

**HOBSONS
BAY CITY
COUNCIL**



**Hobsons Bay City Council
Annual Budget Report: 2022-23**

Local Government Victoria

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Mayor's Message

Council is proud to present the Annual Budget 2022-23 to our community. It is a financially responsible and sustainable budget that meets the needs of our community and delivers value for money as we recover from the COVID-19 pandemic.

The Annual Budget ensures Council can continue to deliver more than 100 critical community services and a strong Capital Works Program consistent with our four-year plan and the Hobsons Bay 2030 Community Vision.

Investing in infrastructure

The \$62.961 million Capital Works Program is vital to providing new infrastructure across Hobsons Bay, as well as maintaining our ageing assets. It is also crucial to stimulating our local economy and providing local jobs.

Highlights of the Capital Works Program include:

- Buildings (\$20.737 million), including sporting and recreational facilities (\$11.515 million), environmental sustainability initiatives (\$2.019 million), community centres (\$4.967 million) and the building renewal program (\$2.236 million)
- Recreation and open space (\$13.118 million), including parks, open space and streetscapes (\$8.033 million), recreational, leisure and community facilities (\$3.073 million), off street carparks (\$1.437 million) and bridges (\$575,000)
- Roads (\$14.17 million), drains (\$5.154 million), footpaths and cycleways (\$2.365 million)
- Waste management (\$1.15 million) and other infrastructure (\$885,000)
- Plant and equipment (\$5.382 million), including scheduled replacement of Council's vehicle and plant fleets (\$3.745 million), library resources (\$750,000) and information technology (\$850,000)

The Capital Works Program also includes major projects that will benefit our community, including:

- \$4.1 million to build a pavilion at JT Gray Reserve and sportsground floodlighting. (Total cost of the multi-year project is \$8.75 million)
- \$3 million to fund the final stage of the Dennis Reserve masterplan, including the construction of a new multipurpose community facility and car park. (Total cost of the multi-year project is \$6.9 million)
- \$1.75 million to build a new sports pavilion, formalised car parking and irrigation works at HC Kim Reserve in Seaholme, with a further \$2.45 million in 2023-24. (Total project cost is \$4.4 million)
- \$1.2 million to complete a new open space, community space and playground upgrade at Croft Reserve in 2022-23. (Total cost of the multi-year project is \$9.945 million)
- \$800,000 for the design and construction of the Bruce Comben open space development (southern area) for 2022-23, with a further \$2.3 million for construction in 2023-24. (Total cost of the multi-year project is \$3.325 million)
- \$4.07 million to complete Better Places Laverton initiatives, including Woods Street/Lohse Street Village Masterplan, various park upgrades, wayfinding signage implementation, Laverton school's precinct traffic safety improvements, Maher Road design and advocacy traffic calming work, and road rehabilitation for Ascot Street, Balmoral Street, Grace Street and Railway Avenue.

The Annual Budget predicts an operational surplus of \$26.339 million, excluding capital works expenditure. While the 2022-23 operational surplus represents a strong result, it is expected that surpluses will decline in future years.

To ensure Council remains financially viable and able to continue with a robust Capital Works Program, Council is diversifying revenue streams and actively pursuing grant funding and partnerships from the state and federal governments. It also plans to borrow \$8 million this year to bring forward capital works which would otherwise be 12 months or more away before they would begin. These are projects our community has advocated for in the past.

As we recover from COVID-19, Council is reinstating fees that were waived as part of the Community Support Packages, including footpath trading permit fees, food and health registrations and sports club ground allocation fees.

Advocating for our community

In a year with both state and federal elections, Council is actively advocating for projects with intergenerational significance that will bring economic, environmental and social benefits to our city, including the Hobsons Bay Wetlands Centre and the Western Aquatic and Leisure Centre.

It is Council's intention to make significant financial contributions to these projects through the establishment of two additional reserves. Funds attributable to improved financial results and income generated from the disposal of assets surplus to requirements will be transferred to these reserves over the coming year. It is Council's intention that 50 per cent of these funds will be attributable to the Western Aquatic and Leisure Centre reserve, 25 per cent to the Wetlands Centre reserve and 25 per cent to a newly established Property Development reserve. The exact amounts to be transferred to these reserves will be dependent upon the prices obtained for property sales.

Council is seeking a three-way funding partnership with state and federal governments for the \$60 million investment needed to deliver a new state-of-the-art Aquatic Centre at Bruce Comben Reserve in Altona Meadows. Council intends to contribute \$20 million to this new facility, contingent on funding from the other two tiers of government. The centre will fill a gap for aquatic facilities in the western side of the municipality and also service the growth area of Point Cook in Wyndham.

Council is working with the Hobsons Bay Wetlands Centre Inc. to advocate for an innovative nature-based attraction located near the RAMSAR listed Cheetham Wetlands. Council is seeking a three-way partnership with the state and federal governments for the \$16 million needed to deliver this project, with a \$5 million contribution from Council dependent on state and federal governments contributing the remaining \$11 million. This is in addition to Council's existing investment in the contract for the concept design, detailed design and consultation for the project.

Working with our community

Community consultation is a fundamental part of the development of our Annual Budget and began in October 2021 with the launch of Community Pitch. Hobsons Bay residents, community groups, sporting clubs, businesses and organisations were invited to pitch an idea for a one-off community program, project, or initiative for Council to deliver in the 2022-23 financial year.

In total, 113 ideas were received, with all 13 short-listed projects being funded through this year's Annual Budget.

The Proposed Annual Budget 2022-23 was also placed on public exhibition for a four-week consultation period until 15 May 2022. Feedback was used to help shape the final budget, including revamping the Altona Little Athletics Centre high jump area, upgrading the car park at Paisley Park, working with the Williamstown Athletics Club to upgrade its facilities and an allocation to the not-for-profit organisation Western Chances for COVID recovery support as a result of a successful budget bid.

Delivering for our community

In addition to a strong Capital Works Program, the budget includes funding for a diverse range of core community services that Council delivers, including conservation and maintenance of open spaces, management of five libraries, three community centres, waste and recycling collections, local

business development and support, disability services, cultural and art events and programs, children and youth services, meals on wheels, and immunisation services.

To maintain essential services, programs and infrastructure projects that benefit our community, general rates will increase by 1.75 per cent, which is consistent with the Victorian Government's rate-capping policy. This rate increase will ensure our services, programs and capital works expenditure continue to improve and meet community expectations.

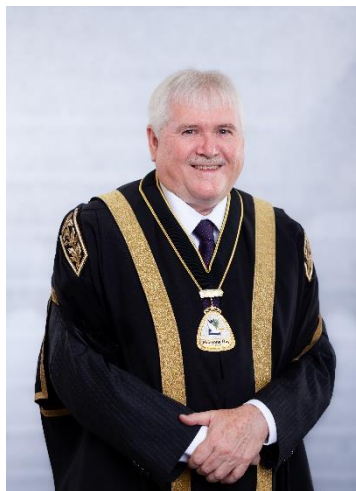
The 1.75 per cent rate increase is applied to the total amount collected from rateable properties across the city and is not applied equally to individual properties. This means that some ratepayers will pay less than 1.75 per cent, while others will pay more. However, overall general rates won't exceed the rate cap.

All properties are revalued each year by a state government-appointed independent valuer, with the revaluation process designed to ensure rates are fairly redistributed across all properties in the city.

Waste service charges are exempt from the rate cap and a 9.6 per cent increase is planned for waste service charges. The increases do not cover the cost of providing the waste service as Council has decided to recoup its considerable investment in expanding its waste service in future years.

The rate cap is well below the All Groups CPI of 5.1 per cent over the 12 months to the March 2022 quarter. Recent global circumstances could increase inflation further, reducing Council's real level of income from rates when compared to the possible increases in costs incurred and thereby creating significant pressure on Council's ability to deliver services and infrastructure projects. This looming challenge has been carefully considered in forming the 2022-23 Budget and the rate increase.

Despite the challenges, Council will continue to strive towards achieving the community vision articulated in Hobsons Bay 2030 and is committed to delivering value for money, while delivering valuable services and infrastructure to our community.



Cr Peter Hemphill

Mayor of Hobsons Bay

Executive Summary

Council has prepared a Budget for the 2022-23 financial year, which seeks to balance the demand for services and infrastructure with the community's capacity to pay and *The Fair Go Rates System*.

Overall, operating expenditure budgeted for 2022-23 has increased by 2.3 per cent over the 2021-22 forecast mainly due to the provision of services returning to normal pre-COVID levels

Over the coming years Council will continue to ensure that it remains financially sustainable in a rate capped environment. Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, long term financial position, financial sustainability, and the strategic objectives of the Council.

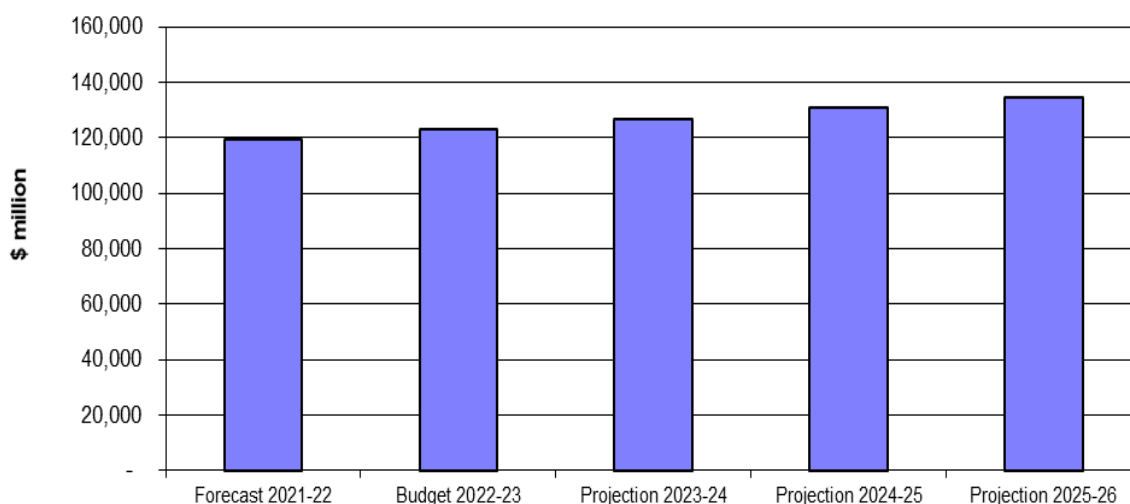
Rates and charges

Total revenue from rates and charges is projected to be \$123.550 million, which incorporates an average rate increase of 1.75 per cent in line with the Fair Go Rates System (FGRS). Rate cap increases for Victorian councils have generally been linked to the forecast movement in the Consumer Price Index (CPI), although this year the rate increase is well below the All Groups CPI of 5.1 per cent over the twelve months to the March 2022 quarter.

Council has not elected to apply to the Essential Services Commission (ESC) for a variation.

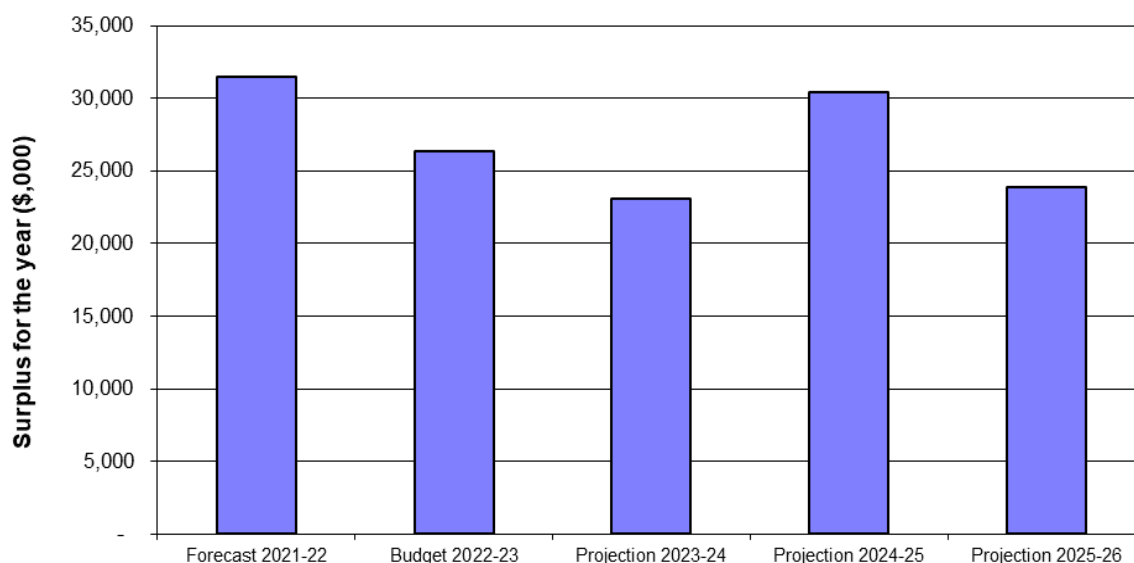
Waste service charges have been increased by 9.6 per cent, although the charges for 2022-23 do not cover the cost of providing the waste service. Council has decided to progressively recover its considerable investment in the expansion of its waste services over future years.

Rates will go towards maintaining service levels, meeting the cost of changing external influences affecting the operating budget and supporting a robust Capital Works Program that includes the works necessary to address the asset renewal needs of the City.



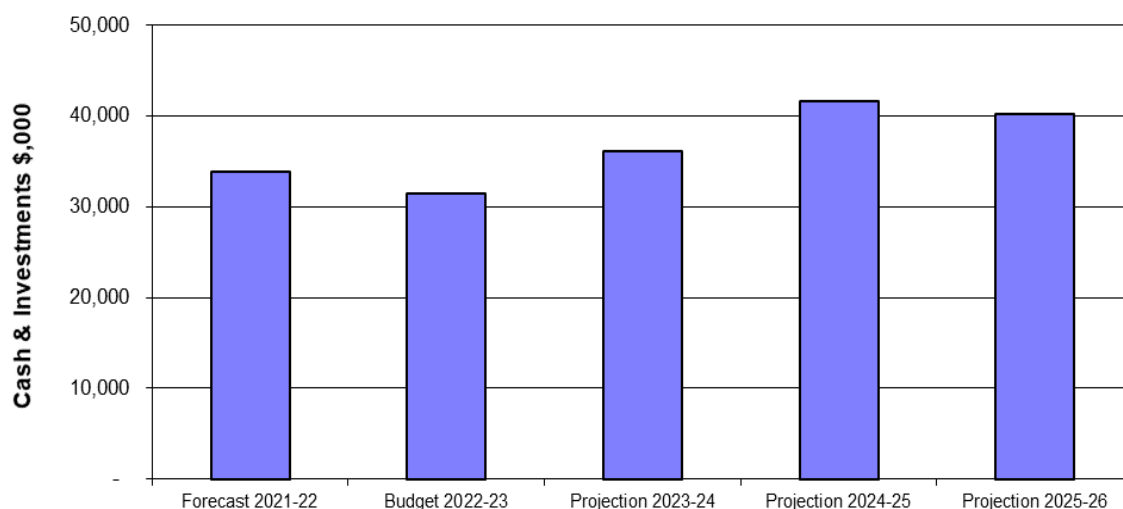
It is important to note, the actual rate increases experienced by individual ratepayers may differ from the 1.75 per cent increase due to State Government land revaluations. Rate increases are impacted by the average rate increase and the property valuation increases (or decreases) of individual properties relative to the average across the municipality. If a property increased in value by more than the average for the municipality (8.48 per cent), rates may increase by more than 1.75 per cent. If a property value increased by less than the average, rates may increase by less than 1.75 per cent and may in fact reduce from the previous year.

Operating result



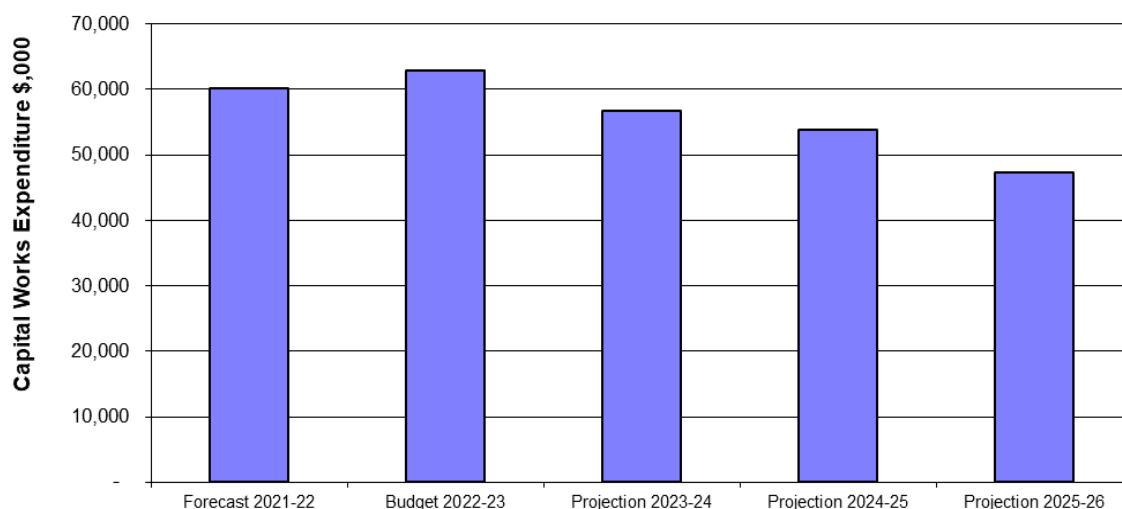
The expected operating result for the 2022-23 year is a surplus of \$26.339 million, a decrease of \$5.174 million compared to the 2021-22 forecast. The decreased surplus is largely due to decreased income, in particular a reduced level of capital grants than the previous year.

Cash and investments



Cash and investments are expected to decrease by \$2.389 million during the year to \$31.395 million as at 30 June 2023. The decrease in cash is a result of Council's ongoing investment in capital works, utilisation of reserves and the repayment of loan borrowings. Cash and investments are forecast to be \$33.783 million as at 30 June 2022.

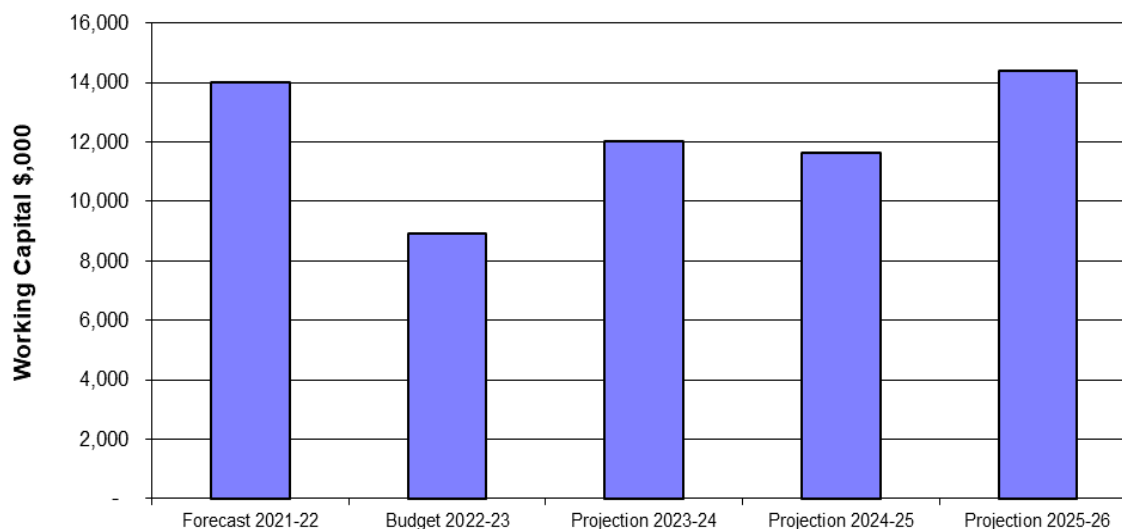
Capital works



The capital works program for the 2022-23 year is expected to be \$62.961 million, including \$5.819 million worth of projects carried over and funded from 2021-22. Of the \$57.142 million capital funding required, \$6.183 million will come from external grants, \$6.621 million from reserves, \$8 million from loan borrowings and the balance from Council's unrestricted cash. The capital expenditure program has been set and prioritised based on a rigorous process of consultation with the community which has enabled Council to assess needs and develop sound business justification for each project. Capital works expenditure is forecast to be \$60.224 million in 2021-22.

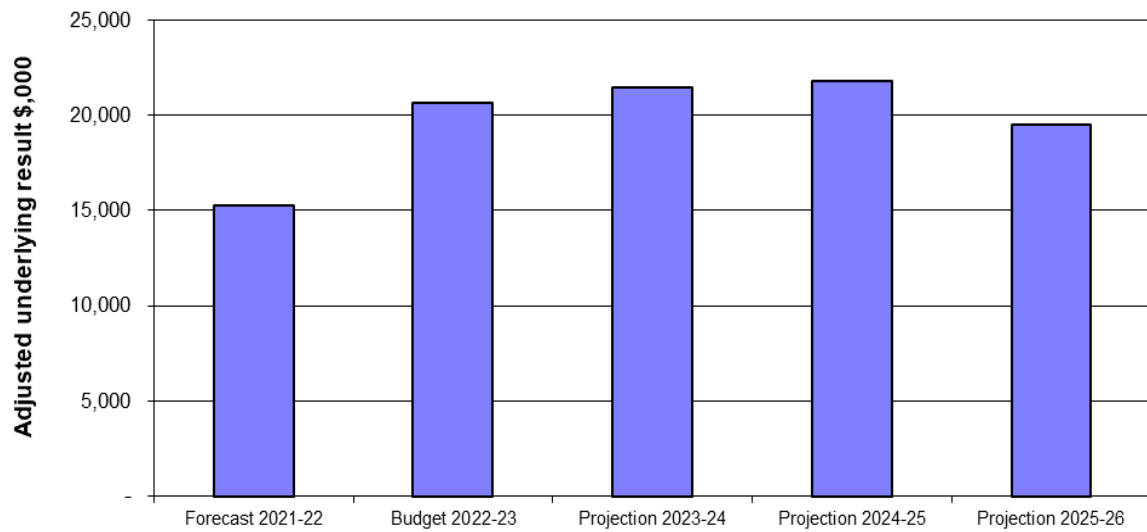
The asset renewal program of \$24.336 million in 2022-23 highlights the continued focus on the reduction of Council's asset renewal backlog.

Financial position



Council's financial position is expected to improve in 2022-23 with net assets (net worth) to increase by \$26.339 million to \$1,434.177 million. Working capital is an indicator of council's ability to meet its financial obligations as and when they fall due (being current assets less current liabilities), is expected to decrease by \$5.064 million as at 30 June 2023, due to the expected decrease in cash reserves. Net assets are forecast to be \$1,407.838 million as at 30 June 2022.

Financial sustainability



A budget has been prepared for the four year period ending 30 June 2026. The Budget is in turn set within the Financial Plan to assist Council to adopt a budget within a longer term financial framework. The key objective of the Financial Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives.

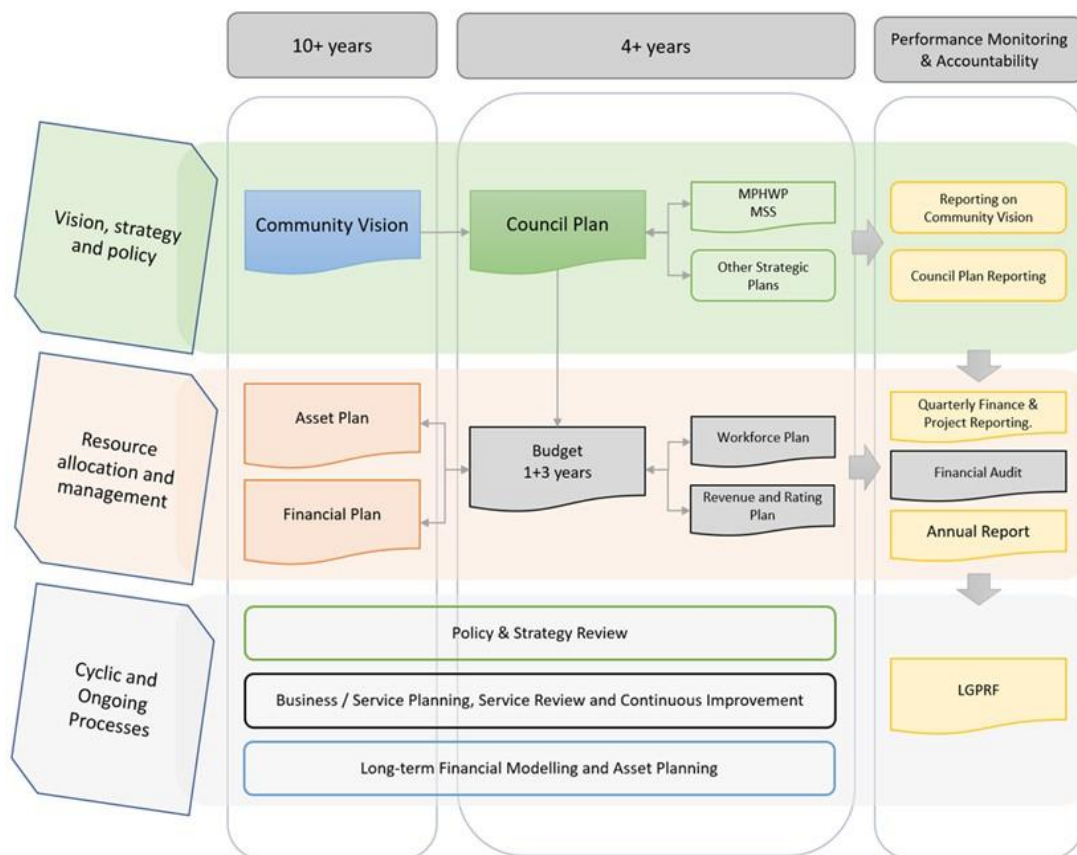
The adjusted underlying result, which is a measure of financial sustainability, shows improvements over the next three financial years with a slight decrease in 2025-26, after predicted rate increases are capped at 1.75 to 2 per cent.

1. Link to the Council Plan

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

1.1 Legislative planning and accountability framework

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



Source: Department of Jobs, Precincts and Regions

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

1.1.2 Key planning considerations

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

Community consultation is an important part of understanding what the community of Hobsons Bay wants and accordingly community consultation in relation to Council decision making and proposals in undertaken in line with Council's adopted Community Engagement Policy and Public Transparency Policy.

1.2 Our purpose

The Community's Vision - Hobsons Bay 2030

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

The Council's Mission

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

Our values

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

RESPECTFUL: *treating everyone fairly and respecting different views*

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

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

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

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

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

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

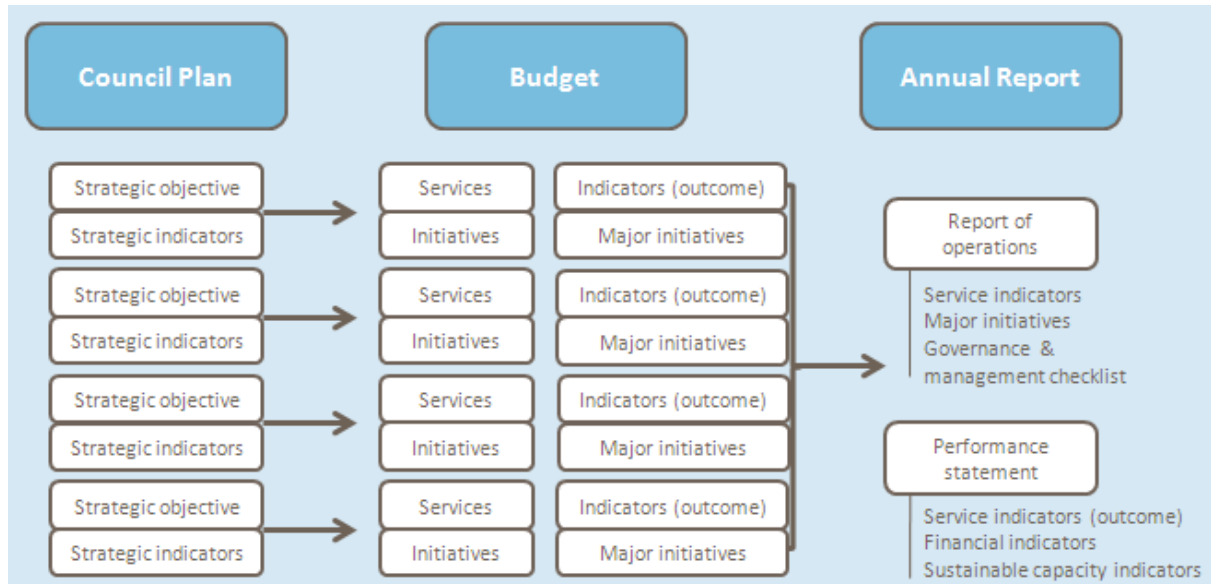
1.3 Strategic Objectives

Council delivers services and initiatives under 47 major service categories. Each contributes to the achievement of one of the five Strategic Objectives as set out in the Council Plan for the years 2021-25. The following table lists the five Strategic Objectives as described in the Council Plan.

Strategic Objective	Description
1. COMMUNITY	<i>Healthy, Equitable and Thriving Communities</i> Be a city where all members of the community can participate equitably, feel safe, connected, and achieve good health and social wellbeing.
2. ENVIRONMENT	<i>Valuing our Environment</i> Foster a sustainable way of living in response to climate change through active involvement in alternative energy use, reduction of waste, enhancement, and conservation of our natural environment.
3. PLACE, RECREATION AND ECONOMY	<i>Vibrant Place and Economy</i> Support a resilient local economy that facilitates job growth and retention, promoting Hobsons Bay as a place to live, work, invest, recreate and visit.
4. COMMUNITY INFRASTRUCTURE	<i>Visionary Community Infrastructure</i> Develop and maintain infrastructure to promote liveability, planning for the future need and growth of the community, while preserving heritage, environment and neighbourhood character.
5. ORGANISATION	<i>A High Performing Organisation</i> Delivering value for money through efficient processes, digital transformation and continuous improvement with a willingness to try new approaches as to how we do, what we do. We will be transparent and responsive to the needs of the community through meaningful connection, communication and engagement.

2. Services and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2022-23 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes several initiatives and service performance outcome indicators for key areas of Council operations. Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and to report against these in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is outlined below.



Source: Department of Jobs, Precincts and Regions

2.1 Strategic Objective 1: COMMUNITY - Healthy, Equitable and Thriving Communities

Be a city where all members of the community can participate equitably, feel safe, connected and achieve good health and social wellbeing

Council will work towards achieving this through the following strategies in addition to delivering ongoing core services:

- 1.1 Celebrate the diversity of our community and provide equitable opportunities for all
- 1.2 Improve the health and wellbeing of our community – particularly our young, vulnerable and older community members
- 1.3 Foster community safety including family violence prevention
- 1.4 Enable participation and contribution to community life, learning and inter-connection

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

Services

Service area	Description of services provided		2020/21	2021/22	2022/23
			Actual \$'000	Forecast \$'000	Budget \$'000
Community Support	<i>Provides social support and activity options for older residents and respite for carers through centre-based activities, recreational and social events and outings as well as high quality in-home support services (directly and indirectly) and food services to frail older adults, younger people with disabilities and / their carers.</i>	Inc	2,541	3,390	3,243
		Exp	3,110	4,192	3,838
		Surplus/ (deficit)	(569)	(801)	(594)
Early Years	<i>Provides access to affordable and high-quality children's services for people who live and/or work in Hobsons Bay as well as providing support, mentoring, management and advocacy for local early years' service providers.</i>	Inc	330	383	437
		Exp	895	980	1,077
		Surplus/ (deficit)	(566)	(597)	(640)
Community Child Health	<i>Provides a universal primary health and immunisation service available to all Hobsons Bay families with children from birth to school age.</i>	Inc	1,159	1,332	1,303
		Exp	3,103	3,436	3,414
		Surplus/ (deficit)	(1,944)	(2,103)	(2,110)

Service area	Description of services provided		2020/21	2021/22	2022/23
			Actual \$'000	Forecast \$'000	Budget \$'000
Youth Services	<i>Provides generalist youth services for local young people aged 12 to 25 years including a range of social activities, events and recreation and leadership development opportunities, as well as mental health and support services.</i>	Inc	316	354	375
		Exp	1,216	1,642	1,575
		Surplus/ (deficit)	(900)	(1,288)	(1,199)
Community Learning and Service Centres	<i>Manages service centres, library branches and community centres that provide customer services, facilitate and guide access to information, programs, lifelong learning, reading and recreation.</i>	Inc	767	890	984
		Exp	5,827	6,673	6,755
		Surplus/ (deficit)	(5,060)	(5,783)	(5,771)
Community Development	<i>Generates key community projects and builds internal and external capacity to deliver inclusive and responsive services that meet the needs of diverse and disadvantaged communities.</i>	Inc	80	444	30
		Exp	2,470	2,869	2,593
		Surplus/ (deficit)	(2,390)	(2,425)	(2,563)
Community Safety and Compliance	<i>Ensures that parking regulations are enforced, implements local laws, provides animal control service for residents, assists in the protection of the community from the threat of wildfire and ensures that all school crossings are staffed by school crossing supervisors.</i>	Inc	2,775	3,416	5,174
		Exp	3,252	3,794	4,125
		Surplus/ (deficit)	(477)	(378)	1,049
Public Health	<i>Ensures the public health of the community by undertaking the responsibilities outlined in the relevant legislations. These include inspections of handling of food for sale, inspections of personal care and body art treatments, incidents and infectious disease outbreaks management, investigation of nuisance, investigation of pollution, control of the Tobacco Service Level Agreement, prevention of mosquito borne disease and advocacy role.</i>	Inc	(7)	21	628
		Exp	776	872	1,005
		Surplus/ (deficit)	(783)	(851)	(377)
Municipal Building Surveyor	<i>Promotes the safety and compliance of buildings by controlling building permits and carrying out mandated responsibilities in accordance with the relevant laws and regulations.</i>	Inc	470	628	517
		Exp	601	729	968
		Surplus/ (deficit)	(131)	(101)	(452)
Planning Investigations	<i>Ensures compliance of development to planning and building requirements by conducting investigations and taking compliance and enforcement actions.</i>	Inc	65	46	46
		Exp	371	471	455
		Surplus/ (deficit)	(305)	(425)	(409)

Service area	Description of services provided		2020/21	2021/22	2022/23
			Actual \$'000	Forecast \$'000	Budget \$'000
Social Planning	<i>Investigates and expands Council's understanding of the current and future population needs, inequities within and between population groups, develops Council positions to inform high level strategic decisions and whole of government responses, and supports community and stakeholders to undertake collaborative action.</i>	Inc	15	15	15
		Exp	211	381	1,051
		Surplus/ (deficit)	(196)	(366)	(1,036)
Planning Operations	<i>Provides front end customer service with regards to planning issues, administrative support, systems and improvements support to the Planning, Building and Health Service areas.</i>	Inc	0	0	0
		Exp	222	188	196
		Surplus/ (deficit)	(222)	(188)	(196)

Major Initiatives

- 1) Newport Gardens Early Years Centre Expansion. The extension at the Newport Gardens Early Years Centre to provide an additional 66 kindergarten places in 2022.
Continuing from 2021-22.
- 2) HD Graham Reserve, Altona Meadows Sport Facility Development. Implementation of formal sporting facilities as identified in the HD Graham Master Plan, including construction of the sportsground, sports pavilion, shared pathway network, landscaping, BMX and skate park upgrades, a new play space, water sensitive urban design initiatives and site remediation.
Continuing from 2021-22.
- 3) Altona Meadows Excellence Hub refurbishment. Building renewal works, including acoustic, HVAC and improving space utilisation to enhance customer experience.
Continuing from 2021-22.
- 4) Establishment of a Housing Trust – The Affordable Housing Trust will provide housing to low-income households with a connection to Hobsons Bay.
Continuing from 2021-22.
- 5) Community Learning and Service Centre Strategy.
Continuing from 2021-22.

Service Performance Outcome Indicators**

Service area	Indicator	2020/21 Actual	2021/22 Forecast	2022/23 Budget
Maternal and Child Health	Participation Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)	70.46%	67.00%	
	<i>Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)</i>	68.18%	80.00%	
Libraries	Participation	16.53%	15.33%	
Animal Management	Health and safety	88.00%	50.00%	
Food safety	Health and safety	79.52%	90.20%	
Aquatic Facilities	Utilisation	N/A	N/A	

**refer to table in section 2.6 for information on the calculation of Service Performance Outcome Indicators.

2.2 Strategic Objective 2: ENVIRONMENT - Valuing our Environment

Foster a sustainable way of living in response to climate change through active involvement in alternative energy use, reduction of waste, enhancement and conservation of our natural environment

Council will work towards achieving this through the following strategies in addition to delivering ongoing core services:

- 2.1 Increase resource recovery and reducing landfill across Council's waste services and improve the customer experience of waste services
- 2.2 Enhance protection, preservation and promotion of our coastal environment and wetlands/waterways, biodiversity and natural areas
- 2.3 Increase tree canopy cover within Hobsons Bay to reduce the urban heat island effect, improve air quality and enhance general amenity
- 2.4 Continue to reduce Council's greenhouse gas emissions by increasing the use of renewable energy, increasing energy efficiency and implementing Council's zero net emissions strategy

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

Services

Service area	Description of services provided		2020/21	2021/22	2022/23
			Actual \$'000	Forecast \$'000	Budget \$'000
Environment and Sustainability	<i>Delivers municipal waste and recycling services to the Hobsons Bay community and develops and delivers waste, litter and sustainability policy, strategy, programs and events, as well as provides oversight on Council's response to climate change.</i>	Inc	66	139	792
		Exp	12,408	13,542	12,727
		Surplus/ (deficit)	(12,343)	(13,402)	(11,936)
Parks, Gardens and Conservation	<i>Delivers a wide range of open space maintenance services across Council's network of parks, gardens, reserves, sports grounds, foreshore, wetlands and conservation assets to provide a high-quality passive and active open space for the community. This also includes the maintenance, management and enhancement of Williamstown Botanic Gardens, and maintenance of a healthy and resilient tree population.</i>	Inc	2,129	291	133
		Exp	12,930	12,064	12,703
		Surplus/ (deficit)	(10,801)	(11,773)	(12,570)

Major Initiatives

1. Tree Planting - Urban Forest Program. Tree planting and establishment maintenance along streets, pathways and in public open space. To achieve 30 percent canopy cover by 2040, the Urban Forest Program will plant some 8000 to 8500 semi-advanced trees per year.
Continuing from 2021/22.
2. The Solar Program - large scale solar program across multiple sites to reduce emissions and result in operational savings.
Continuing from 2021/22.
3. Wetlands Centre development. Development of concept, detail design and contract documentation including stakeholder engagement for a state-of-the-art sustainability-focused Wetlands Centre in Hobsons Bay to increase community education and participation in the preservation of the local environment.
Continuing from 2021/22.

Service Performance Outcome Indicators**

Service area	Indicator	2020/21	2021/22	2022/23
		Actual	Forecast	Budget
Waste collection	Waste diversion	58.45%	61.66%	

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

2.3 Strategic Objective 3: PLACE, RECREATION and ECONOMY - Vibrant Place and Economy

Support a resilient local economy that facilitates job growth and retention, promoting Hobsons Bay as a place to live, work, invest, recreate and visit.

Council will work towards achieving this through the following strategies in addition to delivering ongoing core services:

- 3.1 Support diversification and growth of our local economy in response to significant changes in land use and the ongoing impacts of the COVID-19 pandemic
- 3.2 Increase economic and tourism opportunities that capitalise on our cultural and creative strengths
- 3.3 Continued commitment to the delivery of the Better Places Program
- 3.4 Increase participation in recreation activities across the community
- 3.5 Ensure land use and development supports high amenity, sustainability, exemplary design and responds to neighbourhood context

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

Services

Service area	Description of services provided		2020/21	2021/22	2022/23
			Actual \$'000	Forecast \$'000	Budget \$'000
Economic Development	<i>Provides business development, investment attraction and facilitation, training workshops and programs, support to the business community, industry partnerships, tourism and sister cities.</i>	Inc	696	285	0
		Exp	1,811	1,470	481
		Surplus/ (deficit)	(1,116)	(1,185)	(481)
Events and Visitor Services	<i>Provides opportunities for community celebration, encourages visitation and supports and promotes tourism development through a diverse and dispersed calendar of events and festivals. This also includes provision of information to residents, visitors, local businesses and tourism operators in visitor offerings, experiences and environment to promote the city and its attractions.</i>	Inc	15	157	82
		Exp	643	941	899
		Surplus/ (deficit)	(628)	(784)	(817)

Service area	Description of services provided		2020/21	2021/22	2022/23
			Actual \$'000	Forecast \$'000	Budget \$'000
Venues	<i>Manages the use of Council-owned Cultural venues, oversees venue management in relation to functions and bookings, programs, promotes and presents performing arts program, supports local theatre companies heritage conservation management and capital works.</i>	Inc	97	134	310
		Exp	548	668	825
		Surplus/ (deficit)	(450)	(534)	(515)
Arts and Culture	<i>Provides visual arts, public art, cultural development, heritage, Indigenous culture, cultural collections, festival and events, arts spaces, policy and strategy development.</i>	Inc	120	27	25
		Exp	1,204	1,345	1,238
		Surplus/ (deficit)	(1,084)	(1,318)	(1,212)
Sport and Recreation	<i>Manages and optimises the use of Council's sport, recreation and community facilities and increases participation in sport and recreation.</i>	Inc	63	54	146
		Exp	1,676	1,015	962
		Surplus/ (deficit)	(1,614)	(961)	(816)
Strategic Planning	<i>Considers planning scheme amendments, works through planning projects and develops policy that directs future land use outcomes within the municipality.</i>	Inc	256	48	3
		Exp	1,528	1,389	1,648
		Surplus/ (deficit)	(1,272)	(1,342)	(1,644)
Statutory Planning	<i>Assesses and provides advice in relation to planning application approvals under the Hobsons Bay Planning Scheme and the related legislations, calendar of events and festivals. This also includes provision of information to residents, visitors, local businesses and tourism operators in visitor offerings, experiences and environment to promote the city and its attractions.</i>	Inc	1,481	1,681	1,871
		Exp	3,765	3,682	3,925
		Surplus/ (deficit)	(2,284)	(2,001)	(2,055)
Open Space and City Design	<i>Develops and leads the implementation of key open space and urban strategies and actions, including planning, costing, consulting and designing for the implementation of capital works program for passive open space and other public spaces including retail, streetscapes and other civic spaces.</i>	Inc	0	9	0
		Exp	1,086	1,182	980
		Surplus/ (deficit)	(1,086)	(1,173)	(980)

Major Initiatives

1. Better Places and Spaces Laverton includes Woods Street/Lohse Street Village Masterplan, park upgrades, wayfinding signage implementation, Laverton school's precinct traffic safety improvements, Maher Road traffic calming work, and road rehabilitation for Ascot Street, Balmoral Street, Grace Street and Railway Avenue.
2. Better Places- Spotswood and South Kingsville initiatives including Hudsons Road drainage, improvements around Mary Street Reserve, traffic calming works along Hudsons Road and the Avenue, as well as the streetscape improvements Hall Street.
3. Croft Reserve (W.L.J.) Croft Reserve. Completion of a new open space, community space and playground upgrades.
Continuing from 2021/22.
4. Open Space Enhancement and Access Package at Don McLean Reserve encompassing the multi-year pavilion construction.
Continuing from 2021/22.

Service Performance Outcome Indicators**

Service area	Indicator	2020/21	2021/22	2022/23
		Actual	Forecast	Budget
Statutory planning	Decision making	62.50%	47.06%	

**refer to table in section 2.6 for information on the calculation of Service Performance Outcome Indicators.

2.4 Strategic Objective 4: COMMUNITY INFRASTRUCTURE - Visionary Community Infrastructure

Develop and maintain infrastructure to promote liveability, planning for the future need and growth of the community, while preserving heritage, environment and neighbourhood character

Council will work towards achieving this through the following strategies in addition to delivering ongoing core services:

- 4.1 Ensure the transport network is safe and efficient for all users with a focus on pedestrians and cyclists
- 4.2 Ensure that our assets are properly maintained now and into the future at the most economical cost to the community and the environment

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

Services

Service area	Description of services provided		2020/21	2021/22	2022/23
			Actual \$'000	Forecast \$'000	Budget \$'000
Works and Operation	<i>Provides infrastructure maintenance services including fleet maintenance and city maintenance, ensuring street and park furniture and signage are maintained to an appropriate standard, as well as home maintenance services to residents who qualify.</i>	Inc	4	4	4
		Exp	(236)	(597)	(469)
		Surplus/ (deficit)	239	602	473

Service area	Description of services provided		2020/21	2021/22	2022/23
			Actual \$'000	Forecast \$'000	Budget \$'000
Roads and Drainage	<i>Ensures roads, drainages and pathways are in safe and useable condition for all residents and visitors.</i>	Inc	1,102	1,348	1,055
		Exp	5,395	5,607	5,605
		Surplus/ (deficit)	(4,293)	(4,259)	(4,550)
Facilities Maintenance	<i>Ensures all Council buildings and facilities are maintained, cleaned and secured in accordance with both legislative requirements and residential expectations including sports clubs, community centres, activity halls, public toilets, kindergartens, corporate buildings and the operations centre.</i>	Inc	1,003	514	529
		Exp	7,094	6,784	6,853
		Surplus/ (deficit)	(6,092)	(6,270)	(6,324)
Capital Works	<i>Project manages the development, renewal and upgrade of community infrastructure.</i>	Inc	0	0	0
		Exp	200	174	171
		Surplus/ (deficit)	(200)	(174)	(171)
Engineering Services	<i>Provides a range of civil engineering services from community engagement, concept plans to final construction.</i>	Inc	703	231	0
		Exp	1,955	519	265
		Surplus/ (deficit)	(1,253)	(288)	(265)
Transport and Engineering Developments	<i>Plans and provides technical guidance to transport and parking management and drainage infrastructure to the community, internal stakeholders and external government agencies.</i>	Inc	265	0	162
		Exp	1,700	2,882	3,260
		Surplus/ (deficit)	(1,435)	(2,882)	(3,097)
Renewal and Programming	<i>Supports the preparation of the forward capital program including the development of a detailed 5-year capital works program, plans and facilitates the capital works program budgeting process and delivers the assigned capital works projects.</i>	Inc	0	0	0
		Exp	721	379	656
		Surplus/ (deficit)	(721)	(379)	(656)
Assets	<i>Reviews, develops and implements asset management processes, policies and plans that support the ongoing delivery of Council's best practice asset management. This involves the planning and development of long-term asset renewal and maintenance programs, maintenance of the corporate asset management system, and the Road Management Plan defects inspection.</i>	Inc	0	0	0
		Exp	727	1,132	1,453
		Surplus/ (deficit)	(727)	(1,132)	(1,453)
Strategic Projects	<i>Leads and delivers major capital projects, service improvement projects and Council's advocacy on the Victorian Government's infrastructure projects.</i>	Inc	423	280	640
		Exp	315	484	487
		Surplus/ (deficit)	108	(204)	153

Service area	Description of services provided	2020/21	2021/22	2022/23	
		Actual \$'000	Forecast \$'000	Budget \$'000	
City Amenity	<i>Manages the ongoing presentation of public and open space areas of the municipality which includes ensuring litter and waste in the public areas are appropriately captured and disposed of and public facilities such as public toilets, beaches, streets and footpaths are also kept clean and tidy.</i>	Inc	1,139	95	108
		Exp	5,498	5,111	4,746
		Surplus/ (deficit)	(4,359)	(5,016)	(4,637)

Major Initiatives

- 1) HC Kim Reserve in Seaholme. Construction of new pavilion and sports field and floodlighting upgrades, irrigation upgrade and carpark upgrades.
- 2) Dennis Reserve includes the construction of a new multipurpose community facility and car park.
- 3) Road Reconstruction (On/Off-Road Rehabilitation) Program - Railway Avenue, Laverton, from Merton St to Aviation Road.
- 4) Bruce Comben includes the open space development of the southern area oval and Henry Drive Carpark.
- 5) Brooklyn Hall Redevelopment will include compliant male and female toilet facilities, improved kitchen equipment and operable doors opening onto an outdoor decking area on the northside. A further extension of the hall to the west will include two additional multi-purpose rooms for up to 35 people per room, one small consultation room, unisex toilets, and a separate access foyer.

Service Performance Outcome Indicators**

Service area	Indicator	2020/21	2021/22	2022/23
		Actual	Forecast	Budget
Roads	Satisfaction	61	61	

**refer to table in section 2.6 for information on the calculation of Service Performance Outcome Indicators.

2.5 Strategic Objective 5: ORGANISATION - A High Performing Organisation

Delivering value for money through efficient processes, digital transformation and continuous improvement with a willingness to try new approaches as to how we do, what we do. We will be transparent and responsive to the needs of the community through meaningful connection, communication and engagement

Council will work towards achieving this through the following strategies in addition to delivering ongoing core services:

- 5.1 Improving the quality of our communication and engagement to ensure that our community is informed of and encouraged to contribute to issues in a diversity of ways most suited to them and to advocate for the areas of greatest need
- 5.2 Transform residents' experience across all Council services through simplifying our processes, fostering a customer first culture and enhancing digital services
- 5.3 Deliver value for money – continuous improvement while safeguarding the long-term financial sustainability of Council
- 5.4 Enhance transparency, accountability and good governance practice

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

Services

Service area	Description of services provided		2020/21	2021/22	2022/23
			Actual \$'000	Forecast \$'000	Budget \$'000
Risk, Audit and Emergency Management	<i>Facilitates Council's risk management, emergency planning, preparedness, response and recovery in accordance with the Emergency Management Acts as detailed in the Emergency Management Manual of Victoria.</i>	Inc	0	0	0
		Exp	516	538	666
		Surplus/ (deficit)	(516)	(538)	(666)
Strategic Communications	<i>Provides all communications and community relations advice, policy, protocol and delivery.</i>	Inc	0	0	0
		Exp	980	1,129	1,558
		Surplus/ (deficit)	(980)	(1,129)	(1,558)
Community Engagement and Advocacy	<i>Provision of advice to work areas in the design, delivery and evaluation of engagement and advocacy activity</i>	Inc	242	0	0
		Exp	787	546	575
		Surplus/ (deficit)	(545)	(546)	(575)
Finance	<i>Provides external financial reporting for Council. Includes the audited annual financial report, payment of accounts and Council treasury functions. Also provides internal financial reporting. This includes reporting to Council and the Executive Leadership Team, annual budget processes and maintenance of Council's general ledger.</i>	Inc	5	11	5
		Exp	1,081	1,083	1,111
		Surplus/ (deficit)	(1,076)	(1,072)	(1,106)

Service area	Description of services provided		2020/21	2021/22	2022/23
			Actual \$'000	Forecast \$'000	Budget \$'000
Revenue	Oversees Council rates, ensuring that the correct rates are raised, and the charges are effectively collected.	Inc	180	196	316
		Exp	978	766	927
		Surplus/ (deficit)	(798)	(570)	(612)
Procurement and Contracts	Coordinates the delivery of Council's procurement to ensure compliance with best value principles, Councils policies and legislation. Procurement and Contracts also manages the administration of tendering and contracts and oversees Council's online purchasing processes and classification of capital expenditure.	Inc	0	15	16
		Exp	630	571	637
		Surplus/ (deficit)	(630)	(556)	(620)
Governance and Information Management	Provides a range of Council governance functions, including Council meetings and timely advice and support in statutory compliance and information management services.	Inc	45	71	1
		Exp	1,327	841	1,007
		Surplus/ (deficit)	(1,283)	(770)	(1,007)
Digital Operations and Transformation	Provides a cost-effective, secure, and robust Information and Communication Technology (ICT) platform that supports Council's business needs as well as innovative digital solutions to support business transformation for Council and the community.	Inc	605	0	0
		Exp	4,352	4,893	4,660
		Surplus/ (deficit)	(3,746)	(4,893)	(4,660)
Human Resources	Supports the adherence to legislative requirements and the provision of best practice, proactive, high-quality human resources management, payroll and industrial/employee relations support, advice, recommendations, services, systems and programs.	Inc	133	0	0
		Exp	1,933	1,876	1,897
		Surplus/ (deficit)	(1,800)	(1,876)	(1,897)
Occupational Health and Safety	Supports the organisation to drive a proactive approach to Occupational Health and Safety (OHS) risk management and hazard identification through the provision of high quality OHS and injury management advice and a purposeful health and wellbeing program.	Inc	0	0	0
		Exp	16	30	84
		Surplus/ (deficit)	(16)	(30)	(84)
Organisational Culture and Development	Designs, develops and delivers Council's organisational culture and development initiatives and programs that are sustainable, relevant and build staff and organisational capability and engagement.	Inc	0	0	0
		Exp	325	453	508
		Surplus/ (deficit)	(325)	(453)	(508)
Legal and Performance Reporting	Provides in-house legal advisory service to Council to ensure statutory compliance and delivers Council planning and reporting functions that ensure Council is compliant with the statutory planning and reporting requirements.	Inc	0	0	0
		Exp	521	463	526
		Surplus/ (deficit)	(521)	(463)	(526)

Service area	Description of services provided		2020/21	2021/22	2022/23
			Actual \$'000	Forecast \$'000	Budget \$'000
Councillor Support and CEO's Office	<i>Provides administration support and advice to the Mayor and Councillors, Chief Executive Officer, and the Executive Leadership Team, to enhance the effectiveness of the organisation as a whole.</i>	Inc	0	0	0
		Exp	3,620	3,494	2,665
		Surplus/ (deficit)	(3,620)	(3,494)	(2,665)
Property and Insurance	<i>Manages all current physical property assets owned, managed, controlled, leased or licenced by Council. Manages Council's insurance ensuring comprehensive cover and management of claims.</i>	Inc	2,038	2,490	2,723
		Exp	1,790	2,201	2,419
		Surplus/ (deficit)	248	290	303

Major Initiatives

- 1) Council+ Customer Experience transformation. To improve the processes, ease of access and interaction between Council and its customers, ensuring processes are efficient, transparent and accessible.
Continuing from 2021/22
- 2) Community Learning and Service Centres Strategy. This will provide the strategic plan for the future management of Council's community learning and service centres across the municipality.
Continuing from 2021/22
- 3) Develop and implement new Risk Management Framework - ensure a consistent approach to the management of risk.
Continuing from 2021/22
- 4) Replacement of the Enterprise Document and Records Management system. To improve efficiency of Council operations.
Continuing from 2021/22
- 5) Implementation of the Customer Relationship Management system.
Continuing from 2021/22

Service Performance Outcome Indicators**

Service area	Indicator	2020/21	2021/22	2022/23
		Actual	Forecast	Budget
Governance	Satisfaction	58	58	

**refer to table in section 2.6 for information on the calculation of Service Performance Outcome Indicators.

2.5 Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Governance	Satisfaction	Satisfaction with Council decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)	Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community
Statutory planning	Decision making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100
Roads	Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.
Libraries	Participation	Active library borrowers in municipality (Percentage of the municipal population that are active library borrowers)	The sum of the number of active library borrowers in the last 3 financial years / The sum of the population in the last 3 financial years x100
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population
Animal Management	Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions / Total number of animal management prosecutions x100
Food safety	Health and safety	Critical and major non-compliance outcome notifications (Percentage of critical and major non-compliance outcome notifications that are followed up by Council)	[Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises] x100
Maternal and Child Health	Participation	Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100
		Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100

2.6 Reconciliation with budgeted operating result

Strategic Objectives	Surplus / (Deficit) \$'000	Expenditure \$'000	Revenue \$'000
COMMUNITY			
- Healthy, Equitable and Thriving Communities	14,298	27,051	12,753
ENVIRONMENT			
- Valuing our Environment	24,505	25,430	925
PLACE, RECREATION and ECONOMY			
- Vibrant Place and Economy	8,520	10,957	2,437
COMMUNITY INFRASTRUCTURE			
- Visionary Community Infrastructure	20,528	23,026	2,499
ORGANISATION			
- A High Performing Organisation	16,181	19,240	3,060
Total	84,032	105,705	21,673
Expenses added in:			
Depreciation	23,519		
Amortisation	463		
Finance costs	551		
Other	3,738		
Deficit before funding sources	112,303		
Funding sources added in:			
Rates & charges revenue	111,738		
Waste charge revenue	11,812		
Other	8,909		
Capital grants and contributions	6,183		
Total funding sources	138,643		
Surplus/(deficit) for the year	26,339		

3. Financial statements

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

Comprehensive Income Statement

Balance Sheet

Statement of Changes in Equity

Statement of Cash Flows

Statement of Capital Works

Statement of Human Resources

Comprehensive Income Statement

For the four years ending 30 June 2026

	NOTES	Forecast	Budget	Projections		
		Actual				
		2021/22	2022/23	2023/24	2024/25	2025/26
		\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Rates and charges	4.1.1	119,166	123,550	127,255	131,084	134,998
Statutory fees and fines	4.1.2	4,155	4,551	4,688	4,878	4,973
User fees	4.1.3	2,928	5,438	5,601	5,769	5,942
Grants – operating	4.1.4	12,119	10,359	10,499	10,761	11,030
Grants – capital	4.1.4	16,729	6,183	2,042	9,142	4,842
Contributions - monetary	4.1.5	4,738	6,759	5,996	6,760	4,060
Contributions – non-monetary	4.1.5					
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	4.1.6	50	50	50	50	50
Fair value adjustments for investment property		-	-	-	-	-
Share of net profits/(losses) of associates and joint ventures						
Other income	4.1.7	2,681	3,475	3,638	3,800	3,979
Total income		162,565	160,365	159,768	172,244	169,874
Expenses						
Employee costs	4.1.8	56,034	58,119	59,826	61,582	63,698
Materials and services	4.1.9	50,240	50,069	50,127	52,479	53,892
Depreciation	4.1.10	22,696	23,519	24,107	24,710	25,328
Amortisation - right of use assets	4.1.11	414	463	446	437	437
Bad and doubtful debts		269	314	314	314	314
Borrowing costs		400	527	847	1,210	1,269
Finance Costs - leases		39	24	24	24	24
Other expenses	4.1.12	961	991	1,016	1,041	1,067
Total expenses		131,052	134,026	136,706	141,796	146,028
Surplus/(deficit) for the year		31,513	26,339	23,062	30,448	23,846
Other comprehensive income						
Items that will not be reclassified to surplus or deficit in future periods		-	-	-	-	-
Net asset revaluation increment/(decrement)		-	-	-	-	-
Share of other comprehensive income of associates and joint ventures		-	-	-	-	-
Items that may be reclassified to surplus or deficit in future periods		-	-	-	-	-
Total other comprehensive income		-	-	-	-	-
Total comprehensive result		31,513	26,339	23,062	30,448	23,846

Balance Sheet

For the four years ending 30 June 2026

	NOTES	Forecast	Budget	Projections		
		Actual				
		2021/22	2022/23	2023/24	2024/25	2025/26
		\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Current assets						
Cash and cash equivalents		3,783	3,395	3,828	3,249	3,774
Trade and other receivables		14,456	11,970	12,443	12,893	13,406
Other financial assets		30,000	28,000	32,000	38,000	36,000
Inventories		16	16	16	16	16
Non-current assets classified as held for sale		-	-	-	-	-
Other assets		1,342	1,342	1,342	1,342	1,342
Total current assets	4.2.1	49,597	44,722	49,629	55,500	54,538
Non-current assets						
Trade and other receivables		200	157	158	115	115
Other financial assets		-	-	-	-	-
Property, infrastructure, plant & equipment		1,391,017	1,428,974	1,460,419	1,488,301	1,508,992
Right-of-use assets	4.2.4	676	761	761	761	761
Investment property		14,565	14,565	14,565	14,565	14,565
Total non-current assets	4.2.1	1,406,459	1,444,458	1,475,903	1,503,742	1,524,433
Total assets		1,456,056	1,489,180	1,525,533	1,559,243	1,578,971
Liabilities						
Current liabilities						
Trade and other payables		14,470	13,747	14,090	14,443	14,804
Trust funds and deposits		6,866	6,523	6,686	6,853	7,025
Unearned income/revenue		-	-	-	-	-
Provisions		13,183	13,512	13,850	14,196	14,622
Interest-bearing liabilities	4.2.3	624	1,289	2,526	8,046	3,417
Lease liabilities	4.2.4	448	709	709	709	709
Total current liabilities	4.2.2	35,591	35,780	37,861	44,247	40,576
Non-current liabilities						
Provisions		1,002	1,028	1,053	1,080	1,112
Interest-bearing liabilities	4.2.3	11,376	17,957	29,141	25,991	25,512
Lease liabilities	4.2.4	249	239	239	239	239
Total non-current liabilities	4.2.2	12,627	19,223	30,433	27,309	26,863
Total liabilities		48,218	55,003	68,294	71,557	67,439
Net assets		1,407,838	1,434,177	1,457,239	1,487,686	1,511,532
Equity						
Accumulated surplus		605,655	637,288	657,009	683,192	709,826
Reserves		802,182	796,889	800,229	804,494	801,706
Total equity		1,407,838	1,434,177	1,457,238	1,487,686	1,511,532

Statement of Changes in Equity

For the four years ending 30 June 2025

	NOTES	Total \$'000	Accumulate d Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2022 Forecast Actual					
Balance at beginning of the financial year		1,376,325	566,441	784,705	25,178
Surplus/(deficit) for the year		31,513	31,513	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		34,409	21,055	-	13,354
Transfers from other reserves		(34,409)	(13,354)	-	(21,055)
Balance at end of the financial year		1,407,838	605,655	784,705	17,477
2023 Budget					
Balance at beginning of the financial year		1,407,838	605,655	784,705	17,477
Surplus/(deficit) for the year		26,339	26,339	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves	4.3.1	22,972	14,133	-	8,839
Transfers from other reserves	4.3.1	(22,972)	(8,839)	-	(14,133)
Balance at end of the financial year	4.3.2	1,434,177	637,288	784,705	12,183
2024					
Balance at beginning of the financial year		1,434,177	637,288	784,705	12,183
Surplus/(deficit) for the year		23,062	23,062	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		13,096	4,878	-	8,218
Transfers from other reserves		(13,096)	(8,218)	-	(4,878)
Balance at end of the financial year		1,457,238	657,009	784,705	15,524
2025					
Balance at beginning of the financial year		1,457,238	657,009	784,705	15,524
Surplus/(deficit) for the year		30,448	30,448	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		15,669	5,703	-	9,967
Transfers from other reserves		(15,669)	(9,967)	-	(5,703)
Balance at end of the financial year		1,487,686	683,192	784,705	19,788
2026					
Balance at beginning of the financial year		1,487,686	683,192	784,705	19,788
Surplus/(deficit) for the year		23,846	23,846	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves		20,673	11,730	-	8,943
Transfers from other reserves		(20,673)	(8,943)	-	(11,730)
Balance at end of the financial year		1,511,532	709,826	784,705	17,001

Statement of Cash Flows

For the four years ending 30 June
2026

	Forecast					
	Actual	Budget	Projections			
	2021/22	2022/23	2023/24	2024/25	2025/26	
	\$'000	\$'000	\$'000	\$'000	\$'000	
	Inflows	Inflows	Inflows	Inflows	Inflows	
	NOTES	(Outflows)	(Outflows)	(Outflows)	(Outflows)	
Cash flows from operating activities						
Rates and charges	121,592	126,310	127,070	130,893	134,803	
Statutory fees and fines	4,155	4,551	4,688	4,878	4,973	
User fees	2,928	5,164	5,313	5,467	5,625	
Grants – operating	12,119	10,359	10,499	10,761	11,030	
Grants - capital	16,729	6,183	2,042	9,142	4,842	
Contributions - monetary	4,738	6,759	5,996	6,760	4,060	
Interest received	100	400	471	537	619	
Trust funds and deposits taken	-	-	-	-	-	
Other receipts	2,681	3,475	3,638	3,800	3,979	
Net GST refund / payment	-	-	-	-	-	
Employee costs	(55,688)	(57,764)	(59,463)	(61,209)	(63,240)	
Materials and services	(58,013)	(51,784)	(50,799)	(53,168)	(54,598)	
Short-term, low value and variable lease payments	-	-	-	-	-	
Trust funds and deposits repaid	-	-	-	-	-	
Other payments	-	-	-	-	-	
Net cash provided by/(used in) operating activities	4.4.1	51,340	53,653	49,454	57,861	52,092
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment	(60,224)	(62,961)	(56,795)	(53,800)	(47,390)	
Proceeds from sale of property, infrastructure, plant and equipment	200	200	200	200	200	
Payments for investments	10,000	2,000	(4,000)	(6,000)	2,000	
Proceeds from sale of investments	-	-	-	-	-	
Payments of loans and advances	-	-	-	-	-	
Net cash provided by/ (used in) investing activities	4.4.2	(50,024)	(60,761)	(60,595)	(59,600)	(45,190)
Cash flows from financing activities						
Finance costs	(400)	(527)	(847)	(1,210)	(1,269)	
Proceeds from borrowings	7,000	8,000	14,000	5,000	3,000	
Repayment of borrowings	(9,200)	(754)	(1,579)	(2,629)	(8,108)	
Interest paid - lease liability	-	-	-	-	-	
Repayment of lease liabilities	-	-	-	-	-	
Net cash provided by/(used in) financing activities	4.4.3	(2,600)	6,719	11,574	1,161	(6,377)
Net increase/(decrease) in cash & cash equivalents		(1,284)	(389)	433	(579)	525
Cash and cash equivalents at the beginning of the financial year		5,067	3,783	3,395	3,828	3,249
Cash and cash equivalents at the end of the financial year		3,783	3,395	3,828	3,249	3,774

Statement of Capital Works

For the four years ending 30 June 2026

	NOTES	Forecast	Budget	Projections		
		Actual		2023/24	2024/25	2025/26
		2021/22	2022/23	\$'000	\$'000	\$'000
Property						
Land		-	-	-	-	-
Total land		-	-	-	-	-
Buildings		18,963	20,707	4,545	11,330	7,360
Heritage buildings		158	30	35	35	50
Total buildings		19,121	20,737	4,580	11,365	7,410
Total property		19,121	20,737	4,580	11,365	7,410
Plant and equipment						
Heritage plant and equipment		13	37	-	-	-
Plant, machinery and equipment		1,060	3,745	2,200	2,200	2,150
Fixtures, fittings and furniture		282	-	-	-	-
Computers and telecommunications		748	750	1,100	950	850
Library books		725	850	750	750	750
Total plant and equipment		2,828	5,382	4,050	3,900	3,750
Infrastructure						
Roads		13,444	14,170	18,205	16,765	19,560
Bridges		217	575	290	385	230
Footpaths and cycleways		3,172	2,365	2,800	1,850	1,340
Drainage		1,150	5,154	5,100	4,300	3,500
Recreational, leisure and community facilities		4,845	3,073	2,923	5,460	6,290
Parks, open space and streetscapes		12,426	8,033	15,550	7,410	3,550
Waste management		626	1,150	1,500	-	-
Off street car parks		541	1,437	513	410	625
Other infrastructure		1,855	885	1,285	1,955	1,135
Total infrastructure		38,275	36,842	48,165	38,535	36,230
Total capital works expenditure	4.5.1	60,224	62,961	56,795	53,800	47,390
Expenditure types represented by:						
New asset expenditure		12,356	13,003	4,075	965	215
Asset renewal expenditure		18,524	24,336	22,495	24,510	25,365
Asset upgrade expenditure		29,343	25,622	30,225	28,325	21,810
Total capital works expenditure	4.5.1	60,224	62,961	56,795	53,800	47,390
Funding sources represented by:						
Grants		16,729	6,183	2,042	9,142	4,842
Contributions		140	-	-	-	-
Council cash		36,355	48,778	40,753	39,658	39,548
Borrowings		7,000	8,000	14,000	5,000	3,000
Total capital works expenditure	4.5.1	60,224	62,961	56,795	53,800	47,390

Statement of Human Resources

For the four years ending 30 June 2026

	Forecast	Budget	Projections		
	Actual				
	2021/22	2022/23	2023/24	2024/25	2025/26
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	56,034	58,119	59,826	61,582	63,698
Employee costs - capital	2,489	3,129	3,221	3,316	3,430
Total staff expenditure	58,523	61,248	63,048	64,898	67,128
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	521.4	549.3	549.3	549.3	549.3
Total staff numbers	521.4	549.3	549.3	549.3	549.3

The above table reflects staffing levels (Full Time Equivalent – FTE) from one financial year to another. The increase in staff numbers compared to the previous year forecast is due to services returning to normal pre-COVID levels. There were also a number of vacancies in 2021-22, while additional staff number have been included as a result of transferring previous agency and contract staff into internal payroll. Despite the additional positions, these efficiency initiatives have led to savings as indicated by the employee costs only increasing by 3.7 per cent, inclusive of the Enterprise Agreement increase of 1.5 per cent (\$841,000), superannuation including the legislative increase of 0.5 per cent (\$541,000) and the Workcover premium (\$252,000).

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

Department	Budget 2022/23 \$'000	Comprises			
		Permanent		Casual	Temporary
		Full Time \$'000	Part time \$'000	\$'000	\$'000
Chief Executive's Office	2,491	2,022	469	-	-
Corporate Services	17,447	11,887	3,033	1,359	1,168
Sustainable Communities	19,550	12,487	5,560	419	1,084
Infrastructure & City Services	17,901	16,097	200	86	1,518
Total permanent staff expenditure	57,390	42,493	9,263	1,864	3,771
Other employee related expenditure	729				
Capitalised labour costs	3,129				
Total expenditure	61,248				

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

Department	Budget 2022/23	Comprises			
		Permanent Full Time	Part time	Casual	Temporary
Chief Executive's Office	18.5	14.0	4.5	-	-
Corporate Services	164.7	102.1	30.9	16.2	15.5
Sustainable Communities	170.9	102.9	52.0	2.9	13.0
Infrastructure & City Services	170.2	152.0	1.9	0.9	15.4
	524.2	371.0	89.2	20.1	43.9
Capitalised labour costs	25.1				
Total staff	549.3				

Statement of Human Resources

For the four years ending 30 June 2026

	2022/23	2023/24	2024/25	2025/26
	\$'000	\$'000	\$'000	\$'000
Chief Executive's Office				
Permanent - Full time				
Women	967	996	1,025	1,060
Men	1,055	1,086	1,118	1,156
Persons of self-described gender	-	-	-	-
Permanent - Part time				
Women	440	453	467	483
Men	29	30	31	32
Persons of self-described gender	-	-	-	-
Total Chief Executive's Office	2,491	2,565	2,640	2,731
Corporate Services				
Permanent - Full time				
Women	6,713	6,910	7,113	7,357
Men	5,174	5,326	5,482	5,671
Persons of self-described gender	-	-	-	-
Permanent - Part time				
Women	2,597	2,674	2,752	2,847
Men	436	449	462	478
Persons of self-described gender	-	-	-	-
Total Corporate Services	14,920	15,358	15,809	16,353
Sustainable Communities				
Permanent - Full time				
Women	8,069	8,306	8,549	8,843
Men	4,419	4,549	4,682	4,843
Persons of self-described gender	-	-	-	-
Permanent - Part time				
Women	4,907	5,051	5,199	5,378
Men	653	672	692	716
Persons of self-described gender	-	-	-	-
Total Sustainable Communities	18,047	18,577	19,123	19,780
Infrastructure & City Services				
Permanent - Full time				
Women	3,179	3,272	3,368	3,484
Men	12,918	13,297	13,687	14,158
Persons of self-described gender	-	-	-	-
Permanent - Part time				
Women	174	179	184	190
Men	27	27	28	29
Persons of self-described gender	-	-	-	-
Total Infrastructure & City Services	16,297	16,776	17,268	17,862
Casuals, temporary and other expenditure	6,363	6,550	6,742	6,974
Capitalised labour costs	3,129	3,221	3,316	3,430
Total staff expenditure	61,248	63,048	64,898	67,128

	2022/23	2023/24	2024/25	2025/26
	FTE	FTE	FTE	FTE
Chief Executive's Office				
Permanent - Full time				
Women	8.0	8.0	8.0	8.0
Men	6.0	6.0	6.0	6.0
Persons of self-described gender	-	-	-	-
Permanent - Part time				
Women	4.2	4.2	4.2	4.2
Men	0.3	0.3	0.3	0.3
Persons of self-described gender	-	-	-	-
Total Chief Executive's Office	18.5	18.5	18.5	18.5
Corporate Services				
Permanent - Full time				
Women	61.1	61.1	61.1	61.1
Men	41.0	41.0	41.0	41.0
Persons of self-described gender	-	-	-	-
Permanent - Part time				
Women	26.3	26.3	26.3	26.3
Men	4.5	4.5	4.5	4.5
Persons of self-described gender	-	-	-	-
Total Corporate Services	132.9	132.9	132.9	132.9
Sustainable Communities				
Permanent - Full time				
Women	66.7	66.7	66.7	66.7
Men	36.2	36.2	36.2	36.2
Persons of self-described gender	-	-	-	-
Permanent - Part time				
Women	45.9	45.9	45.9	45.9
Men	6.1	6.1	6.1	6.1
Persons of self-described gender	-	-	-	-
Total Sustainable Communities	154.9	154.9	154.9	154.9
Infrastructure & City Services				
Permanent - Full time				
Women	30.0	30.0	30.0	30.0
Men	122.0	122.0	122.0	122.0
Persons of self-described gender	-	-	-	-
Permanent - Part time				
Women	1.6	1.6	1.6	1.6
Men	0.2	0.2	0.2	0.2
Persons of self-described gender	-	-	-	-
Total Infrastructure & City Services	153.9	153.9	153.9	153.9
Casuals and temporary staff	64.0	64.0	64.0	64.0
Capitalised labour	25.1	25.1	25.1	25.1
Total staff numbers	549.3	549.3	549.3	549.3

4. Notes to the financial statements

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

4.1 Comprehensive Income Statement

4.1.1 Rates and charges

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

In developing the Budget, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the financial planning process.

The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. Rate cap increases for Victorian councils have generally been linked to the forecast movement in the Consumer Price Index (CPI). For 2022-23 the FGRS cap has been set at 1.75 per cent, which is well below the All Groups CPI of 5.1 per cent over the twelve months to the March 2022 quarter. The cap applies to general rates and is calculated on the basis of council's average rates and charges.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the community. To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate will increase by 1.75 per cent in line with the rate cap.

Waste service charges are exempt from the rate cap. A 9.6 per cent increase is planned to the waste service charges. The waste income for 2022-23 does not cover the cost of providing the waste service as Council has decided to re-coup its considerable investment to expand its waste service over a number of years.

Total rate income is expected to increase by 3.7 per cent, raising total rates and charges for 2022-23 to \$123.55 million.

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

	Forecast Actual 2021/22 \$'000	Budget 2022/23 \$'000	Change	
			\$'000	%
General rates*	108,479	111,109	2,630	2.4%
Waste management charge	10,732	11,812	1,080	10.1%
Supplementary rates	364	400	36	9.9%
Interest on rates and charges	600	450	(150)	(25.0%)
Council pensioner rebates	(464)	(475)	(11)	2.4%
Rate Waivers and Relief	(900)	(100)	800	(88.9%)
Revenue in lieu of rates	354	354	-	-
Total rates and charges	119,165	123,550	4,385	3.7%

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

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

Type or class of land	2021/22 cents/\$CIV	2022/23 cents/\$CIV*	Change
General rate for rateable residential properties	0.222200	0.209745	(5.6%)
General rate for rateable residential vacant land properties	0.355500	0.335592	(5.6%)
General rate for rateable commercial properties	0.511100	0.482413	(5.6%)
General rate for rateable industrial properties	0.755500	0.713133	(5.6%)
General rate for rateable petro-chemical properties	0.888800	0.838980	(5.6%)
Rate concession for rateable cultural & recreational properties	0.100000	0.094385	(5.6%)

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

Type or class of land	2021/22 Number	2022/23 Number	Change	%
Residential	70,262,029	73,238,266	2,976,238	4.2%
Residential vacant land	749,072	612,481	(136,592)	(18.2%)
Commercial	8,018,265	8,105,908	87,644	1.1%
Industrial	25,152,714	26,724,160	1,571,446	6.2%
Petro-chemical	2,596,691	2,344,278	(252,414)	(9.7%)
Cultural and recreational	79,192	83,781	4,589	5.8%
Total amount to be raised by general rates	106,857,963	111,108,874	4,250,911	4.0%

4.1.1(d) The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year.

Type or class of land	2021/22 Number	2022/23 Number	Change	%
Residential	39,590	40,027	437	1.1%
Residential vacant land	231	208	(23)	(10.0%)
Commercial	1,460	1,474	14	1.0%
Industrial	1,922	2,056	134	7.0%
Petro-chemical	18	18	-	-
Cultural and recreational	40	39	(1)	(2.5%)
Total number of assessments	43,261	43,822	561	1.3%

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

4.1.1(f) The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year

Type or class of land	2021/22 \$'000	2022/23 \$'000	Change	%
Residential	31,621,075	34,917,765	3,296,690	10.4%
Residential vacant land	210,710	182,508	(28,202)	(13.4%)
Commercial	1,568,825	1,680,284	111,459	7.1%
Industrial	3,329,281	3,747,430	418,150	12.6%
Petro-chemical	292,157	279,420	(12,737)	(4.4%)
Cultural and recreational	79,192	88,765	9,574	12.1%
Total value of land	37,101,239	40,896,172	3,794,933	10.2%

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

Type of Charge	Per Rateable Property	Per Rateable Property	Change	
	2021/22	2022/23	\$	%
	\$	\$	\$	%
Municipal		Not applicable		

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

Type of Charge	Per Rateable Property	Per Rateable Property	Change	
	2021/22	2022/23	\$	%
	\$	\$	\$	%
Municipal		Not applicable		

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

Type of Charge	Per Rateable Property	Per Rateable Property	Change	
	2021/22	2022/23	\$,000	%
	\$	\$	\$,000	%
(ST) Base Waste Service Charge for four bins (120L green - food & garden, 120L waste, 240L mixed recycle, 120L glass)	250.00	274.00	24.00	9.6%
(S) Waste Service Charge for properties in MUDs/apartment blocks/villages with shared bins	212.00	232.35	20.35	9.6%
(U1) Upsize waste to 240L	99.00	108.50	9.50	9.6%
(U2) Upsize green - food & garden to 240L	33.00	36.17	3.17	9.6%
UF1 Free Upsize Waste	-	-	-	-
UF2 Free Upsize Med	-	-	-	-
(A1) Additional 240L waste	253.00	277.29	24.29	9.6%
(A2) Additional 120L waste	154.00	168.78	14.78	9.6%
(A3) Additional 240L recycle	99.00	108.50	9.50	9.6%
(A4) Additional 240L green - food & garden	154.00	168.78	14.78	9.6%
(A5) Additional 120L green - food & garden	121.00	132.62	11.62	9.6%
(A6) Additional 120L glass	66.00	72.34	6.34	9.6%

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

Type of Charge	2021/22	2022/23	Change	
	\$	\$	\$,000	%
(ST) Base Waste Service Charge for four bins (120L green - food & garden, 120L waste, 240L mixed recycle, 120L glass)	9,680,500	10,670,930	990,430	10.2%
(S) Waste Service Charge for properties in MUDs/apartment blocks/villages with shared bins	177,020	189,367	12,347	7.0%
(U1) Upsize waste to 240L	124,344	184,891	60,547	48.7%
(U2) Upsize green - food & garden to 240L	528,495	586,139	57,644	10.9%
UF1 Free Upsize Waste	-	-	-	-
UF2 Free Upsize Med	-	-	-	-
(A1) Additional 240L waste	27,324	36,047	8,723	31.9%
(A2) Additional 120L waste	84,854	87,599	2,745	3.2%
(A3) Additional 240L recycle	21,087	25,064	3,977	18.9%
(A4) Additional 240L green - food & garden	19,096	26,837	7,741	40.5%
(A5) Additional 120L green - food & garden	121	1,194	1,073	886.4%
(A6) Additional 120L glass	3,960	5,498	1,538	38.8%
Total	10,666,801	11,813,565	1,146,764	10.8%

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

	2020/21	2021/22	Change	
	\$'000	\$'000	\$'000	%
Amount raised in general rates:				
Residential	70,262	73,238	2,976	4.2%
Residential vacant land	749	612	(137)	(18.2%)
Commercial	8,018	8,106	88	1.1%
Industrial	25,153	26,724	1,571	6.2%
Petro-chemical	2,597	2,344	(252)	(9.7%)
Cultural and recreational	79	84	5	5.8%
Sub-total	106,858	111,109	4,251	4.0%
"(ST) Base Waste Service Charge for four bins (120L green - food & garden, 120L waste, 240L mixed recycle, 120L glass)"	9,681	10,671	990	10.2%
(S) Waste Service Charge for properties in MUDs/apartment blocks/villages with shared bins	177	189	12	7.0%
(U1) Upsize waste to 240L	124	185	61	48.7%
(U2) Upsize green - food & garden to 240L	528	586	58	10.9%
UF1 Free Upsize Waste	-	-	-	#DIV/0!
UF2 Free Upsize Medical	-	-	-	#DIV/0!
(A1) Additional 240L waste	27	36	9	31.9%
(A2) Additional 120L waste	85	88	3	3.2%
(A3) Additional 240L recycle	21	25	4	18.9%
(A4) Additional 240L green - food & garden	19	27	8	40.5%
(A5) Additional 120L green - food & garden	0	1	1	886.4%
(A6) Additional 120L glass	4	5	2	38.8%
Sub-total	10,667	11,814	1,147	10.8%
Other:				
Supplementary Rates	400	400	-	-
Interest on rate and charges	450	450	-	-
Council rebates	(467)	(475)	(8)	1.7%
Rate Waivers and Relief	(900)	(100)	800	(88.9%)
Payment in lieu of rates	344	354	10	2.9%
Sub-total	(173)	629	802	(463.6%)
Total Rates and charges	117,352	123,551	6,200	5.3%

4.1.1(l) Fair Go Rates System Compliance

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

	2021/22	2022/23
Total Rates	\$106,778,771	\$111,025,093
Number of rateable properties	43,221	43,783
Base Average Rate	\$2,470.53	\$2,535.80
Maximum Rate Increase (set by the State Government)	1.50%	1.75%
Capped Average Rate	\$2,470.53	\$2,535.80
Maximum General Rates and Municipal Charges Revenue	\$106,779,659	\$111,026,636
Budgeted General Rates and Municipal Charges Revenue	\$106,778,771	\$111,025,093
Budgeted Supplementary Rates	400,000	\$400,000
Budgeted Total Rates and Municipal Charges Revenue	\$107,178,771	\$111,425,093

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

4.1.1(m) Any significant changes that may affect the estimated amounts to be raised by rates and charges

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

- the making of supplementary valuations (2022-23: est.\$400,000 and 2021-22: \$400,000)
- the variation of returned levels of value (e.g. valuation appeals)
- changes of use of land such that rateable land becomes non-rateable land and vice versa
- changes of use of land such that residential land becomes business land and vice versa
- any rate relief resolved by Council in an attempt to relief financial hardship created by the COVID-19 pandemic

4.1.1(n) Differential rates

Rates to be levied

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

- a general rate of 0.209745 (0.209745 cents in the dollar of CIV) for all rateable residential properties
- a general rate of 0.335592 (0.335592 cents in the dollar of CIV) for all rateable vacant residential properties
- a general rate of 0.482413 (0.482413 cents in the dollar of CIV) for all rateable commercial properties
- a general rate of 0.713133 (0.713133 cents in the dollar of CIV) for all rateable industrial properties
- a general rate of 0.838980 (0.838980 cents in the dollar of CIV) for all rateable petro chemical properties
- a rate (concession) of 0.094385 (0.094385 cents in the dollar of CIV) for all rateable cultural and recreational properties

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

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

Commercial land

Commercial land is any land:

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

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

- construction and maintenance of infrastructure assets
- development and provision of health, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

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

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

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

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

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

The types of buildings on the land are, all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2022-23 financial year.

Industrial Land

Industrial land is any land:

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

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

- construction and maintenance of infrastructure assets
- development and provision of health, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

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

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

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

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

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

The types of buildings on the land are, all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2022-23 financial year.

Petro Chemical Land

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

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

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

- construction and maintenance of infrastructure assets
- development and provision of health, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

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

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

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

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

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

The types of buildings on the land are, all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2022-23 financial year.

Vacant Residential Land

Vacant Residential land is any land:

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

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

- construction and maintenance of infrastructure assets
- development and provision of health, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

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

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

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

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

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

The types of buildings on the land are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2022-23 financial year.

Other Land (including Residential Land)

Other land (including residential land) is any land:

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

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

- construction and maintenance of infrastructure assets
- development and provision of health, environmental, conservation and community services
- provision of strategic and economic management and general support services; and
- promotion of cultural, heritage and tourism aspects of Council's municipal district

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

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

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

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

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

The types of buildings on the land are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2022-23 financial year.

Rate Concession for Rateable Cultural and Recreational Properties

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

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

Vested in or occupied by anybody corporate or unincorporated body which exist for the purpose of providing or promoting cultural or sporting recreational or similar facilities or objectives and which applies its profits in promoting its objects and prohibits the payment of any dividend or amount to its members: and

used for outdoor sporting recreational or cultural purposes or similar outdoor activities; or Lands which are used primarily as agricultural showgrounds.

Section 169 of the *Local Government Act 1989*, provides an opportunity for Council to grant a concession for properties described by definition as a sporting club under the *Cultural and Recreational Lands Act 1963*. For the rating year 2022-23 Council provides a concession to 40 properties coded with a description of "sporting club" in Council's rate records. The residential rate is applied to these properties and then a 55 per cent discount on rates is apportioned to each property. It is considered that these clubs provide a benefit to the general community and their activities assist in the proper development of the municipal district.

4.1.2 Statutory fees and fines

	Forecast	Budget	Change	
	Actual	2022/23	\$'000	%
	2021/22	2022/23	\$'000	%
Infringements and costs	1,517	1,890	373	24.6%
Court recoveries	11	13	2	18.6%
Planning and building fees	1,743	1,803	61	3.5%
Animal control	699	721	22	3.2%
Land information certificates	115	112	(3)	(2.3%)
Election fines	56	-	(56)	(100.0%)
Road Management Fees	14	11	(3)	(18.6%)
Building services	4,155	4,551	396	9.5%

Statutory fees and fines are those which Council collects under the direction of legislation or other government directives. The rates used for statutory fees and fines are generally advised by the State Government department responsible for the corresponding services or legislation, and generally Council has limited discretion in applying these fees. Examples of statutory fees and fines include Planning and subdivision fees, Building and inspection fees, Infringements and fines, Land information certificate fees and Animal registrations.

Statutory fees and fines are expected to increase by \$396,000 when compared to 2021-22. The most significant increases when compared to 2021-22 are expected in relation to a conservative full year reinstatement of parking infringements (\$383,000), town planning fees (\$51,000), building control (\$50,000) and animal registrations (\$22,000).

The most significant decreases when compared to 2021-22 relate to election fines (\$56,000) and planning scheme amendments (\$40,000).

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

4.1.3 User fees

	Forecast	Budget	Change	
	Actual	2022/23	\$'000	%
	2021/22	2022/23	\$'000	%
Aged and health services	423	1,018	595	140.7%
Parking	754	1,997	1,243	164.9%
Childcare/children's programs	45	68	23	51.8%
Recreation	114	152	39	33.9%
Other fees and charges	667	1,007	340	50.9%
Registration and other permits	2	173	171	8320.9%
Building services	427	383	(43)	(10.2%)
Roads and drains	436	506	70	16.1%
Property revaluation fees	4	13	9	232.5%
Library	34	48	14	40.1%
Waste management services	23	72	48	209.0%
Total user fees	2,928	5,438	2,509	85.7%

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

User fees are expected to increase by \$2.509 million when compared to 2021-22. The expected increase is largely due to the (part of full year) reinstatement of fees that were reduced or waived because of the COVID-19 pandemic. The most significant increases are food safety permits (\$557,000), Nelson Place and The Esplanade, Williamstown parking meter income (\$173,000), footpath and furniture trading permits – classified under registration and other permits (\$161,000), road opening reinstatements (\$106,000), debt recovery income (\$110,000), Town Planning fee increases (\$73,000), additional hard waste collections (\$48,000), health permits (\$42,000), facilities (\$40,000), renewal energy certificates (\$36,000), and animal control pound release fees (\$30,000).

User fees have also increased as Council aims to diversify and expand its revenue streams. This includes the introduction of residential parking permit fees for households requiring more than two free permits (\$862,000) and proposed paid parking non-resident visitors to Hobsons Bay wishing to park along the Altona Beach foreshore (\$200,000).

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

4.1.4 Grants

	Forecast Actual 2021/22 \$'000	Budget 2022/23 \$'000	Change	
			\$'000	%
Summary of grants				
Commonwealth funded grants	6,875	5,481	(1,394)	(20.3%)
State funded grants	5,244	4,879	(365)	(7.0%)
Total grants received	12,119	10,359	(1,759)	-14.5%
(a) Operating Grants				
Recurrent - Commonwealth Government				
Aged care	2,242	2,275	33	1.5%
Family, youth and children services	305	345	40	13.1%
Food services	5	5	-	0.0%
Financial assistance grants	3,817	2,351	(1,466)	(38.4%)
Recurrent - State Government				
Aged care	262	128	(135)	(51.3%)
School crossing supervisors	333	333	-	0.0%
Libraries	687	667	(20)	(2.9%)
Family, youth and children services	688	771	83	12.0%
Infrastructure	20	360	340	1700.0%
Maternal and child health	821	713	(108)	(13.1%)
Food services	2	2	-	0.0%
Public health	112	113	1	0.8%
Other	604	632	29	4.7%
Total recurrent operating grants	9,898	8,694	(1,204)	(12.2%)
Non-recurrent - Commonwealth				
Aged care	505	505	-	0.0%
Non-recurrent - State Government				
Aged care	27	27	-	0.0%
Beach cleaning	-	-	-	0.0%
Family, youth and children services	53	25	(28)	(53.2%)
Infrastructure	260	260	-	0.0%
Other	1,376	849	(527)	(38.3%)
Total non-recurrent operating grants	2,221	1,666	(555)	(25.0%)
Total operating grants	12,119	10,359	(1,759)	(14.5%)
(b) Capital Grants				
Recurrent - Commonwealth Government				
Roads to recovery	477	477	-	0.0%
Total recurrent capital grants	477	477	-	0.0%
Non-recurrent - State Government				
Buildings	1,570	1,230	(340)	(21.7%)
Recreation, leisure and community facilities	2,375	550	(1,825)	(76.8%)
Roads	5,408	3,165	(2,243)	(41.5%)
Other Infrastructure	-	100	100	100.0%
Parks & Open Space	6,884	646	(6,238)	(90.6%)
Library Books	15	15	-	0.0%
Total non-recurrent capital grants	16,252	5,706	(10,546)	(64.9%)
Total capital grants	16,729	6,183	(10,546)	(63.0%)
Total Grants	28,848	16,542	(12,305)	(42.7%)

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 \$1.759 million (14.5 per cent) compared to 2021-22.

The main decrease when compared to the 2021-22 forecast is for non-recurrent State funding received for COVID support activities (\$940,000). Other State non-recurrent funding is budgeted to decrease for the Women in Building program (\$150,000), conservation management (\$110,000), parks management (\$55,000).

State non-recurrent funding is budgeted to increase for recycling funding (\$604,000), and a Developer Contribution review (\$65,000)

Recurrent State Funding for Support for Carers will no longer be received as this program will now be delivered by other service providers in Hobsons Bay (\$137,000). Other Recurrent State funding budgeted to decrease is for the Sleep Support & Education program (\$136,000) and Enhanced Maternal Child Health Services (\$54,000) as a result of carried forward income in FY20/21

Recurrent State funding is budgeted to increase for Preschool Field Officers (\$36,000).

Decreases are expected in recurrent Commonwealth funding for financial assistance grants as payments have been brought forward and paid in 2021-22 (\$1.071 million).

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

The budget for 2022-23 includes non-recurrent capital grant funding of \$5.706 million, an expected decrease of \$10.546 million compared to 2021-22. The most significant decreases relate to parks and open spaces (\$6.238 million), roads (\$2.243 million) and recreation, leisure and community facilities (\$1.825 million).

Recurrent capital grant funding for the Roads to Recovery program is in line with the previous year (\$477,000).

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

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

4.1.5 Contributions

	Forecast	Budget	Change	
	Actual	2022/23	\$'000	%
	2021/22	2022/23	\$'000	%
Monetary	4,738	6,759	2,021	42.7%
Non-Monetary	-	-	-	-
Total contributions	4,738	6,759	2,021	42.7%

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

Monetary contributions have been budgeted to increase by \$2.021 million (42.7 per cent) mainly due to those expected to be received in relation to the Altona North Developer Contribution Plan - Precinct 15 (\$2.164 million). These will be transferred to a reserve to ensure that those contributions received will be spent on their intended use in the future.

Reductions are expected for capital works contributions (\$120,000).

4.1.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

	Forecast	Budget	Change	
	Actual	2022/23	\$'000	%
	2021/22	2022/23	\$'000	%
Plant				
Sales	200	200	-	-
WDV of assets sold & cost of sale	150	150	-	-
Net gain/(loss) on plant	50	50	-	-
Net gain/(loss)	50	50	-	-

A net profit on the disposal of property, infrastructure, plant and equipment of \$50,000 has been included in the budget for 2022-23, consistent with the 2021-22 forecast. Sales in relation to Council's plant (vehicle) fleet are the only disposals included in the budget.

Outlined in Council's recently adopted Property Strategy is the requirement to establish a Property Acquisitions and Disposal Policy. This will require an evaluation of Council's existing property assets as to their suitability and location in meeting Council's service and property requirements and will consider the suitability of the disposal of Council's surplus property. It is Council's intention to allocate the majority of income generated from the disposal of property assets to a new major projects reserve established to meet its financial contributions towards the Western Aquatic and Leisure Centre and Hobsons Bay Wetlands Centre. It is also envisaged that a portion of future land sales will be set aside for the establishment of Council's Property Development Fund.

4.1.7 Other income

	Forecast	Budget	Change	
	Actual	2022/23	\$'000	%
	2021/22	\$'000	\$'000	%
Interest	100	400	300	300.0%
Investment property rental	2,436	2,649	213	8.8%
Other rent	145	426	280	192.6%
Total other income	2,681	3,475	793	29.6%

Other income relates mainly to property and other facilities rentals, as well as interest on investments and these are expected to increase by \$793,000 compared to 2021-22.

Investment property rental and other rental income have increased by \$493,000 due to a return to pre COVID-19 demand for the use of Council facilities, CPI increases and reinstatement of rental income that was waived in the previous year as part of the state legislated Commercial Tenancy Relief Scheme.

4.1.8 Employee costs

	Forecast	Budget	Change	
	Actual	2022/23	\$'000	%
	2021/22	\$'000	\$'000	%
Wages and salaries	49,112	51,428	(2,316)	(4.7%)
WorkCover	725	944	(218)	(30.1%)
Casual staff	1,193	534	659	55.2%
Superannuation	4,672	5,213	(541)	(11.6%)
Redundancy	331	-	331	100.0%
Total employee costs	56,034	58,119	(2,085)	(3.7%)

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, rostered days off, etc. Employee costs are projected to increase by \$2.085 million.

Employee costs have increased by 3.7 per cent, which includes the Enterprise Agreement increase of 1.5 per cent. The further increase relates to the provision of services returning to normal pre-COVID levels and vacant positions not previously filled throughout the COVID pandemic.

The most significant increases are for the Enterprise Agreement (\$841,000), superannuation including the legislative increase of 0.5 per cent (\$541,000) and the Workcover premium (\$252,000).

The most significant decreases are for agency staff (\$659,000), redundancies (\$331,000) and parental leave (\$227,000).

4.1.9 Materials and services

	Forecast	Budget	Change	
	Actual			
	2021/22	2022/23	\$'000	%
	\$'000	\$'000	\$'000	%
Building maintenance	4,887	5,008	(121)	(2.5%)
General maintenance	6,594	6,575	18	0.3%
Utilities	3,046	3,305	(258)	(8.5%)
Professional Services	4,019	3,851	168	4.2%
Information technology	2,779	2,504	275	9.9%
Insurance	1,563	1,743	(181)	(11.6%)
Environmental and waste management	11,836	10,652	1,185	10.0%
Community care	1,973	1,734	239	12.1%
Road maintenance	4,826	5,004	(178)	(3.7%)
Arts, culture and community	3,202	2,849	353	11.0%
Parking and local laws	1,037	1,025	11	1.1%
Other	4,478	5,819	(1,342)	(30.0%)
Total materials and services	50,240	50,069	170	0.3%

Materials and services include the purchases of consumables and payments to contractors for the provision of services and utility costs. Overall, materials and services are expected to decrease next year by \$170,000 (0.3 per cent) compared to the 2021-22 forecast.

The most significant savings relate to waste contracts (\$1.074 million), finalisation of the COVID-19 community support program including Hobsons Bay has Heart, community grants, youth unemployment, live and local events, capacity building & engagement, venue vouchers and Hobsons Bay Creative Streets (\$630,000), other COVID programs - offset by grant funding received (\$616,000), reduction in additional internal project requests (\$220,000), previously funded Maddox Road landscaping (\$201,000), reduction in online collection costs (\$200,000), cleaning of Council facilities returning to more normal levels (\$200,000), cessation of the Support for Carers program (\$134,000), and COVID-19 sport and recreation facility support (\$98,000).

The most significant increases are expected for Community Pitch initiatives (\$574,000), the asset audit program (\$260,000), utilities (\$258,000), staff training costs returning to pre-COVID levels (\$202,000), insurances (\$181,000), planning scheme amendment costs (\$170,000), operating costs of plant and fleet which has been impacted by increased fuel costs (\$150,000), reinstatement of debt collection processes – offset against additional income (\$110,000) and corporate annual software maintenance (\$89,000).

4.1.10 Depreciation

	Forecast	Budget	Change	
	Actual			
	2021/22	2022/23	\$'000	%
	\$'000	\$'000	\$'000	%
Property	3,740	4,070	(331)	(8.8%)
Plant & equipment	3,694	3,760	(67)	(1.8%)
Infrastructure	15,262	15,689	(427)	(2.8%)
Total depreciation	22,696	23,519	(824)	(3.6%)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment, including infrastructure assets such as roads and drains. The budgeted increase (\$824,000) is mainly due to asset purchases through the capital works program during 2021-22. The increase does not consider revaluations that may occur towards the end of the 2021-22 financial year.

4.1.11 Amortisation - Right of use assets

	Forecast	Budget	Change	
	Actual			
	2021/22	2022/23	\$'000	%
	\$'000	\$'000	\$'000	%
Office Equipment	306	437	(131)	(42.7%)
Vehicles	108	26	82	75.6%
Total depreciation	414	463	(49)	(11.8%)

Amortisation - Right of use assets expenses relate to a range of leases. Amortisation - Right of use assets expenses are projected to increase by \$49,000 compared to 2021-22. The main increases relate to increases to ICT and office equipment leases (\$131,000).

Decreased amortisation costs are expected in relation to motor vehicles (\$82,000) as Council continues with its program to purchase vehicles at the end of their lease.

4.1.12 Other expenses

	Forecast	Budget	Change	
	Actual			
	2021/22	2022/23	\$'000	%
	\$'000	\$'000	\$'000	%
Auditors remuneration – VAGO	76	73	3	3.7%
Auditors remuneration - Internal	125	125	-	-
Councillors' allowances	286	322	(36)	(12.8%)
Operating lease rentals	474	471	3	0.7%
Total other expenses	961	991	(31)	(3.2%)

Other expenses relate to a range of unclassified items including leases, rentals, audit fees and councillors' allowances. Other expenses are projected to increase by \$31,000 compared to 2021-22 mainly due to an increase in Councillors allowances in accordance with the *Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019* (Vic) (VIRTIPS Act) (\$36,000).

4.2 Balance Sheet

4.2.1 Assets

Assets are expected to increase by \$33.124 million during 2022-23. The main anticipated increase relates to Council owned property plant and equipment. These assets represent the largest component of Council's worth and include the value of all the land, buildings, roads, vehicles, equipment, etc. The increase is largely attributable to the net result of the capital works program (\$62.961 million) offset against asset depreciation throughout the year (\$23.519 million).

Cash and investments are budgeted to decrease by \$2.389 million during 2022-23. The decrease in cash is a result of Council's ongoing investment in capital works, utilisation of reserves and the repayment of loan borrowings. Trade and other receivables are expected to decrease by \$2.486 million.

The value of all other assets is predicted to remain reasonably consistent throughout 2022-23.

4.2.2 Liabilities

Liabilities are expected to increase by \$6.785 million during 2022-23.

Interest-bearing loans and borrowings are expected to increase by \$7.246 million during 2022-23. The increase is a result of new borrowings of \$8 million and principle repayments of \$754,000.

Employee leave provisions include accrued long service leave, annual leave and rostered days off owing to employees. Employee entitlements are expected to increase (\$355,000) due to active management of leave entitlements, despite factoring in an increase for the existing enterprise agreement. Lease liabilities are also expected to increase (\$251,000).

Trade and other payables are those to whom Council owes money as at 30 June and are budgeted to decrease compared to the previous year (\$1.067 million).

4.2.3 Borrowings

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

	Forecast	Budget	Projections		
	Actual				
	2021/22	2022/23	2023/24	2024/25	2025/26
	\$	\$	\$	\$	\$
Amount borrowed as at 30 June of the prior year	14,200,000	12,000,000	19,246,037	31,666,795	34,037,364
Amount proposed to be borrowed	7,000,000	8,000,000	14,000,000	5,000,000	3,000,000
Amount projected to be redeemed	9,200,000	753,963	1,579,242	2,629,431	8,108,307
Amount of borrowings as at 30 June	12,000,000	19,246,037	31,666,795	34,037,364	28,929,057

The amount of \$8 million proposed to be borrowed in 2022-23 relates to an increased Capital Works Program, where some projects forecast for delivery in later years have been brought forward for construction in 2022-23. Future forecast borrowings are also included to bring forward our capital delivery to reduce the impact of escalating construction costs.

It is also Council's intention to continue its strong advocacy to the State and Federal governments to financially support the construction of the Western Aquatic and Leisure Centre and the Hobsons Bay Wetlands Centre. If the requested funding from other levels of government is received, Council's intended financial contributions will be derived through additional borrowings (over the amounts included in the table above) and the major projects reserves. Working with other levels of Government, Council is committed to delivering these projects.

4.2.4 Leases by category

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

	Forecast Actual 2021/22 \$'000	Budget 2022/23 \$'000	Change	
			\$'000	%
Right-of-use Assets				
Office Equipment	641	752	(111)	17.3%
Vehicles	35	9	26	74.6%
Total Right-of-use Assets	676	761	(85)	12.5%
Lease Liabilities				
Current Lease Liabilities				
Office Equipment	419	707	(288)	68.6%
Vehicles	28	2	26	93.0%
Total Current Lease Liabilities	448	709	(261)	58.3%
Current Lease Liabilities				
Office Equipment	239	239	-	-
Vehicles	10	-	10	100.0%
Total Non-current Lease Liabilities	249	239	10	4.1%
Total Lease Liabilities	697	948	(251)	36.0%

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

4.3 Statement of changes in Equity

4.3.1 Reserves

Reserve balances are expected to increase by \$5.294 million with \$8.839 million transferred from and \$14.133 million transferred to the reserves during 2022-23.

Transfers from reserves to fund capital works include transfers from the infrastructure (\$1.371 million), recreation and open space (\$4.3 million) reserves and the capital works carry over reserves (\$5.509 million).

Transfers from reserves to fund operational expenditure include transfers from the Victorian Grants Commission reserve - received in advance (\$2.312 million), waste reserve (\$569,000) and the street tree planting reserve (\$72,000).

Transfers to reserves to fund future programs include transfers equivalent to income received from developers for the recreation and open space reserve (\$3.2 million), the Altona North Developer Contribution Plan - Precinct 15 (\$3.464 million), street tree planting reserve (\$60,000) and the Port Phillip Woollen Mills Developer Contribution Plan (\$35,000).

Other transfers to reserves include the Victorian Grants Commission reserve - received in advance (\$1.58 million) and the loan repayment reserve (\$500,000).

A newly created projects reserve will also be created, and surplus funds will be transferred to this reserve as they become available.

4.3.2 Equity

Total equity is expected to increase by \$26.339 million during 2022-23, which reflects the operating surplus for the financial year.

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

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

4.4 Statement of Cash Flows

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

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

Cash flows available from operating activities in 2022-23 is expected to increase by \$2.313 million from the previous year as a result of:

- decreases in materials and services (\$6.229 million)
- an increase in rates to be received (\$4.718 million)
- an increase in income to be received – outside of rates and grants (\$3.726 million)

The most significant decrease in operating cash flow relates to capital (\$10.546 million) and operational (\$1.759 million) grants.

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

	Forecast Actual 2021/22 \$'000	Budget 2022/23 \$'000	Variance \$'000
Surplus (deficit) for the year	31,513	26,339	(5,174)
Depreciation & Amortisation	23,109	23,982	873
Loss (gain) on sale of assets	(50)	(50)	-
Net movement in current assets and liabilities	(3,232)	3,382	6,614
Cash flows available from operating activities	51,340	53,653	2,313

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

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

The increase in payments for investing activities of \$10.737 million is a result of increases in payments for investment (\$8 million) and capital expenditure (\$2.737 million) when compared to the prior year.

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

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

The increase in payments for investing activities of \$9.319 million is mainly a result of a decrease in the repayment of borrowings (\$8.446 million) and an increase in the proceeds from borrowings (\$1 million) offset against and increase in interest paid (\$127,000).

4.5 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2022-23 year, classified by expenditure type and funding source. Works are also disclosed as current budget or carried forward from prior year.

5.5.1 Summary

	Forecast Actual 2021/22 \$'000	Budget 2022/23 \$'000	Change \$'000	%
Property	19,121	20,737	1,616	8.5%
Plant and equipment	2,828	5,382	2,554	90.3%
Infrastructure	38,275	36,824	(1,433)	(3.7%)
Total	60,224	62,961	2,737	4.55%

Property (\$20.737 million)

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

For the 2022-23 year, \$18.555 million will be expended on new works for building and building improvement projects. The more significant building projects include the J.T. Gray Reserve pavilion (\$3.890 million), Dennis Reserve multi-purpose centre (\$2.975 million), renewable energy solar photovoltaic rollout (\$2.6 million), Altona North Children's Centre expansion (\$2.2 million) and the Donald McLean Reserve pavilion (\$1.6 million).

Plant and equipment (\$5.382 million)

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

For the 2022-23 year, \$4.615 million will be expended on new works for Plant and Equipment. The significant projects include replacement of plant and vehicle fleet (\$2.1 million), passenger vehicle replacement (\$800,000), library collections (\$750,000) and information technology (\$750,000).

Infrastructure (\$36.824 million)

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

For the 2022-23 year, \$33.972 million will be spent on new Infrastructure works. Of this \$13.468 million will be expended on new works for road projects. This includes the road resurfacing program (\$2.716 million) and the road rehabilitation program (\$2.770 million), Champion Road Williamstown (\$1.800 million), stage 4 of Pier Street Altona (\$1.500 million) Kerb and Channel renewals (\$836,000), Railway Avenue Laverton (\$750,000) and The Avenue Spotswood (\$750,000).

Footpaths and cycleways new expenditure of \$1.715 million includes the footpath renewal program (\$1.0 million).

Drainage expenditure of \$5.154 million includes new works of \$4.26 million. New works include upgrades to Hudson's Road, Spotswood (\$1.2 million), Hall Street, Spotswood between Hudson's Road and the Freeway (\$1.0 million), McIntyre Drive, Altona (\$980,000) and the drainage renewal program (\$900,000).

Parks, open space and streetscapes new works expenditure of \$7.699 million includes the upgrade of G.J. Hosken Reserve Altona North (\$930,000), Bruce Comben Reserve open space development (\$800,000), W.L.J. Croft Reserve (\$650,000), McCormack Park Laverton (\$600,000) and Altona foreshore seawall and trail upgrade (\$500,000).

Recreational, leisure and community facilities expenditure of \$2.753 million includes W.L.J. Crofts Reserve (\$550,000), permanent outdoor trading facilities (\$550,000), H.C. Kim Reserve floodlighting (\$413,000) and Altona Foreshore Esplanade closure (\$400,000).

Carried forward works

At the end of each financial year there are projects which are either incomplete or yet to commence due to various factors including planning issues, weather delays and extended consultation periods. For the 2021-22 year it is currently forecast that there will be a net \$5.819 million of capital works carried forward into the 2022-23 year. This is a mix of amounts carried forward and those which have been bought forward in to 2021-22. The final carryover figure will be determined after the year-end accounts are finalised.

	Project Cost \$'000	Asset expenditure types			Summary of Funding Sources			
		New	Renewal	Upgrade	Grants	Contributions	Council Cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	20,737	8,975	3,466	8,296	1,130	0	19,607	0
Plant and equipment	5,382	0	5,382	0	115	0	5,267	0
Infrastructure	36,842	4,028	15,488	17,326	4,938	0	23,904	8,000
Total	62,961	13,003	24,336	25,622	6,183	0	48,778	8,000

New assets (\$13.003 million), asset renewals (\$24.336 million) and asset upgrades (\$25.622 million)

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

The major projects included in expenditure on new assets are the J.T. Gray reserve pavilion (\$3.890 million), Dennis reserve multi-purpose centre (\$2.975 million), Waste management assets (\$950,000), Bruce Comben open space development (\$800,000).

Significant renewal projects include the road rehabilitation program (\$2.770 million), road resurfacing program (\$2.716 million), vehicle and plant replacement program (\$2.1 million), Champion Road Williamstown road rehabilitation (\$1.8 million) and the Footpath renewal program (\$1.0 million).

The major projects in the asset upgrade program include the Solar Photovoltaic rollout (\$2.6 million), Altona North Children's centre expansion (\$2.0 million), Donald McLean Reserve (\$1.6 million), Pier Street stage 4 (\$1.5 million) and Brooklyn Hall development (\$1.26 million).

4.5.2 Current Budget

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
PROPERTY								
Buildings								
Brooklyn Hall Redevelopment	1,260	-	-	1,260	-	-	1,260	-
Minor Renewals - Floor Renewal	50	-	50	-	-	-	50	-
Minor Renewals - Painting	50	-	50	-	-	-	50	-
Building Renewal - Operation Centre	250	-	250	-	-	-	250	-
Minor Renewals including HVAC, ESM, Electrical, Plumbing, & Sewers	610	-	610	-	-	-	610	-
Minor Renewals - Bayfit Leisure Centre	100	-	100	-	-	-	100	-
Dennis Reserve, Williamstown - Multipurpose Centre	2,975	2,975	-	-	-	-	2,975	-
Donald McLean Reserve Pavilion	1,600	-	-	1,600	-	-	1,600	-
Altona Meadows Library Building Renewal & Energy Efficiency Upgrades	750	-	750	-	350	-	400	-
HC Kim Reserve, Female Friendly New Pavilion- Community Submission	925	-	-	925	-	-	925	-
JT Gray Reserve Pavilion, Williamstown	3,890	3,890	-	-	-	-	3,890	-
Seabrook Community Centre & Kinder Building Renewal	150	-	150	-	-	-	150	-
Emma McLean Kindergarten New Facility	150	-	150	-	-	-	150	-
Altona North Children's Centre Expansion (One Tree)	2,200	-	200	2,000	600	-	1,600	-
Robina Scott 3 Yr. Kindergarten - Building Blocks Inclusion Grant	200	-	-	200	180	-	20	-
Public Toilet Program	50	50	-	-	-	-	50	-
Renewable Energy - Solar Photovoltaic Rollout	2,600	-	-	2,600	-	-	2,600	-

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
Wetlands Centre, HD Graham Reserve, Altona Meadows - Phase 2 Design	215	-	-	215	-	-	215	-
Williamstown Swimming & Life Saving Club Pavilion - Design and Construction	500	-	-	500	-	-	500	-
Heritage Buildings								
Future conservation works	30	-	30	-	-	-	30	-
TOTAL PROPERTY	18,555	6,915	2,340	9,300	1,130	-	17,425	-
PLANT AND EQUIPMENT								
Plant, Machinery and Equipment								
Plant & Equipment Replacement Program	2,100	-	2,100	-	-	-	2,100	-
Purchase of leased vehicles	215	-	215	-	-	-	215	-
Passenger vehicle replacement program (including buses)	800	-	800	-	-	-	800	-
Computers and Telecommunications								
ICT Capital Works program	700	-	700	-	-	-	700	-
Library IT equipment	50	-	50	-	-	-	50	-
Library books								
Library collections	750	-	750	-	15	-	735	-
TOTAL PLANT AND EQUIPMENT	4,615	-	4,615	-	15	-	4,600	-

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

INFRASTRUCTURE

Roads

Pier Street (Stage 4) & Weaver Reserve, Altona - Phase 1 Construction	1,500	-	-	1,500	800	-	700	-
A More Connected Community - Maher Road - BP Laverton - Traffic Calming Work	100	-	-	100	-	-	100	-
Balmoral Street (Between Railway Ave and End) Minor Footpath and Road Renewal Works	170	-	170	-	-	-	170	-
Ascot Street (Between Railway Ave and End) Minor Road Renewal Works	150	-	150	-	-	-	150	-
Grace Street (Between Railway Ave and End) Minor Road Renewal Works	200	-	200	-	-	-	200	-
Road Reconstruction (On/Off-Road Rehabilitation) Program - Railway Avenue, Laverton, from Merton St to Aviation Road [5]	750	-	750	-	-	-	750	-
Streets For People - The Avenue Upgrade (Between Melbourne Road and Hope Street) – Delivery	750	-	-	750	-	-	750	-
Streets For People - 40km/h zones and local calming Site 1 – Delivery	400	-	-	400	-	-	400	-
Streets For People - Hudson's Road Streetscape (Between Melbourne Road /Hall and Hall/Booker Street)	200	-	-	200	-	-	200	-
Churchill Street, Williamstown North - Blackspot Project (Design and Construction)	276	-	-	276	276	-	-	-
Community Responsive Works - Traffic	100	-	100	-	-	-	100	-
Road Rehabilitation Program - Champion Road, Newport, between	1,800	-	1,800	-	-	-	1,800	-

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding sources			
		New	Renewal	Upgrade	Grants	Contributions	Council Cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Market Street & Lemmon Street [3.5] incl. 1.7km Shared Trail								
Road Rehabilitation Program	2,770	-	2,770	-	1,431	-	1,339	-
Road Resurfacing Program	2,716	-	2,716	-	-	-	2,716	-
Road Resurfacing Program - Kerb & Channel Renewals	836	-	836	-	-	-	836	-
Street Lighting Investigation	50	-	-	50	-	-	50	-
Traffic Management Devices Renewal Program	120	-	120	-	-	-	120	-
Transport Safety Improvement Program - Altona North LATM	150	-	150	-	-	-	150	-
Transport Safety Improvement Program - Borrack Square at Duke Street	250	-	250	-	-	-	250	-
Transport Safety Improvement Program - Millers Road / Marigold Ave Intersection Upgrade	25	-	25	-	-	-	25	-
Transport Safety Improvement Program - Annunciation Primary School - Safe Travel Around Schools Year 1	50	-	50	-	-	-	50	-
Transport Safety Improvement Program - Millers Road / Mason Street Intersection Upgrade	25	-	25	-	-	-	25	-
Transport Safety Improvement Program - Grieve Parade and Charles Road - Traffic Works	80	-	80	-	-	-	80	-

Bridges

Bridge Renewal Program	275	-	275	-	-		275	-
McCormack Park, Laverton New Footbridge	300	-	300	-	-		300	-

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

Footpaths and Cycleways

A More Vibrant Place - Woods Street / Lohse Street Village Master Plan (Incl. Central Park Upgrade) - BP Laverton	300	-	-	300	-	-	300	-
Raised Pedestrian Crossing - Maddox Rd Coltish Way	80	80	-	-	-	-	80	-
Footpath New Program 2 - Seabrook North	150	150	-	-	-	-	150	-
Footpath New Program - End of Trip Facility (Civic Centre)	50	50	-	-	-	-	50	-
Footpath Renewal Program	1,000	-	1,000	-	-	-	1,000	-
Shared Trails Renewal Program	135	-	135	-	-	-	135	-

Drainage

Hudson's Road, Spotswood	1,200	-	-	1,200	-	-	1,200	-
The Green Line Project - Hall Street between Hudson's Road and Freeway – Delivery	1,000	-	-	1,000	-	-	1,000	-
McIntyre Drive, Altona	980	-	-	980	-	-	980	-
Hanmer Street - From Electra St to Ann St (Woollen Mills DCP project)	50	-	-	50	-	-	50	-
Minor works along Bruce Street South	20	-	-	20	-	-	20	-
Drainage Renewal Program	900	-	900	-	-	-	900	-
Pit Upgrade Program	110	-	-	110	-	-	110	-

Recreational, Leisure & Community Facilities

Altona Foreshore Precinct Esplanade Closure	400	-	-	400	-	-	400	-
Fearon Reserve Box Lacrosse renewal	40	-	40	-	-	-	40	-
Court Renewal - Laverton netball resurfacing	50	-	50	-	-	-	50	-

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding sources			
		New	Renewal	Upgrade	Grants	Contributions	Council Cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Open Space Enhancement and Access Package & Community Space - WLJ Croft Reserve, Altona North	550	-	-	550	-	-	550	-
HC Kim Reserve Sports Field and Floodlighting Upgrades	413	-	-	413	-	-	413	-
JT Gray Reserve, Williamstown New Pavilion	215	-	215	-	-	-	215	-
Newport Park Athletics Track – facilities upgrade	260	260	-	-	-	-	260	-
G.K. Nevitt Athletics Ground – high jump area	30	-	30	-	-	-	30	-
Permanent Outdoor Trading facilities	550	550	-	-	550	-	-	-
Recreation Infrastructure Renewal	75	-	75	-	-	-	75	-
KC White Reserve, Williamstown North - Irrigation pitches 1 and 2	200	-	200	-	-	-	200	-
Parks, Open Space and Streetscapes								
Altona Beach Entry	400	-	-	400	-	-	400	-
Cropley Reserve, Laverton - Local Park Upgrade - open space	350	-	-	350	-	-	350	-
Bruce Street Reserve, Laverton - Local Park Upgrade - play space renewal + open space	250	-	-	250	-	-	250	-
Smaller Parks Laverton Program - BP Laverton	200	-	-	200	-	-	200	-
Better Places and Spaces - McCormack Park BP Laverton	600	-	-	600	-	-	600	-
Wayfinding signage implementation – BP Laverton	200	-	-	200	-	-	200	-
Mary Street Reserve/Veteran Reserve, Spotswood - Neighbourhood Park Upgrade - play space + open space + Carpark	250	-	-	250	-	-	250	-

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding sources			
		New	Renewal	Upgrade	Grants	Contributions	Council Cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Biodiversity Strategy - Rifle Range Wetlands Restoration	60	-	-	60	-	-	60	-
Biodiversity Strategy Implementation Works	324	-	-	324	-	-	324	-
Bruce Comben Open Space Development (southern area).	800	800	-	-	-	-	800	-
Open Space Forward Design	250	-	-	250	-	-	250	-
G.J. Hosken Reserve, Altona North Upgrade	930	-	-	930	146	-	784	-
Leo Hoffman Reserve, Newport - Neighbourhood Park Upgrade - play space + open space	20	-	-	20	-	-	20	-
Pipeline Reserve, Seabrook Inclusive Playspace Upgrade	10	-	-	10	-	-	10	-
Ginifer, J.J. Reserve, Altona North - Neighbourhood Park Upgrade - play space renewal + open space	465	-	-	465	-	-	465	-
Williamstown Rotunda Gardens, Williamstown - District Park Upgrade - irrigation and landscaping	60	-	-	60	-	-	60	-
Newport Park - District Park Upgrade - play space destination, open space, skate park & Lighting	450	-	-	450	-	-	450	-
Open Space Enhancement and Access + Community Space - WLJ Croft Reserve, Altona North	650	100	-	550	-	-	650	-
Fencing Renewal Program	160	-	160	-	-	-	160	-
Altona Foreshore Seawall and Shared Trail - Webb Street to Sargood Street	500	-	500	-	-	-	500	-
Irrigation	430	85	345	-	-	-	430	-
Open Space Assets Renewal	320	-	320	-	-	-	320	-
Truganina Explosives Reserve Masterplan objectives - Construction	20	-	-	20	-	-	20	-

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
Off Street Car Parks								
Bryan Martyn Oval - Car Park.	60	-	60	-	-	-	60	-
Paisley Park – Car Park upgrade	500	500	-	-	500	-	-	-
Car Park Renewal Program	440	-	440	-	-	-	440	-
Dennis Reserve, Williamstown	25	-	25	-	-	-	25	-
HC Kim Reserve, Community Submission	412	-	-	412	-	-	412	-
Waste Management								
Public Bin Standardisation	200	-	-	200	-	-	200	-
Residential waste management	950	950	-	-	-	-	950	-
Other Infrastructure								
Laverton Schools Precinct Traffic Safety Improvement Works	500	-	-	500	100	-	400	-
New Heritage and Cultural Interpretation Signage	35	35	-	-	-	-	35	-
Excellence Hubs – Libraries	350	-	-	350	-	-	350	-
Borrowings for Capital projects	-	-	-	-	-	-	-	8,000
TOTAL INFRASTRUCTURE	33,972	3,560	15,232	15,180	3,803	-	22,169	8,000
TOTAL CAPITAL WORKS	57,142	10,475	22,187	24,480	4,948	-	44,194	8,000

4.5.3 Works carried over from 2021/22 or bought forward from 2022/23

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
PROPERTY								
Buildings								
Buildings Renewal	1,126	-	1,126	-	-	-	1,126	-
Library upgrades	257	-	-	257	100	-	157	-
H.D.Graham Reserve Sport Facility Development	1,040	1,040	-	-	-	-	1,040	-
JT Gray Reserve Pavilion	520	520	-	-	-	-	520	-
Digman Reserve feasibility/Master Plan	500	500	-	-	-	-	500	-
Greenhouse strategy	(611)	-	-	(611)	-	-	(611)	-
Donald McLean Reserve Pavilion	(650)	-	-	(650)	-	-	(650)	-
TOTAL PROPERTY	2,182	2,060	1,126	(1,004)	100	-	2,082	-
PLANT AND EQUIPMENT								
Library								
Library resources	100	-	100	-	-	-	100	-
Heritage assets								
Cultural asset maintenance	37	-	37	-	-	-	37	-
Plant, Machinery and Equipment								
Plant & Equipment Replacement Program	630	-	630	-	-	-	630	-
TOTAL PLANT AND EQUIPMENT	767	-	767	-	-	-	767	-
INFRASTRUCTURE								
Drainage								
Drainage new GPT program	468	468	-	-	-	-	468	-
Drainage renewal program	43	-	43	-	-	-	43	-
Traffic management program	383	-	-	383	-	-	383	-

Capital Works Area	Project Cost \$'000	Asset expenditure types			Summary of Funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
Parks, Open Space and Streetscapes								
Sporting ground redevelopment	500	-	-	500	-	-	500	-
Open Spaces upgrade program	409	-	-	409	-	-	409	-
Blenheim Road Open Space program	250	-	-	250	-	-	250	-
Recreational, Leisure & Community Facilities								
Cricket practice nets program	290	-	-	290	-	-	290	-
Footpaths and Cycleways								
Foreshore remedial program	150	-	-	150	-	-	150	-
Dennis reserve program	500	-	500	-	-	-	500	-
Roads								
Stitch in time resurfacing program	(255)	-	(255)	-	-	-	(255)	-
Road rehabilitation program	(32)	-	(32)	-	-	-	(32)	-
Road rehabilitation black spot funding program	989	-	-	989	1,135	-	(146)	-
TOTAL INFRASTRUCTURE	2,870	468	256	2,146	1,135	-	1,735	-
TOTAL NET WORKS CARRIED FORWARD FROM 2021/22	5,819	2,528	2,149	1,142	1,235	-	4,584	-

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

Summary of Planned Capital Works Expenditure

For the years ending 30 June 2024, 2025 & 2026

2023/24					Funding Sources				
	Total \$'000	New \$'000	Renewal \$'000	Upgrade \$'000	Total \$'000	Grants \$'000	Contributions \$'000	Council Cash \$'000	Borrowings \$'000
Property									
Land	-	-	-	-	-	-	-	-	-
Total Land	-	-	-	-	-	-	-	-	-
Buildings	4,545	100	920	3,525	4,545	-	-	4,545	-
Heritage Buildings	35	-	35	-	35	-	-	35	-
Total Buildings	4,580	100	955	3,525	4,580	-	-	4,580	-
Total Property	4,580	100	955	3,525	4,580	-	-	4,580	-
Plant and Equipment									
Heritage plant and equipment	-	-	-	-	-	-	-	-	-
Plant, machinery and equipment	2,200	-	2,200	-	2,200	-	-	2,200	-
Fixtures, fittings and furniture	-	-	-	-	-	-	-	-	-
Computers and telecommunications	1,100	-	1,100	-	1,100	-	-	1,100	-
Library books	750	-	750	-	750	15	-	735	-
Total Plant and Equipment	4,050	-	4,050	-	4,050	15	-	4,035	-
Infrastructure									
Roads	18,205	-	13,470	4,735	18,205	477	-	17,728	-
Bridges	290	-	290	-	290	-	-	290	-
Footpaths and cycleways	2,800	250	1,250	1,300	2,800	-	-	2,800	-
Drainage	5,100	-	900	4,200	5,100	-	-	5,100	-
Recreational, leisure and community facilities	2,923	-	585	2,338	2,923	1,300	-	1,623	-
Waste management	1,500	950	-	550	1,500	-	-	1,500	-
Parks, open space and streetscapes	15,550	2,740	720	12,090	15,550	-	-	15,550	-
Off street car parks	513	-	275	238	513	-	-	513	-
Other infrastructure	1,285	35	-	1,250	1,285	-	-	1,285	-
Borrowings for Capital projects									14,000
Total Infrastructure	48,165	3,975	17,490	26,700	48,165	1,777	-	32,388	14,000
Total Capital Works Expenditure	56,795	4,075	22,495	30,225	56,795	1,792	-	41,003	14,000

2024/25					Funding Sources				
	Total	New	Renewal	Upgrade	Total	Grants	Contributions	Council Cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property									
Land	-	-	-	-	-	-	-	-	-
Total Land	-	-	-	-	-	-	-	-	-
Buildings	11,330	550	2,630	8,150	11,330	7,800	-	3,530	-
Heritage Buildings	35	-	35	-	35	-	-	35	-
Total Buildings	11,365	550	2,665	8,150	11,365	7,800	-	3,585	-
Total Property	11,365	550	2,665	8,150	11,365	7,800	-	3,585	-
Plant and Equipment									
Heritage plant and equipment	-	-	-	-	-	-	-	-	-
Plant, machinery and equipment	2,220	-	2,220	-	2,220	-	-	2,220	-
Fixtures, fittings and furniture	-	-	-	-	-	-	-	-	-
Computers and telecommunications	950	-	950	-	950	-	-	950	-
Library books	750	-	750	-	750	15	-	735	-
Total Plant and Equipment	3,900	-	3,900	-	3,900	15	-	3,885	-
Infrastructure									
Roads	16,765	-	12,640	4,125	16,765	477	-	16,288	-
Bridges	385	-	385	-	385	-	-	385	-
Footpaths and cycleways	1,850	200	1,150	500	1,850	-	-	1,850	-
Drainage	4,300	-	900	3,400	4,300	-	-	4,300	-
Recreational, leisure and community facilities	5,460	-	1,740	3,720	5,460	700	-	4,760	-
Waste management	-	-	-	-	-	-	-	-	-
Parks, open space and streetscapes	7,410	180	720	6,510	7,410	-	-	7,410	-
Off street car parks	410	-	410	-	410	-	-	410	-
Other infrastructure	1,955	35	-	1,920	1,955	150	-	1,805	-
Borrowings for Capital projects									5,000
Total Infrastructure	38,535	415	17,945	20,175	38,535	1,327	-	32,208	5,000
Total Capital Works Expenditure	53,800	965	24,510	28,325	53,800	9,142	-	39,658	5,000

2025/26	Total \$'000	New \$'000	Renewal \$'000	Upgrade \$'000	Total \$'000	Grants \$'000	Funding Sources		
							Contributions \$'000	Council Cash \$'000	Borrowings \$'000
Property									
Land	-	-	-	-	-	-	-	-	-
Total Land	-	-	-	-	-	-	-	-	-
Buildings	7,360	-	2,310	5,050	7,360	4,350	-	3,010	-
Heritage Buildings	50	-	50	-	50	-	-	50	-
Total Buildings	7,410	-	2,360	5,050	7,410	4,350	-	3,060	-
Total Property	7,410	-	2,360	5,050	7,410	4,350	-	3,060	-
Plant and Equipment									
Heritage plant and equipment	-	-	-	-	-	-	-	-	-
Plant, machinery and equipment	2,150	-	2,150	-	2,150	-	-	2,150	-
Fixtures, fittings and furniture	-	-	-	-	-	-	-	-	-
Computers and telecommunications	850	-	850	-	850	-	-	850	-
Library books	750	-	750	-	750	15	-	735	-
Total Plant and Equipment	3,750	-	3,750	-	3,750	15	-	3,735	-
Infrastructure									
Roads	19,560	-	12,600	6,960	19,560	477	-	19,083	-
Bridges	230	-	230	-	230	-	-	230	-
Footpaths and cycleways	1,340	180	1,160	-	1,340	-	-	1,340	-
Drainage	3,500	-	900	2,600	3,500	-	-	3,500	-
Recreational, leisure and community facilities	6,290	-	2,940	3,350	6,290	-	-	6,290	-
Waste management	-	-	-	-	-	-	-	-	-
Parks, open space and streetscapes	3,550	-	800	2,750	3,550	-	-	3,550	-
Off street car parks	625	-	625	-	625	-	-	625	-
Other infrastructure	1,135	35	-	1,100	1,135	-	-	1,135	-
Borrowings for Capital projects									3,000
Total Infrastructure	36,230	215	19,255	16,760	36,230	477	-	32,753	3,000
Total Capital Works Expenditure	47,390	215	25,365	21,810	47,390	4,842	-	39,548	3,000

5. Financial performance indicators

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

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

Indicator	Measure	Notes	Actual 2020/21	Forecast 2021/22	Budget 2022/23	Strategic Resource Plan Projections			Trend +/-
						2023/24	2024/25	2025/26	
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	10.8%	13.9%	14.1%	13.9%	12.1%	11.2%	-
Liquidity									
Working Capital	Current assets / current liabilities	2	139.4%	125.0%	131.1%	125.4%	134.4%	163.7%	+
Unrestricted cash	Unrestricted cash / current liabilities	3	(26.2%)	(32.9%)	(38.1%)	(41.2%)	(41.6%)	(31.8%)	o
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	10.1%	15.6%	24.9%	26.0%	21.4%	18.4%	-
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		8.1%	1.0%	1.7%	2.8%	6.9%	3.2%	-
Indebtedness	Non-current liabilities / own source revenue		9.8%	14.0%	21.6%	18.8%	17.9%	15.2%	+
Asset renewal	Asset renewal expenses / Asset depreciation	5	210.9%	212.4%	218.7%	213.8%	186.3%	111.8%	-

Indicator	Measure	Note	Actual	Forecast	Budget	Strategic Resource Plan Projections			Trend
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	6	84.2%	83.5%	83.6%	83.6%	83.6%	83.7%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	o
Efficiency									
Expenditure level	Total expenses/ no. of property assessments		\$2,990.55	\$3,058.64	\$3,086.72	\$3,168.82	\$3,229.18	\$3,287.78	-
Revenue level	Residential rate revenue / no. of residential property assessments		\$2,042.07	\$2,117.56	\$2,154.70	\$2,193.62	\$2,233.10	\$2,260.64	-

Key to Forecast Trend:

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

Notes to indicators

1. Adjusted underlying result

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

2. Working Capital

The proportion of current liabilities represented by current assets. Working capital is projected to increase in 2021-22 despite the decrease in cash reserves and investments. The trend in later years outside of the strategic resource plan is that this ratio will increase as cash is put aside to repay future loan principle repayments.

3. Unrestricted Cash

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

4. Debt compared to rates

The low indicator highlights Council's minimal reliance on debt against its annual rate revenue through redemption of long term debt.

5. Asset renewal

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

6. Rates concentration

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

6. Fees and charges

Fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the year are attached as an appendix to the Budget 2021-22.

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