge is a Statutory charge set by the State Government and is paid to the State Government similar to how the Fire Service Levy charge is shown. 5. I request the Environmental Monitoring of Landfill sites charge be shown as a separate charge on the rates notice as this charge is a necessary charge brought about by the Victorian Environment Protection Authority. 6. I request monthly waste disposal Tonnage collection details be recorded and bar graphed by council and for the details to be presented to an Ordinary Council meeting as part of the Quarterly Financial Report. 7. I request waste education allowance funds to be included in the budget to provide for a yearly bus to transport interested ratepayers (by appointment) once a year to visit all sites council uses as per the Waste Contract to dispose of Landfill waste, Green waste and recycle waste. An education leaflet could then be handed out with advice about the various sites and the effects of waste to the Bass Coast Shire and its people.	1. The garbage charge included in the proposed 2020/21 budget both the cost of the waste contract and additional waste related costs incurred while providing this service. This includes operation of transfer stations, new waste capital projects and the ongoing aftercare, rehabilitation and maintenance of open and closed landfill sites. The contract variation put forward in June 2020 was for the waste contract only. The proposed 2020/21 Budget includes a provision for these anticipated contract variations. 2. The waste contract charge is calculated based on the cost of waste services provided to council. This includes services such as tonnage kerbside collection, vehicle operations and maintenance and staff costs. Calculating the waste charge based on collected tonnage would require an investment in the current technology held on waste trucks. Our current waste contract has a number of years to run so contract variations such as this would need to wait until this time. As the garbage charge is calculated at the beginning of a financial year, future tonnage collections per household would need to be estimated. This process would increase the cost to council of providing waste services, therefore impacting the total waste charge. 3. The current waste negotiations have been considered as part of the Draft 2020/21 budget waste charges. 4&5. The separation of Landfill Levy and Environmental Monitoring fees is not a legislative requirement and therefore our software has not been programmed to provide this split. In order to provide this detailed information on rates notices it would be at an additional cost to Council and would need to be investigated with the software provider. *6.* Waste tonnage reporting is not currently included in the scope of our Quarterly Financial Report. The waste team will report to Council on waste tonnage matters throughout the year as required. 7. We currently provide a waste education allowance which focuses on providing information to the community on kerbside collection, waste minimisation, litter prevention and the benefits of best practice to maximise resource recovery and minimise littering. The waste education program provides education assistance to schools, kindergartens and community groups throughout Bass Coast. Education materials on our waste services are provided to the community, these can be accessed through Council's website or by contacting a member of the Waste Services team. Educational tours would provide additional cost to Council and due to Occupational health and safety restrictions, tours would only be able to access public areas of transfer stations.
5	Meryl and Hartley Tobin	Requesting that in order to ensure the GMH Proving Ground site is protected in perpetuity, it needs an overlay over it. Please take urgent action on this and include costing of it by amending the Draft Budget. Most of the Grantville Grass Tree Forest is on land under a work authority for sand mining. The mine site is adjacent to the Grantville Nature Conservation Reserve (GNCR). Though most of the remaining part of the forest is in the GNCR, it is also part of the sand mine's buffer zone as it is adjacent to the mine site. While this means its flora cannot be touched, it also means it cannot be accessed until the end of the life of the sand mine and any subsequent revegetation of the	Council fully supports the community's concerns that there is an urgent need for protection of the important and rare remnant natural bush located on site. Council has advocated to, and commenced discussions with representatives from, State Government and Federal Government regarding the protection of the remnant vegetation and threatened species within the Holden Proving Ground site at Lang Lang.

		site. Please take action to rectify this situation and save, arguably, one of the top sites in the whole of Australia for the iconic Grass Tree.	A meeting with Councillors, Council officers and budget submitters will be organised soon to discuss Council's ongoing advocacy and direction. Amending the Bass Coast Planning Scheme to include the land in an overlay is an option available to Council. However, the purpose of an overlay would be to guide, not necessarily prohibit further development of the site. After careful consideration, Council believes the commencement of a Planning Scheme Amendment (PSA) process to apply an overlay to the site is not recommended for the following reasons: • Time - In the absence of interim controls, a PSA process would take two years and during this period the site would not be afforded a higher level of protection. • Cost - An amendment process would cost Council approximately $400,000 and not guarantee it would be approved by the Minister. • Process - Should vegetation removal be proposed on the site a planning permit would be required to be decided by Council. The application of an additional overlay would only provide marginal additional protection. In summary, whilst an amendment to the planning scheme would offer some additional protection for the site, the current planning controls, in particular the requirement for Council to permit any vegetation removal provide an appropriate level of protection within the planning scheme as it stands. Ultimately, the State Government, through the Minister for Planning, has the power to intervene and protect the site. This would be the quickest and the most efficient way to achieve the outcomes being sought. Council will continue to partner with the community to seek appropriate planning controls and adequate protections for the site through collaborative representation to the State Government. A recommendation will be considered by Council at the August Council Meeting requesting the Minister for Planning to include recognition of the significance of the former Holden Proving Ground site within the draft Statement of Planning Policy.
6	Janne and Bill Morrison	Requesting the provision of urgent overlay protection to be put in place on the Holden Proving Ground site to ensure flora and fauna in this corridor remains protected. This protection is required as it is part of the Distinctive Areas and Landscapes which is so important and valuable to the Bass Coast. Please also consider providing protection is the distinctive Grantville Grass Tree Forest which is on a buffer zone adjacent to the sand extraction site.	Council fully supports the community's concerns that there is an urgent need for protection of the important and rare remnant natural bush located on site. Council has advocated to, and commenced discussions with representatives from, State Government and Federal Government regarding the protection of the remnant vegetation and threatened species within the Holden Proving Ground site at Lang Lang. A meeting with Councillors, Council officers and budget submitters will be organised soon to discuss Council's ongoing advocacy and direction. Amending the Bass Coast Planning Scheme to include the land in an overlay is an option available to Council. However, the purpose of an overlay would be to guide, not necessarily

			prohibit further development of the site. After careful consideration, Council believes the commencement of a Planning Scheme Amendment (PSA) process to apply an overlay to the site is not recommended for the following reasons: • Time - In the absence of interim controls, an PSA process would take two years and during this period the site would not be afforded a higher level of protection. • Cost - An amendment process would cost Council approximately $400,000 and not guarantee it would be approved by the Minister. • Process - Should vegetation removal be proposed on the site a planning permit would be required to be decided by Council. The application of an additional overlay would only provide marginal additional protection. In summary, whilst an amendment to the planning scheme would offer some additional protection for the site, the current planning controls, in particular the requirement for Council to permit any vegetation removal provide an appropriate level of protection within the planning scheme as it stands. Ultimately, the State Government, through the Minister for Planning, has the power to intervene and protect the site. This would be the quickest and the most efficient way to achieve the outcomes being sought. Council will continue to partner with the community to seek appropriate planning controls and adequate protections for the site through collaborative representation to the State Government. A recommendation will be considered by Council at the August Council Meeting requesting the Minister for Planning to include recognition of the significance of the former Holden Proving Ground site within the draft Statement of Planning Policy.
7	Graham Jolly	This submission refers to the Quarter 3 capital works report presented to Council in May which indicated potential projects identified as requiring carryover to the 2020/21 financial year. Mr Jolly has the following specific questions on this report: 1. Request the Manager of Governance of the Bass Coast Shire Council to quantify Sections 95 and 96 of the Local Government Act 2020 in the interest of all ratepayers including why ratepayers were not informed of the 2019-20 budget being revised. 2. Request for Section 95 (c) of the Local Government Act 2020 as understood by council to be interpreted. 3. Request the Manager of Governance of the Bass Coast Shire Council to quantify and explain why the Deferred, Carryover and Multi-Year projects Councillors approved (20 May 2020 Ordinary Council Meeting) to be moved into a new budget year being the following budget year 2020-21 are not shown as an attachment listing with all financial details as part of the draft budget 2020-21. 4. Request the Deferred, Carryover and Multi-Year Projects listed in the Third Quarter Financial Report (31 March 2020) be included into the budget 2020-21 as an attached appendix spreadsheet showing full detail, which include financial	1. Council can confirm that the 2019/20 budget was not revised during the third quarter reporting cycle. The capital project summary provided is a forecast of the predicted year end position of those projects listed, at a point in time. As these changes do not impact the declared rates and charges, borrowings or impact funding for other services, they therefore do not trigger a need for community engagement under Section 95(c) of the *Local Government Act 2020*. 2. Section 95 (c) of the *Local Government Act 2020* is understood and will be applied where required 3. Where a carryover from the 2019/20 is required, an allocation of the unused funding is transferred to a carryover reserve. This carryover reserve is then utilised during the following year (2020/21) meaning that our 2020/21 budget does not require an allocation to cover the costs of completing projects approved as part of prior year budgets. 4. Forecasts are subject to change as the financial year progresses and therefore carryovers to the 2020/2021 financial year can only be finalised once processing of the full financial year is complete.

		sources and in some cases where projects are work in progress the outstanding financial remaining budget allowance.	
8	Trevor Brown	Variety of Questions on the budget document as follows: 1) Heading – "New Funding" This item lists several projects being allocated funding and they total $920,000.00 of expenditure. All of this expenditure is to be used on the creation of plans in relation to these projects. There is in fact no substance or actual work to be undertaken. My questions on this item are: - a) how much of this expenditure is internal and how much is outsourced? b) While it is essential to be making plans for future capital works, why, in this trying and difficult year are these funds and resources not being allocated towards the completion of current projects? c) Why not increase the support projects like Affordable Housing and/or business support? It would seem to me that putting the creation of plans, which may or may not go ahead, off for twelve months, at this particular, time would not damage their future development. Dare I mention these funds could be used to push through protection for the GM testing site currently very much in the news? 2) Heading – "Investment in Capital Projects" The figure recorded in the Budget is 27 97 Million. However the items listed only add to 19.67 Million. This leaves an unexplained amount of 8.3 Million or in fact approximately 30% of the total amount to be expended. This is a significant percentage and a significant amount not explained. I cannot see that there would be sufficient small value items, of capital expenditure, to account for this lack of detail. 3) Heading – "More Specific Items" This list totals 9.86 Million of the 27.97 Million to be expended and records items as small as 250 Thousand. Therefore the budget papers, in fact, show details of, capital expenditure, totalling 9.86 Million or approximately 33% of the total spend. My question is why is there not detail of a significant portion of the remaining two thirds of the capital expenditure budgeted for? 4) Heading – "Complete Council's Core System Implementation" This shows an amount of 1.65 Million to be expended in this budget. It is also stated that this project began September 2016. Therefore this will be the fifth year of its life and service. My questions are: a) what is the total spend on this Core System? b) What is the system's foreseeable life? c) Where is it shown on previous budgets? d) Is this the final payment? e) What is the ongoing maintenance cost? 5) Heading – "Council Rates" The budget indicates that the Council has been able to keep the rate increase to the State Government required 2% However later in the budget papers it is stated that the actual rate increase across the board is 3.3%. Which would seem to be a little ambiguous? I am having difficulty understanding the figure of 3.3% the budget papers state that the Council has used revised property valuations in order to calculate its rateable remuneration. This revaluation is on average 4%. However for residential properties it is 3.6%	1. New funding – Council's long term capital works program needs to be informed by robust forward looking strategic planning, including preliminary or concept designs, community engagement and structure plans relating to precincts in the urban areas of the Shire. a. The budget allocations are for costs associated with outsourcing this work. This will be complemented by the use of professional 'in-house' Council staff. b. The proposed budget contains a record allocation of $28 million for capital works. This will be increased via a forecast change to reflect carry over capital projects from 2019/20 that were incomplete or delayed during the first quarter in 2020/21. c. Council's long term capital works program needs to be informed by robust forward looking strategic planning. If this is not done properly we could expect to have sub optimal capital program execution and delivery outcomes. 2. The following projects were excluded from this summary: a. Aquatics design - $3.075 million b. Land improvements projects (as listed in Appendix 3) - $2.983 million c. Dalyston netball court and toilet pavilion upgrade - $500,000 d. Waste management infrastructure projects (as listed in Appendix 3) - $1.6 million. e. Other minor building projects - $250,000 3. Full details of the proposed capital expenditure budget are provided in Appendix 3 of the Proposed Budget. Highlights of the capital budget are extracted and reported in Section 1 of the Budget document. 4. Council's Core System Implementation. a) Current forecast is $5.574m, including the funding proposed in the 2020/21 budget. This funding includes a mix of consultancy implementation fees, annual service and license fees and staff resources to support the project. b) At least 5 further years, noting a significant benefit of the selected system is that two major upgrades to system functionality are included twice per year as part of the annual service and license fees. c) This has been shown through the IT and Business Systems budget.

		Therefore Residential properties rated on adjusted valuations of plus 3.6% at an increased rate of 2% would in fact be subject to a rate increase of 5%. How do you explain this in terms of the budget papers? Further to this the comparison of total rate revenue between 2019/20 and 2020/21 shown on page 51 of the budget papers shows an increase of 4% 6) Heading – "Income Statement – Employee Costs" Why are employee costs, without a staff increase, budgeted to increase by 7.1% during the 2021/22 financial year, when the budget papers clearly state that increases to staff remuneration is to be maintained at 1.8% per annum until June 2022? This item of expenditure remains fairly constant from 2019/20 to 2020/21 and some adjustment during 2021/22 could be justified as a catch up for some staff who have foregone increases during the 2020/21 year but. not 7.1%	d) The proposed budget in 2020/21 is expected to be the final project implementation cost. Annual service and license fees are ongoing operating expenses in future years. e) This information is considered commercial in confidence, noting the annual service and license fees formed part of the awarded contract following a competitive public tender and evaluation process. The implementation of this system has already resulted in process efficiencies and ongoing costs are offset by reduced costs of managing legacy systems. 5. Council rates will increase by an average of 2.0 % in 2020/21. The 3.3% increase in Council's rate revenue is due to growth in the rating base as land is developed and new property assessments are created. During 2019/20 Council increased the number of rateable assessments from 31,534 to 32,115 (581 or 1.8% increase). 6. Council officers have applied stringent labour cost containment measures during 2019/20 and as part of the 2020/21 budget setting process. This has resulted in the forecast 2019/20 labour budget being reduced by $1.833 million compared to the original budget and the 2020/21 budget reduced by $1.763 million compared to original projections. As Council rolls out an expanded capital works program and leverages a number of capital stimulus grants that form part of the Federal and State's contribution to the COVID-19 recovery it is unrealistic to maintain this level of labour underspend. The projected 2021/22 labour budget while 7.1% higher is still $270,000 less than the projected levels in the previous year's budget. Senior Council officers have also foregone their salary increments in 2020/21.
9	Grantville Business and Community Association	**Project 1 -Pathway Grantville Walking Track** Request consideration to continue the foot track from Grantville to Corinella Rd. We are looking at getting a continuation of the existing walking track that starts at Pioneer Bay and ends at Maru Koala Park (service Road) to go up to the Corinella Turnoff where it will join the track going to the Bass Valley Primary School. This walking track is 6th on the priority list with the Council. In order for delivery of this pathway a feasibility study and detailed design would need to be completed to get the project shovel ready for funding. This planning work is scheduled in Council's long-term financial plan, but not for a couple of years. There is collective support for this trail and request the funding be provided for a feasibility study $25,000. **Project 2 - Grantville Amphitheatre Shelter** Request funding for preliminary costings and designs for the Grantville Amphitheatre Shelter so that the project is shovel ready when further funding becomes available. This shelter is a much needed community asset, providing for improved shelter and event space. Request $25,000 **Project 3 - Community Development Worker for Grantville** Request the appointment of a Community Development worker to the Grantville District as part of the Working For Victoria initiative. This position would help to rebuild the community, reconnect township relationships and business support networks following impacts of COVID-19..	<u>Project 1:</u> Funding for this project has not been provided within the 2020/21 budget. The Grantville Walking trail remains on our priority list and funding for feasibility and design is included in the outer years of Council's long term financial plan. <u>Project2:</u> In response to your submission, funding of $25,000 has been provided in the 2020/21 Budget to develop a scope and design for the Grantville Amphitheatre Shelter. <u>Project 3.</u> In early August, a Westernport Ward Community Planning Officer will be commencing and located part time at the Grantville Transaction Centre. The role is permanent and 0.6FTE, meaning three days per working week. This is part of Council's commitment to placed based connections with the community, with similar roles having been recruited to for Bunurong and Island Wards also. In addition, Council is currently recruiting community facility and community building officers through the Working for Victoria Program. One dedicated six month 'facility' position will be provided to each of the Bass Valley Community Centre and Corinella Community Centre. The roles are to assist with administration supports throughout COVID-19. In addition, Council is recruiting to 'building' support positions to provide each Centre with much needed building and grounds maintenance assistance. Whilst neither are located in Grantville, both represent the interests of the broader Westernport Ward.

			Council's Investment and Visitor Economy Team is in the process of recruiting nine new staff to support local communities. The first one started on 20 July with the rest expected to come on line by early August. The positions include concierge roles, supporting business operators who want to invest or develop an existing business in the shire. It also includes four staff to support Business and Tourism Associations across the shire connect with their members, build Association membership and support business operators directly. The four will work as a team but each Association will have a staff member nominated as their primary contact. Additionally, two staff to support Event operators to prepare for running events in a post COVID-19 environment
10	Tim Herring and Tenby Point Residents Association	Submission requests: 1. Council to plant appropriate plants and shrubs in the four blocks in Tenby Point owned by Council. 2. Re-establishing manna gums for a future koala coastal corridor connecting the mouth of the Bass River with Lang Lang (or part of this potential corridor) 3. Replacement of the Tenby Point noticeboard at the bus stop in Argent Road adjacent to Guy Road (the old one is in bad repair).	<u>Project 1:</u> In response to your submission, $10,000 has been provided in the 2020/21 Budget in order to purchase plants, to fund planting preparation and mulching. <u>Project 2:</u> Thank you for your suggestion of re-establishing manna gums for a Koala coastal corridor connecting Bass River with Lang Lang. This is a substantial project which would span across multiple financial years and has not been funded in the 2020/21 budget. As part of Council's Biodiversity Biolinks plan, we are continuing to work on connecting remnant patches of land and water through weeding and revegetation to allow animals to move from Bass to Lang Lang. <u>Project 3:</u> In response to your submission, $2,000 has been provided in the 2020/21 Budget in order to renew the Tenby Point noticeboard.

<table>
<tr>
<td>11</td>
<td>Danny Luna</td>
<td>The proposed 2020/21 Council waste service charge is based on a flawed model which includes expenditure and revenue for items that have no relevance to the service provided. When these items are removed from the model, the charge is significantly lower than that proposed in the budget.

The garbage charge is levied by Council on each rateable and non-rateable assessment that receive a waste collection service. The purpose of the charge is to recoup the costs of providing a waste collection and disposal service for kerbside collection and disposal of refuse. Not all rateable properties are levied the garbage charge (e.g. vacant land, some farm-land and land that is not within the collection zones). This reinforces the fact that the garbage charge is levied for a specific purpose i.e. the collection and disposal of waste that is generated from within the levied property. In contrast general services are funded from rate revenue and a wide range of other revenue sources. It follows that only those items of expenditure and income relevant to calculating the charge should be allocated to this specific service. Yet there are other items of expenditure and revenue that seem to have no relevance to the service that have been included in the calculation of the garbage charge.

A comparison between the Council garbage charge calculation model and an alternate model proposed by the submitter has highlighted the following differences and concerns.

1. Public litter bins – Inclusion of the costs of collecting and disposing of waste from public bins seems to have no logical connection to the kerbside waste collection charge. This waste is not generated by individual tenements for which the charge is levied but is generated by ratepayers and visitors to commercial areas, parks and beaches etc. and should be funded from other revenue sources such as rates.
2. Transfer stations – These stations operate for the disposal of waste (other than that included in the garbage charge) generated by the general public, which can include ratepayers and visitors as long as they pay the appropriate fee. None of the kerbside waste that is collected from the red, green and yellow bins makes its way into the transfer stations. It goes directly into landfill, recycling or composting streams and therefore the cost and revenue from transfer station operations should not be included in the waste charge.
3. Environmental compliance (monitoring of landfill sites) – Following the approval by Council of a contract variation for environmental monitoring at the Grantville, Wonthaggi and Rhyll landfill sites and for this variation to be accommodated within the garbage charge, the costs associated with environmental monitoring at Rhyll and Wonthaggi landfills are disputed as these sites have been closed for a number of years and are no longer processing landfill waste. These costs should be funded through rates or other sources of revenue.
4. Cowes recycling bank. The inclusion of costs and revenue of operating this facility have no connection to the kerbside waste collection service or charge.
5. Green waste amnesty. This service is available to everyone including ratepayers, owners of land that don't pay the garbage charge and visitors. It should not be funded exclusively by those who pay the garbage charge given the broader community benefit.
6. Landfill levy rates. The Victorian Government as part of its COVID-19 response has deferred the planned increase to landfill levy rates for the first six months of the 202/21 financial year. This suggests that the financial impact of the expected</td>
<td>Local authorities in Victoria have regulatory power to raise service rates or annual service charges conferred on them by Section 162 of the Local Government Act 1989 which states that:

(1) A Council may declare a service rate or an annual service charge or any combination of such a rate and charge for any of the following services –
a) The provision of a water supply
b) The collection and disposal of refuse
c) The provision of sewage services
d) Any other prescribed service
(2) A service rate or service charge may be declared on the basis of any criteria specified by the Council in the rate or charge.

Bass Coast Shire Council has had a waste service charge in place for a number of years and this charge is as the submitter points out levied on all rateable and non-rateable property assessments that receive a waste collection service. The waste service charge is not levied on properties that fall outside the collection area or on vacant land assessments.

Council has been using a cost recovery model that attributes all waste related charges (net of revenue) to users of the kerbside waste collection and disposal service. This includes costs associated with the collection and disposal of waste from public litter bins, net operational costs of the transfer stations, environmental monitoring at its open and closed sites, costs associated with recyclables collections, the cost of the green waste amnesty and waste education, landfill levies and capital costs incurred on landfill operations and the development of transfer station facilities. The submitter believes this model is flawed as it includes costs other than the direct collection and disposal costs of household waste.

Analysis of changes in the waste service charge over the last 10 years are set out in Table 1 below.

<table>
<tr><th colspan="4">TABLE 1 – ANALYSIS OF WASTE CHARGE INCREASES AT BASS COAST</th></tr>
<tr><th>Financial Year</th><th>Waste charge($)</th><th>Increase (%)</th><th>Reasons</th></tr>
<tr><td>2011/12</td><td>274</td><td>1.1</td><td></td></tr>
<tr><td>2012/13</td><td>284</td><td>3.6</td><td></td></tr>
<tr><td>2013/14</td><td>284</td><td>0.0</td><td></td></tr>
<tr><td>2014/15</td><td>307</td><td>8.1</td><td></td></tr>
<tr><td>2015/16</td><td>319</td><td>2.6</td><td></td></tr>
<tr><td>2016/17</td><td>327</td><td>2.5</td><td></td></tr>
</table>
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30% annual increase in the levy will be halved to 15% effective across the full year. The proposed budget shows an increase in landfill levy costs of 46% for the 2020/21 financial year compared to the forecast actual for 2019/20. Has the levy increase deferral been accounted for in the budget and garbage charge calculation model and if so how is the large increase in budgeted costs explained.
7. Capital expenditure. The calculation of the charge includes a rolling capital expenditure charge of $2.068 million which includes $1.75 million relating to the capital costs of the Phillip Island transfer Station which has no relevance to this service as highlighted in 2 above. No details have been provided to date on the capital expenditure that the remaining $318,000 relates to.
8. Allocation of costs. It would appear that every dollar of expenditure and revenue for waste services included in the proposed budget has been included in the calculation of the garbage charge even though as set out above, there are items included that have no logical connection to the service.
9. Apportionment of costs. Even where certain types of revenue and expenditure appear relevant to the garbage charge, the budget and garbage charge calculation model seems to indicate that all of these costs are attributable to the waste that goes into the red, green and yellow bins. The management of waste generated from other areas (e.g. public litter bins and transfer stations) seems to attract no EPA levies, staff costs, capital costs etc. The cost apportionment model needs to be reviewed whereby costs are apportioned to all relevant cost centres according to function and activity levels and not just lumped into the garbage charge.
10. Entire costs. It's not clear if some costs are spread across more than one area in the model. For example recycling costs of $1.97 million, is this exclusively for collecting kerbside recyclables or does it include recyclables from public bins.
11. Bass Coast Waste Management Strategy. The budget refers to this strategy as a way to divert kerbside waste from landfill. Some points from this strategy are:
a. One of the outcomes is to have kerbside waste fees imposed to be proportional to total waste generated.
b. Item 6.5 provides information about waste that is collected and disposed of, other than that generated by ratepayers who are levied the garbage charge. This reinforces the point that the cost of waste management is not equitably apportioned on the polluter pays principle.

Other issue noted. Declaration of 2019/20 Rate sand Charges. The resolution passed at the Ordinary Council Meeting dated 19 June 2019, seems to include an error in that the declaration is not for the 2019/20 financial year but instead for the 2018/19 financial year. The same error seems to have occurred for the declaration of all the differential rates.

Conclusion
Any model that Council proposes to recover over $13 million in charges from a specific category of properties needs to be legislatively compliant, logically structured, accurately costed and transparently implemented. The submitter does not believe the current model meets all these criteria. There is a risk that its use can have detrimental effects on Council and ratepayers as discussed below.

1. Fair Go Rates System. The Fair Go Rates System is designed to place limits on rate increases from year to year. If no waste costs are funded from rate revenue in the proposed budget one could form the view that costs are being transferred from one area in the budget that is subject to capping (rates) to another area of the budget that is not subject to capping (the garbage charge).

2017/18	374	14.4	Introduction of 3 bin system and FOGO
2018/19	412	10.2	Recycling crisis
2019/20	449	9.0	Impact of compaction levy and reduced revenue from gate charges
2020/21	496	10.5	PI transfer station, recycling costs, landfill levy, environmental monitoring

As the above table shows there have been a number of external shocks that have impacted the cost of providing the waste service over the last four years as well as some service improvements including the introduction of a 3 bin service with FOGO and the proposed development of a transfer station on Phillip Island. There does not appear to have been a change in the model used for determining the waste charges as alluded to in the submission.

In relation to the specific points of concern highlighted in the submission:

1. Public litter bins. Collection and disposal of this litter has a direct nexus to the cost of providing waste services and provides improved amenity to residents and businesses who live in or operate in urban locations in the Shire that have access to the waste collection service.
2. Transfer stations. The transfer station service is a fundamental part of Council's suite of waste management services and it is appropriate to recover the net costs of operating and providing for new or enhanced facilities from ratepayers. Ratepayers who use these services and do not pay the waste service charge are required to pay the gate fees as advertised at the transfer stations for the relevant waste streams. Council's transfer stations offer a number of waste disposal options for the community, including but not limited to the disposal of white goods, mattresses, hard waste, has bottles as well as recyclables and residual waste which may not be supported by kerbside collection. A failure to provide a convenient and accessible transfer station service could increase illegal dumping and pollution of our pristine environment.
3. Environmental compliance. Environmental monitoring and reporting is an Environment Protection Authority (EPA) requirement for both closed and operating landfills and is implemented to protect and reduce harm to the environment and human health associated with past, current and future landfill practices. The closed landfills are a historical legacy of providing waste services by disposing of waste generated by the community to landfill. As a consequence of this practice the closed landfills are still considered a risk to the environment and human health by the EPA. The EPA requires that Council undertake ongoing aftercare of its former landfills. It is therefore appropriate that environmental monitoring at closed landfills is included in the garbage levy.
4. Cowes recycling bank. The costs associated with this service are directly related to Council's waste service.

		2. Distortion of the rates and charges burden. Council has adopted the wealth tax principle in forming its rating structure. This principle holds that ratepayers with more valuable properties pay more in rates than those with lower valued properties. A higher garbage charge shifts rates and charges from higher valued properties to lower valued properties which is inconsistent with the wealth tax principle. 3. Good governance. The submitter is not aware of Council ever reviewing or formally approving the current garbage charge calculation model particularly since the introduction of rate capping. If not it would be appropriate to do so as part of good governance practice. The submitter requests that Council: a. Supports the arguments put forward in the submission and levies a garbage charge of no more than $376 in the 2020/21 financial year. b. Reviews the garbage charge calculation model to ensure it meets the needs of all stakeholders and c. Makes the findings of any review and adopted model publicly available.	5. Green waste amnesty. The green waste amnesty and other activities associated with educating the public on waste are a direct waste service cost. 6. Landfill levy rates. The proposed 2020/21 budget has taken into account the 6 month deferral of the landfill levy increase. The full cost of the landfill levy increase will be reflected in the 2021/22 budget. 7. Capital expenditure. The rolling four year average forward capital expenditure cost is $2.318 million rather than the $2.068 million that was used in the waste charge calculation. $1.75 million, of which $1.5 million has been recovered, relates to the cost of constructing a new transfer station facility on Phillip Island. Council has funded the cost of acquiring the land on which the proposed transfer station will be constructed from its discretionary financial reserves. The transfer station will provide significant amenity to the mainly residential and commercial ratepayers who will use it rather than travelling to Grantville to dispose of waste materials. The other $568,000 cost recovery relates to costs associated with the construction of Cell 8 at Grantville and necessary waste infrastructure upgrades to meet EPA requirements and improve recycling services at the Inverloch, Wonthaggi and Cowes transfer stations. 8. Allocation of costs. The cost recovery model attributes the total cost of Council's waste service to users of the kerbside waste collection service. 9. Apportionment of costs. The cost recovery model attributes the total cost of Council's waste service to users of the kerbside waste collection service. 10. Entire costs. As indicated above the model recovers all of Council's waste service costs from users of the kerbside collection service. 11. Bass Coast Waste Management Strategy – Council's Waste Management Strategy (WMS) has been developed as part of the commitment Bass Coast has made to provide sustainable solutions for the collection, disposal and resource recovery from waste generated within the community. The WMS identifies strategic outcomes to be achieved and suggested options to work towards achieving those outcomes. Declaration of 2019/20 Rates and Charges. We acknowledge that parts of the resolution referenced the incorrect financial year. We will note this in the Council report when we seek adoption of the 2020/21 budget. Conclusion 1. Fair Go Rates System. We note that Victorian councils have been subject to rate capping since the commencement of the 2016/17 financial year. As outlined in Table 1 there have been a number of changes in the external environment over which councils have no control since the introduction of rate capping. These would have precipitated a request for a rate cap variation to the Essential Services Commission (ESC) which we believe would not have been withheld. In addition a number of significant service improvements that directly or indirectly benefit residential and commercial ratepayers have been introduced. These include the introduction of a three bin system and FOGO and the proposed development of a new transfer station on Phillip Island. 2. Distortion of the rates burden. It is correct that the use of fixed Service charges and Municipal charges are inconsistent with the wealth tax principle. Bass Coast levies a waste service charge but does not levy a municipal charge.

3. Good governance. The cost recovery model used to determine the waste charge has been consistently applied for the last 10 years. Council approves the model used to determine the waste charge through adoption of the budget.

Submitter's requests

a. Council notes the arguments put forward by the submitter in relation reducing the garbage charge from $496 to $376 in the 2020/21 financial year. Council is satisfied that the costs that are recovered through the waste service charge provide direct or indirect benefits to the ratepayers who are levied these charges. Further to this Council has benchmarked its waste service charges with charges raised by other municipalities for like services. This is summarised in Table 2 below.

TABLE 2 – COUNCIL WASTE CHARGE COMPARISONS

Council	**Waste Charge – 20/21**	**Notes**
Bass Coast	$496.00	3 Bin Service
Frankston	$549.20	$399 (120 l bin) plus $150.20 (Green waste)
Cardinia	$417.70	$294.70 (garbage) plus $123.20 (Green waste)
Baw Baw	$517.00	$392 (garbage) plus $75 (Green waste) plus $50 (recycling)
Boroondara	$560.00	$447 (120 l bin) plus $113 (Env. Levy)
Bayside	$502.95	$322.34 (140 l bin) plus $99.10 (Green) plus $81.51 (recycling)
La Trobe	$375.00	$225 (120 l bin) plus $77 (recycling) plus $50 (green) plus $23 (landfill levy)
Wellington	$293.92 (no green or recyclables)	$222.00 (garbage), $55.00 (waste infrastructure charge $16.92 (EPA levy)

Council has also benchmarked the performance of its waste management function with other Gippsland councils based on waste diversion rates from landfill. These have been sourced from the MyCouncil website and are summarised on Table 3 below. This demonstrates that the waste management function provided by Bass Coast Shire Council is providing vastly superior service outcomes compared to those of other large rural Gippsland shires.

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<table>
<tr><th colspan="2">TABLE 3 – GIPPSLAND COUNCILS - WASTE DIVERSION FROM LANDFILL COMPARISONS</th></tr>
<tr><th>Council</th><th>Waste Diversion Rate</th></tr>
<tr><td>Bass Coast</td><td>74.77%</td></tr>
<tr><td>Baw Baw</td><td>53.15%</td></tr>
<tr><td>South Gippsland</td><td>52.10%</td></tr>
<tr><td>Wellington</td><td>35.71%</td></tr>
<tr><td>East Gippsland</td><td>51.45%</td></tr>
</table>

b. Council has been provided with the model used for recovering waste service costs from ratepayers and is satisfied that these costs provide direct or indirect benefits to the ratepayers who are levied these charges.
c. As part of the Section 223 process to consult on the proposed Budget, all budget submissions will be made available (with contact details redacted for privacy) to the public. Council also publishes a summary of the budget submission and its response in an attachment to the Budget Adoption report.
</td>
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<tr>
<td>12</td>
<td>Corinella Foreshore Reserve Committee of Management</td>
<td>Following presentation at Community Connection session in March 2020:
Request that a connecting pathway be built on Rotunda Hill to connect the existing pathway which currently ends at the top of the hill, around the picnic area and across to the public toilets. This would prevent foot traffic having to walk across the grass or roadway to access the public toilets. Preferably, lighting would also be provided on this path for those boaters/anglers whom access the toilets at night. Additionally, create an indent into the Rotunda picnic reserve area on The Esplanade to create 5 new vehicle-only parking bays. This would provide safer and more accessible parking options to those who wish to use the Rotunda and picnic facilities or take a walk around the foreshore area.
In order to complete these works, The Corinella Foreshore Reserve Committee of Management request $52,854 be allocated to this project by BCSC. (Reference is given to $30,000 unspent grant from 2019)</td>
<td>In response to your budget submission, funding has been provided in the 2020/21 Budget to connect the existing pathway on The Rotunda Hill to the public toilets and to complete 5 new vehicle-only parking bays on the Esplanade. $26,400 has been provided in the 2020/21 Budget and a further $30,000 is available from grants received for Corinella foreshore projects during 2019/20. This grant will be carried over for use in on this project during 2020/21.</td>
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13	Kevin Griffin Bass Coast Ratepayers and Residents Association	**Overview** With current inflation rates of 2.2% as set by Reserve Bank of Australia, an increase in total rates and charges by 4.5% is disappointing. Is it Council's intention to continue pursuing similar massive budget increases, which are well in excess of the prevailing inflation rate, into the future? BCRRA welcomes the economic stimulus and community assistance provided in response to the COVID-19 pandemic. **Strategic Objective 6: Liveability**. Disappointment is raised for the reduction in roads budget from $12.6M in 2019/20 to $4.5M in 2020/21. Footpaths is also noted to drop by 60% down to $1M from forecast $2.5M in 2019/20. There are no major initiatives for roads indicated in the 2020/21 year. Council's 2017-21 plan recognises that the community wants safer roads and pedestrian access. BCRRA commends the motion to increase annual footpath spend to $300K per annum, however this is still inadequate. BCRRA requests that Council revise the allocation for new footpaths to an amount of $900K for 2020-21 and to budget for increased funding for new footpaths to an amount equivalent to 2% of the annual budget by no later than 2025. **Capital Projects & KPI Reporting** BCRRA requests that all details (including project plans and scope of works) available to Council Officers or Councillors in relation to the projects listed in the budget submission (page 5) be made publicly available. If Council is unwilling to make such reports available, BCRRA requests Council explain its reasons. KPI Reporting for Pro BCRRA requests that Council introduce and publish monthly reports showing the following project status information: 1. Total number of projects currently underway in current financial year 2. The name and project number for each project 3.The number of projects less than 50% complete 4.The number of projects between 51%-80% complete 5.The number of projects 100% complete. 6. Graphical representation of these results including prior month comparison. 7. YTD forecast and actual expenditure along with the variance between the two. Please provide explanation if Council is not prepared to produce these reports publicly. **Financial Sustainability** BCRRA requests a full public explanation from Council as to reasons and causes that led to the variances between: 2018-19 Budget $808K Surplus, 2018-19 Actual deficit of $9.55M and the 2018-19 $3.2M deficit as shown in the 2019/20 Budget. **Core System Implementation** BCRRA request that Council provide the community with a full explanation as to what went wrong with this project and why the community should have confidence that earlier issues will not reoccur in future. **Live Streaming** BCRRA requests that each Councillor who is considering re-contesting for a position as councillor, now publicly declare whether or not they will support the continuation of live-streaming beyond the current trial period. If not, please provide explanation of why. **Budget and Operating Result** Please provide further explanation to note 6.10 so that it is meaningful to the average reader.	1. Rates and charges increase of 4.5% - Rates and charges are expected to increase by 5.1 % ($3.19 million) in 2020/21 compared to the 2019/20 budget. This is due to: a. The 2.0% increase in average rates in accordance with the rate cap ($973K) b. A further 2.0% increase in rates that is attributable to a 1.8% growth in the number of new properties (valuation increase of 2.0%) ($950K) c. A 10.5% increase in the waste service charge. ($1.3 million). This is attributable to a number of factors including increased recycling costs, increased environmental monitoring costs, increased capital expenditure including the proposed new Phillip Island waste transfer station and an increase in the State government landfill levy. 2. Council notes and thanks the BCRRA for their support for the economic stimulus and community assistance measures in response to the COVID-19 pandemic and the commencement of live- streaming of Council meetings. 3. In response to your submission, the 2020/21 budget for the footpaths GAP program has been increased by $176,267. This brings the total of 2020/21 budget for new and expanding pathways to $967,000. Once including the $220,000 of footpath renewal, there is a total of $1,011,000 included for footpath spend in the 2020/21 Budget. The proposed budget for new and expanding footpaths over the next 4 years up to 2024/25 exceeds 2% of the value of the total capital works program. In the 2024/2025 financial year, budget spend on new and expansion projects equates to $2.492 million, which is higher than 2% of combined operating and capital expenditure. 4. Capital Projects. Funding has been provided in the proposed budget for a range of different projects that cross over into different disciplines, (engineering, strategic and statutory planning, major projects, waste management, climate change and recreation). Council has as part of its increased focus on Business Transformation developed a standard project management framework aimed at improving the effectiveness and efficiency of Council's delivery of major projects and place management initiatives. Council is unable to release details of project plans, scopes, Gant charts and project plans as requested as this information is operational in nature and not for public consumption. 5. KPI Reporting for Projects. Council currently provides the community with a detailed quarterly capital works report that reports on financial performance to budget at an individual project level. Council acknowledges and thanks the BCRRA for their request for improved high level aggregate information on the capital projects portfolio and officers will investigate the implementation of improved KPI reporting for Projects as proposed by the BCRRA. 6. Financial Sustainability. Council's 2018/19 financial results were impacted the recognition of a large one-off non-cash charge of $5.2 million for landfill amortisation and a $2.4 million contribution for the Highball facility that was developed at the new Wonthaggi Secondary School which is not a Council asset. Council is forecasting an improvement compared to budget of $1 million in its 2019/20 underlying surplus. This has been driven by ongoing cost containment and discipline over its labour costs which are projected to be $1.8 million less than originally budgeted. 7. Core System Implementation – The project has taken longer to implement than originally planned due to a combination of factors including product availability and project resourcing. Significant progress has been made with a number of major modules actively being used and a clear plan for completion in the 2020/21 financial year.

		Garbage Charges Why does the budget show garbage charge increasing by 10.85% at 8.2 and 8.86% in 18.7? Why does the budget show the garbage charge increasing more than double the inflation rate over the next three years? What are the component items that make up this charge and why are they not shown individually in the budget document? BCRRA requests that Council amend the way the garbage charge is reported so as to detail each and all component items individually. **Borrowings** How does Council justify the 16% interest costs show in in this budget? What timeframe is envisaged for these borrowings to be repaid in full? **Grant funding** What is the explanation for why your grant funding is steadily decreasing over the next three years 2020-2024. What steps is Council taking to reverse this decline? **CEO Expenditure Delegation** BCRRA does not agree with the recent decision of Council to reinstate the $1M expenditure authorisation to CEO as this risks revisiting the high levels of community dissatisfaction with BCSC. **Media Policies** BCRRA requests that BCSC rescinded the new media policies or at least change them to clearly allow Councillors to express reasonable criticism of Council decisions and policies.	8. Live Streaming – Council notes the strong support by the BCRRA for the continuation of live streaming of Council meetings. 9. Reconciliation with Budgeted Operating Result – Note 6.10 presents the detail held in the comprehensive income statement by service rather than by revenue and expense class. This note is presented as required by Local Government Victoria. To aid with transparency, we have included the effects of internal recharges so total income and expenses can be reconciled directly to the comprehensive income statement as shown on page 38 of the budget document. 10. Garbage Charges. Council uses a cost recovery model to calculate the waste service charge. These costs have increased due to an increased capital cost recovery linked to the new Phillip Island transfer station facility, increased recycling charges linked to the market conditions in the waste sector, higher environmental monitoring costs and an increase in the State government landfill levy. The garbage charge has increased at a higher rate than the 8.86% increase in waste management expenses due to an increase in capital expenditure cost recoveries. 11. Borrowings. Council is proposing to increase its borrowings to $20.12 million in 2020/21. This is a year on year increase of 30.8 %. The cost of servicing these borrowings (interest) is projected to fall to be $317K which is $412K less than the 19/20 budget and $161K less than the 19/20 forecast. Most of the new borrowings relate to a concessional loan that Council has been able to obtain from the State for the construction of the Cowes Cultural and Community Centre. 12. Grant Funding. Following Council decision to exit the provision of Aged and Disability services from January 2020, the related grant receipts have ceased along with the associated expenditure. In 2018/19 Council received $2.4 million in relation to Aged and Disability services. 2019/20 Forecast includes the receipt of $1.1 million in grant funding which will not be received in 2020/21. In addition, during 2019/20 we received $2.8 million in non-recurrent capital grant funding for roads projects which we do not currently expect to receive during 2020/21. Future reliance on uncertain grant funding as part of our long term capital program has been reduced. While we will continue to actively advocate for grant funding, with reduced reliance on uncertain capital grants in years 2-4 of the SRP allow for community projects to progress regardless of whether Bass Coast Shire is successful in their grant application in future years. 13. CEO Expenditure Delegation. It is important to note that the increase in the level of the CEO"s expenditure delegation to $1 million only relates to budgeted capital and/or operational expenditure. This increase has also been informed by benchmarking with other councils, surveys with individual Councillors and the need for the organisation to streamline its procurement practices. 14. Council notes BCRRA's request. The Media Engagement and Social Media Policies have been adopted by Council. The policies cannot be rescinded as they have been implemented/acted upon; however, any changes to the policies can be made through a future resolution of Council.

14	Frank Schooneveldt	1. It is a great time to borrow money and we have a huge opportunity to address the infrastructure issues in the Bass Coast: footpaths, roads and drainage, community facilities. This would also create jobs. Are forward estimates adequate to fund infrastructure needs? 2. Why do we stick to the rate cap when so far 30 per cent of the other councils have not stuck to the same rate cap? 3. Why was our rating system not reviewed following the submission made to Victorian Government? 4. Why don't we borrow money to fix the footpaths in the Bass Coast Shire and thereby create local jobs? 5. Why do we give a discount of 20 per cent to farms on their rates?	1. Is the Budget and Forward Estimates adequate to fund Infrastructure Needs It is not financially feasible to fund roads and drainage upgrades across the urban settlements in the Shire without community agreement for Council imposition of Special Charge rate schemes to fund these upgrades. 2. Why do we stick to the rate cap when 30 per cent of other councils have not stuck to the rate cap Bass Coast has increased its rates by the maximum level of 2.0 per cent prescribed by the rate cap. The other councils (30 per cent) have frozen their rates or increased them by less than 2.0 per cent. Submissions for Increases in excess of 2.0 per cent need to be sent to the Essential Services Commission (ESC) for review and approval. 3. Why have we not reviewed the rating system Council commenced a review of the rating system including the differential rates for different property types in the first quarter of 2020. The escalation of the COVID-19 pandemic in March 2020 required Council to refocus on the more pressing immediate needs of its community. Council agreed to cancel this review at the April Council Meeting and apply related savings to the community and business grants program that was set up as a Council response to the pandemic. 4. Why don’t we borrow money to fix the footpaths in the Bass Coast shire and create local jobs While interest rates are at record lows an unprecedented level of investment is required for a large scale investment in footpaths (to bring them up to the standard in metropolitan councils). This will result in Council carrying substantially more debt than is permissible under State Government prudential guidelines. 5. Why do we give a discount to farmers on their rates Bass Coast Shire Council agreed to providing farmers with an effective discount on their rates following a review of the rating strategy in 2016. Farm rate differential discounts are common in the Victorian local government sector and the level of discount provided by Bass Coast is in line with the average across the sector. Farmers could also argue that they play a key land management role that indirectly supports the local economy and tourism sector in particular.
15	Mike Fincher	Request to allocate funds to fix storm water drainage issues experienced at the address provided.	Council has allocated funding in 20/21 to permanently resolve the McKenzie St drainage issue.
16	Andrea Bolch	Is there any funding in the Draft Budget for 2020/21 to address and/or repair the significant erosion that has occurred along the Kilcunda coastline?	Council has initiatives to respond to erosion near the Lionel Rose car park area of the foreshore and rail trail reserves. These include: 1. Short-term Response • Council has completed designs and is currently seeking approvals to relocate a section of the rail trail pathway further landward within the rail trail reserve. This shorter-term, potentially temporary response may be implemented should erosion continue and require closure of the pathway. • Council currently has funds allocated to deliver these works if required. 2. Longer-term Response

			• During 2020/21 Council will undertake an options analysis investigation which will help inform the longer-term direction for the rail trail and other coastal assets at the location. This investigation will investigate coastal processes and other factors influencing erosion at the site, and provide recommendations to respond to erosion. Amongst all options this project will consider techniques to protect the rail trail and the option to relocate of a section of the pathway further landward as a longer-term measure. • In June 2020, DELWP issued confirmation that Council will receive a grant to deliver some of the potential higher priority recommendations of the investigation.
17	Graham Jolly	Requests that the following KPI's be included in quarterly financial reports, including fourth quarter financial report. 1. The total number of projects to be shown as a start point. 2. Projects % 0 to 10. 3. Projects % 11 to 50. 4. Projects % 51 to 85. 5. Projects % 86 to 99. 6. Projects % 100. Completed and fully expensed.	Council currently provides the community with a detailed quarterly capital works report that reports on financial performance to budget at an individual project level. Council acknowledges and thanks Mr. Jolly for his request for improved high level aggregate information on the capital projects portfolio and officers will investigate the possible implementation of improved KPI reporting for capital projects.
18	Linda Marston - Island Voice	Island Voice is greatly concerned by the increase by the 10.85% in garbage and waste fees, especially as this follows an increase of more than 11% last year. An increase of $40 per tonne for recycling has not been applied by other comparable councils, so why Bass Coast? We have already experienced several increases in the first three years of our 10 year contract. We believe the landfill emission monitoring contracts increases in price show that waste management is poorly understood and lacking management expertise. Why is the Garbage charge shown as increasing 10.85% at section 8.2 and shown as only 8.86% change in waste management expenses in section 18.7? The allocation to climate change actions of $500,000 is not enough given the declared climate emergency. Please could council identify how this money will progress Climate action? The Shire's COVID response is commended. Many ratepayers may need ongoing assistance and Island Voice asks that Council displays compassion in its hardship policy. Please provide further information on the following highlighted projects 1. $130,000 for affordable housing. Is this funding aimed at improving existing properties or providing increased short term emergency accommodation? ML 2. Strategic Positioning of Wonthaggi $40,000. What is being positioned, who is involved and what benefit will this bring? ML 3. Public Realm Improvement Plans, Cowes $250,000. How do these plans differ from the Cowes Activity Centre Plan which is already complete? What improvements are you referring to? DP 4. Wonthaggi Secondary College Senior Campus Structure Plan $100,000. Should this not be a cost for the education department? If this is related to the old school site, please clarify in the budget document. Island voice wishes to seek assurance from Council that Grants will be sought over the coming years to try and mitigate the level of debt required for multi-generational loan drawdowns. 5. Can the budget include effects on ratepayers average annual bill 6. Please include a unique identifier with each project so these can be referred to throughout the project lifecycle. 7. The current level of funding ($4.5 million) for roads, it will take decades to properly make all roads across the Shire. We have experienced roads being	1. Council uses a cost recovery model to calculate the waste service charge. These costs have increased due to an increased capital cost recovery linked to the new Phillip Island transfer station facility, increased recycling charges linked to the market conditions in the waste sector, higher environmental monitoring costs and an increase in the State government landfill levy. The garbage charge has increased at a higher rate than the 8.86% increase in waste management expenses due to an increase in capital expenditure cost recoveries. 2. The Climate Change Climate Change Action Plan (the Plan) 2020-21 budget will deliver actions from the Plan as approved by Council. The Plan will support the community, businesses and the agricultural sector to take their own action in response to climate change through a number of initiatives. 3. We thank Island Voice for their support provided towards the COVID-19 response package. Council's hardship policy was revised in May 2020 in response to COVID-19 to provide relief for those community members experiencing financial hardship as a result of the pandemic. 4. Further information on the projects highlighted in your submission are provided below. <u>Affordable Housing</u> The funding highlighted in the 2020/21 Draft Budget is to undertake the important strategic work required to identify suitable public land and the development of a Shire wide housing strategy. This critical planning piece will then assist Council to work more closely with partner agencies and all levels of government in seeking funding to deliver much needed affordable and accessible housing options across the Shire. <u>Strategic Positioning of Wonthaggi</u> Strategic Positioning of Wonthaggi is an aspirational strategic branding project, devised to increase the awareness and interest in Bass Coast's Regional Township. It will have broad appeal to target audiences including potential new residents, visitors, businesses and investors. <u>Public Realm Improvement Plan</u>

		stripped back, causing detriment to health and well-being, without being in a position to embark upon SCS to seal the road back. This is unreasonable, puts well-being of residents at risk and the option to pay for a spray seal until road build is within a couple of years should have been provided. 8. Please clarify the ($111,486) difference between total income in the 'Comprehensive Income Statement' and the 'Estimated Amount to be raised by all Rates and Charges' tables? 9. Can some positive measures be included in Animal Management Performance (such as satisfaction levels of pet owners, registration compliance, successful reunions with owners and reduced incidences due to education) be provided along with the current enforcement measure of number of prosecutions per year.	Master planning and detail design of the Cowes Activity Centre. This includes improving access and movement within the activity centre; enhancing the quality of streets scapes and public realm spaces; continuing to encourage business investment and tourism growth; and enhancing the connection from the Jetty Triangle with the new Cultural and Community Centre. <u>Wonthaggi Secondary College</u> This funding allocation is to commence preparation of a master plan for the former secondary college site at Wonthaggi. It will include community engagement and the compilation of supporting evidence and documentation. 5. The average rate revenue per residential property can be found in note 7.3 of the budget document, page 31. This shows and average of $1,504 rate revenue per residential assessment for the 2020/21 financial year. 6. The project name is the best method in tracking a project through its lifecycle. Council notes concerns about the level of funding for roads. Council will consider requests for roads and drainage upgrades that will be funded from special rates with the proviso that these enjoy support from 70 per cent of Ratepayers who will be required to contribute to the scheme. 7. The table "19.11 Estimated total amount to be raised by all rates and charges" does not include estimated interest. Please refer to table "19.2 Reconciliation of total rates and charges" which shows the breakdown on the Total rates as shown in the Comprehensive Income statement. 8. Further detail on our Animal management performance can be found at www.knowyourcouncil.vic.govt.au. Annual measures recorded through this website include Animals Reclaimed from Council and Time Taken to Action Requests. During 2018/19 Bass Coast Shire had a 67.95% animal reclaim rate, well above the All Council average of 50.95%.
19	Graham Jolly	1. I ask and request an explanation why this Councillor group can forecast a $2,524,000 increase Budget Surplus and a $4,240,000 increase to the Underlying result some two years away and forecast a Capital Works Program expenditure of $36,688,000 when the new Councillor group have not determined their draft budget which will be long after they are elected as our ratepayer representatives? Who is determining a future CWP two years away after the term of this Councillor group has ended their term as Councillors, The Administration of Council or the Councillors? 2. How can the forecast details shown on page 30, Point 7.2 Financial resources increase by an alarming amount when we all are going through a COVID-19 virus pandemic period which already has seriously impacted on people's income and will continue to do so for quite some time, probably for years. 3. I request the financial figures forecast on page 30 'Financial resources' be revised down to $30,000,000 for the CWP and in doing so to adjust the Surplus and the Underlying results down as well. In the future my Ward Councillors along with all other Councillor's in the year 2021 will determine a draft budget for 2021-22 year and set CWP expenditure the community can submit a submission to for consideration. I point out to Councillor's the listing each year reported and approved for deferred projects, Carryover projects and Multi-Year projects that are moved into a forward year must be a factor in determining a forecast CWP for any year. It is my conclusion	1. Council is required by legislation to include a four year strategic resource plan (SRP) as part of its annual budget. The SRP includes a projected four year Statement of Capital Works. Council reviews and updates these projections each year and a new Council will review the SRP as well as Council's Long Term Financial Plan (LTFP) as part of the 2021/22 budget and planning process. 2. Funding of $920,000 has been provided in the 2020/21 operating budget for a number of strategic planning and place management projects. The 2020/21 budget also funds the completion of the Project Phoenix (major corporate software) implementation. Expenditure budgets for 2021/22 and ongoing benefit from the removal of these costs. Revenue budgets have been based on Council increasing rates in line with the rate cap and other revenue is projected to grow in line with CPI movements. It needs to be noted that a future Council may elect to direct funding towards further non recurrent strategic projects and this could impact forward expenditure projections. 3. The 2021/22 capital works expenditure budget has been elevated due to the planned construction of the new Cowes Community and Cultural Centre. Council has secured concessional loan funding of $10 million from the State to part fund this major project. We note concerns about the capacity of Council to deliver an expanded capital program especially once deferred projects are considered. Council has set up a Major Projects department within the Place Making Division to help drive improved delivery of large complex projects. Other actions including streamlined procurement processes and a new

		based on past reporting results Council has not got the capacity to achieve all CWP in a budget and the deferred, Carryover, Multi-Year projects. They very simply do not happen.	project management framework are expected to improve Council's capital project completion rates.
21	Graham Jolly	I request the fourth Quarterly financial Report obtain a number of inclusions. 1. The TREASURY REPORT to become a spreadsheet showing the name of the investment, when invested, investment period, maturity date, return on investment and the Cash in Bank figure. 2. All Carryover, Deferred and Multi-Year project listing with percentage complete, Budget revenue, YTD expenditure and YTD Contingency expenditure. 3. A full spreadsheet of projects numbers and Tender numbers sorted by percentage complete with YTD expenditure, YTD Contingency expenditure, Budget revenue all of which to be added to the existing presented spreadsheet. Mr. Mayor you might rule this submission out of order at present it refers to the 2019-20 budget year. However my requests will apply for the budget year 2020-21and future years. Therefore I would believe they are worthy inclusions. Mr. Mayor and Councillors I request the above details become mandatory quarterly inclusions when reporting for the Bass Coast Shire Council.	1. As part of the Investment Policy report that council adopted in March 2020 it agreed to the following details relating to its investment portfolio being reported on a quarterly basis to Council as part of the public facing Quarterly Financial Report. • Funds invested • Counterparties • Maturity dates • Interest rates • Weighted average return • Statement to confirm compliance with the investment policy during the period. 2. Council currently includes as part of its Quarterly Financial Report a comprehensive listing of all budgeted and deferred or carry over capital projects. Financial information including budget or forecast allocations, projected carry overs, YTD expenditure and YTD variances to budget or forecast is included at an individual project level. Council allocates a budget that includes funding for potential contingencies based on risk profiles for individual capital projects and does not separately account for expenditure on contingencies. 3. Council does not report financial information from the contract database which records contract numbers. Financial information including budgets, actual expenditure and capital revenue or grants is sourced from the corporate accounting software platform.
22	Graham Jolly	I request the budget paper 2020-21 include a number of inclusion and statements: a. Report all Statutory laws Council must abide by when determining the draft budget and budget 2020-21 and the yearly reporting. b. List by name Council Fees and Charges Policy which is reviewed annually. c. List by name Councils Investment Policy approved as of 18/3/2020 (Ordinary Council meeting H 12). d. List by name Council Procurement Policy approved as of 17/6/2020 (Ordinary council meeting H 15) and the Procurement Delegation Policy approved as of 18/3/2020 (Ordinary council meeting H 14). e. A statement Council will report all financial details showing final project costs that are greater than the budgeted financial allocation. f. A statement Council will report all financial details showing final project costs when the budget surplus is greater than 5% of the total project cost. g. A statement of Council's Best Practices for determining Project Budget allocation costs, Tenders, Project Management cost setting and Contingency cost setting methods. h. A statement Council will report all details for Contingency expenditures as YTD, Forecast, Actual and a reason the Contingency was expensed.	Council's budget document is based on the Victorian Local Government sector Model Budget which has been developed in conjunction with representatives from the peak accounting body, FINPRO, Chartered Accountants Australia New Zealand and Local Government Victoria. In relation to specific inclusions requested we can advise: a. There is no legislative or practice requirement for Council to report on the statutory laws it must abide by when determining the draft budget and the budget 2020/21. Council is required to report financial performance every quarter but there is no requirement to spell out the relevant legal obligation as part of this report. b. While Council does not have a formal Fees and Charges policy, fees and charges are reviewed annually ahead of the adoption of the budget and are normally indexed in line with movements in inflation or changes to statutory fees that are set by the State. Council has decided this year in response to the COVID-19 pandemic to freeze fees and charges at 2019/20 levels. c. There is no requirement to reference Council's Investment Policy within the budget document. References are made to the impact of lower interest rates that are largely related to the economic settings following the onset of the pandemic. d. There is no requirement to reference Council's Procurement Policy and Procurement Delegation in the budget document. Council is required to comply with the Procurement

		Would Council please explain why listed in Councils Tender File, Contract 19009 has a cost of $725,815.18 when H 10 Ordinary Council meeting 18 September 2019 reported the total contract cost of $640,731.98 excluding GST (10%). Why is there an increase to the contract cost? Would Council please explain where the Investment money comes from for each quarter of a financial year?	provisions of *Section 186* of the *Local Government Act 1989* until the transition to the new 2020 Local Government Act in July 2021. e. Council is not required to include a statement in the budget that it will report all financial details showing final project costs that are greater than the budgeted financial allocation. Council does report financial performance on all projects including those that are deferred at an individual project level as part of its Quarterly Financial Report. f. As above, no statement is required and this information can be deduced by the reader from Council's comprehensive quarterly financial reports. g. Council's practice of providing for project management and contingency costs as part of its capital budget for individual projects enables it to: i. Recover direct labour costs that are associated with the delivery of capital projects from the capital budget rather than inflating the operating labour budget and potentially creating an artificially high labour cost base which could embed cost inefficiencies. ii. Manage project risk. Capital projects have a number of risk factors that manifest themselves after project commencement and the inclusion of a contingency helps mitigate the financial impact. h. As previously indicated Council does not differentiate its project budgets into separate components for project management and contingency. Contract 19009 was awarded for the sum of $640,731.98 plus GST of $64,073.20 (total contract cost of $704,805.10). Allowances of $6,000 (project management) and $44,851.24 (contingencies) were also made and disclosed within the report. This increases total funding available for the project including GST to $755,656.42 which is more than the cost of $725,815.18 referenced in the submission. Council generates its cash flow from a variety of different sources including rates, fees and charges and government grants. Funds are expended on salaries, contract payments and capital expenditure. The net excess is invested in short term investments that are made under Council's investment policy. Importantly Council does not have an even cash flow and will in some quarters draw down on its investments to fund expenditure.
23	Graham Jolly	Why was there an increase in capital works projects during 2019/20 financial year? The 2019/20 budget document outlined 33 projects, expanded to 131 in Q1, 136 in Q2 and 146 in Q3. What caused this increase (when carryovers were only 80) and why are project numbers not shown? 1. I request the budget 2020/21 show project numbers which can be referenced across to tenders and council plan 2. I request that all projects intended to be undertaken during the 2020/21 year be fully reported in the budget document and be closely aligned to those reported in Q1 report	The budget document outlines high level funding pools to be used for specific purpose. For example, $5.8 million for Buildings and Open Space renewal program. As renewal projects are completed during the year, to increase transparency, specific projects are created for each program and reported individually as they are completed. This therefore increases the number of projects when compared to the budget document. Additional projects may also be added for emergency works required during the year, projects that have been identified that have an urgent strategic or service need or for works related to unplanned receipt of grant funding. 1. I request the budget 2020/21 show project numbers which can be referenced across to tenders and council plan. Project numbers are an internal tool used to allow for efficient reporting from our core system. These cannot appropriately be used to track projects from Council plan through to final delivery. 2. I request that all projects intended to be undertaken during the 2020/21 year be fully reported in the budget document and be closely aligned to those reported in Q1 report Projects shown in the 2020/21 Budget are detailed in Appendix 3 of the document. Further details including any continued delivery of projects carried over from 2019/20 will be reported in the Q1 capital works report.

24	Jessica Harrison - Housing Matters Committee	Housing Matters Request that Council, as part of the 2020/21 budget: - Purchase an investment property (appx $385,000) in Wonthaggi CBD to be provided as Transitional Housing to provide assistance to homeless people in need. - Management of the house would be completed by welfare agency such as Salvocare Social Housing - Maintenance of house by BCSC - Furnishing of house through community donations - Rates and services to be negotiated	Council has identified $130k in the Draft 20/21 to undertake the Bass Coast Housing Strategy which will guide the local support for affordable, emergency and social housing in Bass Coast. This comprises a Shire wide land assessment which will inform future needs in Bass Coast and Council's role in this important community issue. The objectives of the Bass Coast Housing Strategy will be to: • Identify suitable land across the Shire for the provision of affordable, emergency and social housing • Use data and metrics specific to Bass Coast to identify the needs of the community today and into the future • Consider and recommend types of housing and program support which aligns with Bass Coast's needs • Provide recommendations on advocacy priorities relating to affordable, emergency and social housing Council is committed to this essential work and subject to the approved budget, will engage with the community, our partner organisations and relevant groups throughout 2020/21 to complete the Housing Strategy. The Housing Matters Committee proposed initiative is a wonderful example of the local understanding of Bass Coast's housing issues and will be considered on commencement of the Strategy. It is critical for Council to have an adopted Strategy to undertake this work. Until such a time that the Housing Strategy is completed and includes the Housing Matters Committee proposal, Council will not be in a position to provide funding as requested.
25	Phil Wright	Utilise low interest rate loans to purchase significant strips of land on the south coast of the island over the next 10 years. This would allow Bass Coast to create some significant recreational nature trails.	Council thanks Mr. Wright for his thoughtful submission and vision that will deliver significantly improved public accessibility to the coastline and provide an opportunity for the development of recreational nature trails. Land values especially those that have ocean views on the Island are high and Council is unable to commit to or investigate funding for the acquisition of ocean front strips of land on the Island. Council will be developing a Property Strategy that takes into consideration the future land use needs of the whole municipality and will guide future land purchases.

26	Phil Dressing - Smiths Beachcomber Association	Request that some funding be set aside for some quick wins resulting from the development of a Smiths Beachcomber Masterplan. This is following the YCW Masterplan adopted in 2014 not having any recommendations implemented to date. A suggestion for this quick win would be construction of speed humps at the YCW Beach car park to improve safety in this area. Another suggestion would be a footpath from the eastern corner of the Marlin Street, Smiths Beach Road intersection to the first Smiths Beach access stairs. We're optimistic that the Smiths Beach Masterplan will include recommendations for a holistic and broad vision for our Estate including a potential visitor economy solution for the Island's South Coast. Council's purchase of private land on and around the Smiths Beach Estate for entire community benefit should also be considered in the context of a long term vision. Committing to a long term plan is critical and paramount. As previously highlighted, a "User Pays" program would likely fund all recommendations.	The delivery of YCW BBQ Shelter and Picnic area planned for 2019/20 financial year has been put on hold following community concerns for the project. As a result, Council will be looking to engage with the local community through the current Smiths Beach Masterplan project to better understand the "whole" community preference for a picnic/bbq area at Beachcomber – YCW. In years 2023-2028 of Council's long term capital works plan, there is $1.5million allocated to the delivery of projects outlined in the YCW Activity Area Master plan including access paths, carpark upgrades and viewing platforms. There is also funding allocated in 2023/24 and 20204/25 for the Smiths Beach Foreshore Beachcomber Master Plan.
27	Ron Day	Request that funding for possible replacement of existing road speed signage and any additional signage on Council managed roads be included in the budget document read for the impending Island Road Speed Review.	Rural Roads Victoria will fund and implement signage changes on all roads following the review. Any Council contributions to the project will be funded through existing budgets
28	Rhyll Community Association	Request a raised pavement to slow traffic on the corner of Lock and Beach Roads in Rhyll. This is a busy intersection (and expected to get busier after the boat ramp is completed) for pedestrians and it has been noticed that often vehicles are travelling faster than 50kmph.	Funding for this project has not been provided within the 2020/21 budget. We have included this intersection as part of the local road safety improvement program for assessment and prioritisation in future years.
29	Elizabeth Sparkes	Are there funds put aside for footpaths on Phillip Island, in particular Cowes/Rhyll Road & Rhyll Newhaven Roads?	Council is currently conducting planning and design work for a path on Cowes Rhyll Road to connect from Couglan Road to Rhyll township. Construction has commenced and further design work will be completed to connect to Rhyll in 20/21. The draft 20/21 budget also includes a footpath to connect Thompson Avenue to Mary Star of the Sea and Five Ways Path to Phillip Island Road. A path on Rhyll Newhaven Road is included in Councils aspirational pathways plan with design to commence in future years in accordance with prioritisation.
30	Jane Gardner	Request that funding be provided towards The Paper South Gippsland News. A weekly consideration of $600 (12month total of $31,200) would provide Bass Coast Shire the following online benefits: - (800x600) dedicated digital display advertising module, video capable - Native article editorial as per submission to our Editor to accompany your advert - Monthly metrics of advert results	Thank you for your submission. Council currently utilises in house digital channels, limiting the allocated budget to advertising in print publications only. Consideration for purchasing advertising through your online platform may be provided in future years. Please liaise with our Communications Team for future opportunities.

31	Graham Jolly	(A) I request through the elected Councillors to show cause as to why RESERVES ACCOUNTING practices are used by the Council of the Bass Coast Shire when: - Estimated budget expenses conclude to unacceptable surpluses and a progression action of the final surplus to a Capital Works Project listed in a Council budget. - Reporting a project Management cost assigned to a Capital Works Project when there is no reporting of the labour rate hourly figure and the estimated length of time the management will take place. - Reporting Contingency costs that are greater than 2% of the tender cost that when not used or partially used adds to the overall budget surplus. This is a progression method aiding in the creation of a surplus when added after a tender from an external source is accepted by council. This practice generates General Revenue. -Investing tens of millions of cash during each quarter of a budget year in term deposits and shares for up to 82 to 111 days and with shares longer to generate funds while leaving relatively low millions of council's cash in bank at the end of each quarter. - Capital Works Projects are approved by the Councillors at budget time and later are assigned to the following year's projects works listing shown as Deferred, Carryover and Multi-Year projects which adds to Reserve funds assigned to the project of council at end of year. (B) I request Council provide Statutory details council must abide by when setting any Contingency percentage cost allowance for a Capital Works Project. Council has used 5% to 10% Contingency cost during the 2019-20 year. Is the high Contingency cost allowance an indication the determination of tender details process is needing review? (C) I request an explanation; will council continue to invest income from the 2019-20 and 2020-21 budget years at approximately the same amounts as previous without Councillor Approval? (D) I request an explanation as to why there are considerable numbers of Capital Works Projects that are either Deferred or Carryover projects not completed at the end of year (30 June)? These projects that are reported are causing disappointment to ratepayers and most likely the Councillors. The CEO of council has a clear duty to carry out the instructions incorporated in a budget by starting the projects at the earliest possible time. There is a clear failure of the CEO's duties. (E) I request an explanation through the Audit Committee why were details missing to the Treasury report for the third quarter ending 31/3/2020. The 'Interest on Maturity' and the 'Cash in Bank' were not reported. Why? Will the Treasury Investment Report be reported in the coming Annual Report 2019-20? If no, then why? Will the Deferred and Carryover Projects and Multi-Year Project listing for 2019-20 be reported in the coming Annual Report 2019-20? If no, then why? (F) I request the Councillor Group consider my submission and determine budget changes and future reporting changes in the interest of your ratepayers. (G) I request a policy named 'Duties and Reporting of an Internal Audit Committee' be determined and developed for the year 2020-21 or updated if one exists. (H) I request Councillors to investigate and determine future courses of action and to change Council Accounting Practice away from Reserves Accounting	A. It is common practice for Victorian councils to use financial reserves as a mechanism to support their financial management and forward financial planning. Reserves are utilised inter alia to: a. Account for unexpended tied developer contributions. b. Account for unexpended grant revenue. c. Account for deferred capital and operational projects. d. Account for specific Council funding commitments that are funded from current and/or prior year surpluses. B. Council is not subject to any statutory requirements regarding the use of contingencies when setting individual project budgets. Estimates of the percentage contingency are based on officer assessments of the project's risk and/or complexity. C. Council has delegated authority to the CFO and/or Manager, Finance to invest surplus monies. This delegation is subject to the officers investing funds in accordance with the Council's adopted Investment Policy. D. Council notes that the number of capital work carry overs is currently higher than desired. There are a number of explanations for why projects may be deferred or not yet completed at the end of the financial year, such as; unplanned delays experienced due to weather, disruption to supply lines, timing of State or Federal Government grant opportunities, emergency works, reprioritisation of resources, natural events (bushfires or covid-19) and unforeseen complications experienced on delivery or contractor availability. Council officers are working on a number of actions aimed at improving capital works delivery outcomes including increased CEO delegation for budgeted projects and further financial analysis applied to the phasing of multi-year capital projects. E. The Treasury report in the third quarter report is consistent with the reporting requirements of the Investment Policy. Cash at bank is included in the $27 million reported in the Balance Sheet for Cash and cash equivalents. Council does not report on deferred capital projects in its annual report. These will be identified and forecast expenditure for these included as part of the first quarter 2020/21 financial report. F. Council have considered this submission which does not have an impact on the budget. Council confirms that no reporting changes are currently under consideration for 2020/21. G. The draft Audit and Risk Committee Charter, which includes the duties and reporting requirements of the Committee, will be presented to the 19 August Council meeting. H. Council will continue to use financial reserves as outlined in A above as mechanism to manage unexpended revenue received and large future expenditure commitments including deferred capital projects.