

Bass Coast Shire Council

Annual Budget 2025/26

Executive Summary.....	3
1 Budget Highlights.....	4
2 Strategic Objectives.....	5
3 Summary of financial position.....	6
Overview	
4 Link to the Integrated Planning and Reporting Framework.....	11
5 Budget Influences.....	13
6 Services Provided by Council.....	16
7 Long Term Strategies.....	31
8 Rating Strategy.....	36
Summary of other strategies	
9 Borrowings.....	40
10 Infrastructure.....	41
11 Gender Impact Assessment.....	42
Appendix 1 - Financial Statements	
12 Comprehensive Income Statement.....	43
13 Balance Sheet.....	44
14 Statement of Changes in Equity.....	45
15 Statement of Cash Flows.....	46
16 Statement of Capital Works.....	47
17 Funding Impact Statement.....	48
18 Statement of Human Resources.....	49
19 Notes to the Financial Statements.....	53
Appendix 2 - Rates and charges	
20 Rates and charges.....	61
21 Differential rates.....	64
Appendix 3 - Capital works Program	
22 Capital works program.....	67

Executive summary

Council has prepared the Budget for 2025-26 which is aligned to the 2021-2025 Long Term Financial Plan and seeks to:

- Maintain affordable and stable revenue sources
- Present a balanced budget
- Manage capital efficiently
- Maintain, enhance and expand its asset base to meet the needs of our growing community

The Budget provides the authorisation for the ongoing provision for a range of core Council services. This will be provided within the rate cap increase of 3.00 per cent mandated by the State Government, with no reductions to the scope or standard of services that are provided to the community.

The Budget includes a Strategic Resource Plan (SRP), providing a four-year financial outlook for Council, including Funding Impact Statement, Balance Sheet and Capital Works Statement. Projections for several Financial Indicators, including indicators set by the Victorian Auditor-General's Office (VAGO) and Local Government Victoria (LGV) have also been included in the Budget. The Budget projects an operating deficit of \$1.56 million for 2025-26, an adjusted underlying deficit of \$10 million while maintaining a balanced Funding Statement position.

The forward indicators confirm Council's financial position will remain sound over the four-year outlook with a cumulative four-year operating surplus of \$5.6 million and a decreasing adjusted underlying deficit.

The Budget contains a capital program of \$31.3 million, providing the community with the continuation of the new tracks and trails and the commencement of the externally funded Cowes Streetscape development. The Budget provides for significant upgrades to netball pavilions at both Wonthaggi and Bass Recreation Reserves, whilst continuing to invest in the renewal of Council assets, ensuring the access, usage and service levels are maintained.

Council will continue to advocate for State and Federal government financial support for the delivery of major intergenerational capital projects.

Council declared a climate emergency in 2019. In response to this, dedicated funding is included the Capital Budget providing new infrastructure to achieve actions as per our adopted Climate Change Action Plan 2020-30.

I Budget Highlights

2025-26 Budget Snapshot:

\$123.1 million total gross budget, including:

- \$87.5 million operating budget to support Council services
- \$31.4 million Capital Works Program funding to invest in new infrastructure and meet asset renewal targets
- \$4.2 million Debt Servicing and

all within a 3% average general rate increase in line with the State Government rate cap

2025-26 Budget Highlights:

\$16.3 million on our leisure and recreational facilities, including:

- Bass Recreation Reserve netball pavilion \$2.0 million
- Wonthaggi netball pavilion \$1.9 million
- Art, cultural and heritage services at Wonthaggi Union Community Arts Centre and Berninneit \$2.5 million
- Playspace renewal and upgrade program \$340,000

\$10.8 million to improve and maintain Council's road network, including:

- Grantville-Glen Alvie road improvements \$1.4 million
- Investment in urban roads renewal \$2.0 million
- Urban roads and drainage improvement program \$650,000

\$4.3 million to improve tracks, trails and footpaths, including:

- Inverloch to Wonthaggi trail \$3.5 million
- Cowes to Ventnor Trail Design \$220,000
- Pathway Gaps and Renewal Program \$575,000

\$14.6 million to upgrade community facilities, including:

- Inverloch community hub renewal program \$1.0 million
- Old Wonthaggi Post Office renewal \$1.1 million
- Wonthaggi Union Community Arts Centre building renewal \$900,000
- Powlett River Pedestrian bridge renewal \$650,000

\$22.7 million on our waste services, including:

- Delivery and management of waste services \$16.0 million
- Landfill rehabilitation \$5.1 million
- Waste facility improvements \$1.6 million

2 Strategic Objectives

The Budget has been developed in line with the key objectives contained within the Council Plan 2021-25. The Council Plan 2021-25 is a four-year strategic document.

The major initiatives provided for in this Budget that support the Council Plan 2021-25 objectives are:

Strategic Objective 1: Protecting our natural environment

1. Deliver the Wonthaggi closed landfill capping project
2. Undertake a mid-term review of the Bass Coast Climate Change action plan 2020-30

Strategic Objective 2: Healthy Community

3. Adopt and commence implementation of the Municipal Public Health and Wellbeing Plan 2025-29
4. Commence implementation of the Public Art Strategy

Strategic Objective 3: Our Places

5. Adopt the Road Management Plan review
6. Adopt the Asset Plan 2025-35
7. Prepare a Functional Layout Plan for the Phillip Island Recreation Reserve
8. Continue delivery of the Cowes Streetscape Master Plan
9. Commence detailed design for the Bass Coast Aquatic and Leisure Centre (Wonthaggi)

Strategic Objective 4: Growing our Economy

10. Complete the criteria required for Eco Tourism Certification for Bass Coast Shire through Eco Tourism Australia

Strategic Objective 5: Sustainable Development

11. Commence a review of the Bass Coast planning scheme

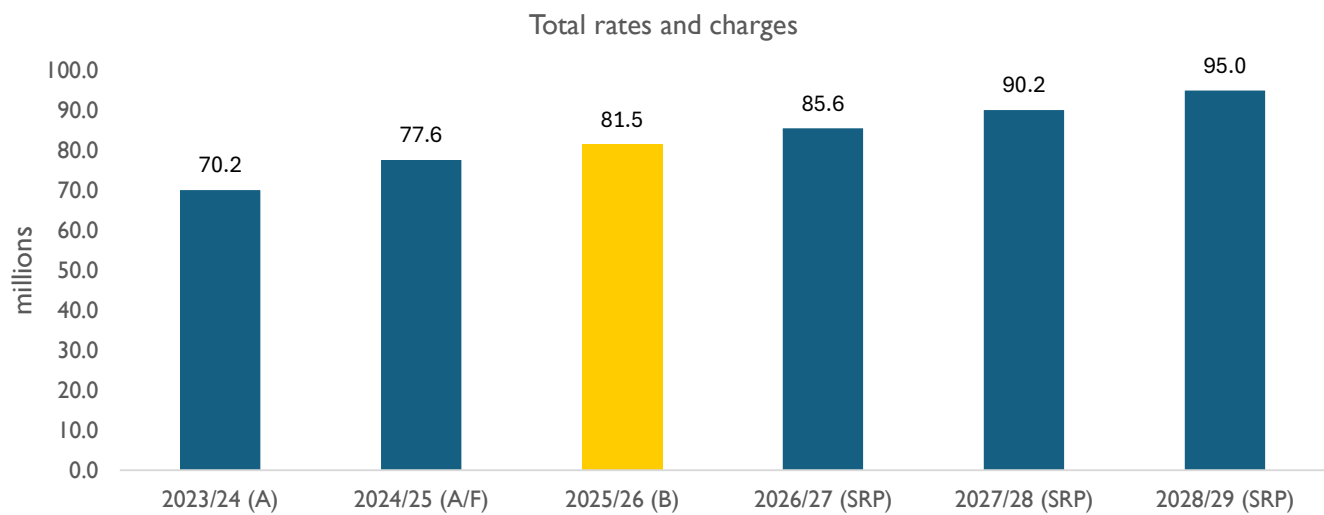
Strategic Objective 6: Leading for our Community

12. Adopt the refreshed Community Vision
13. Adopt the Council Plan 2025-29
14. Adopt the Long Term Financial Plan 2025-35
15. Adopt the Workforce Plan 2025-29

3 Summary of financial position

Council has prepared a Budget for the 2025-26 financial year which seeks to balance the demand for services and infrastructure with the community’s capacity to pay. Key budget information is provided below about rates and charges, operating result, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

3.1 Total rates and charges



The total rates and charges of \$81.5 million for the 2025-26 year are in line with prior year projections.

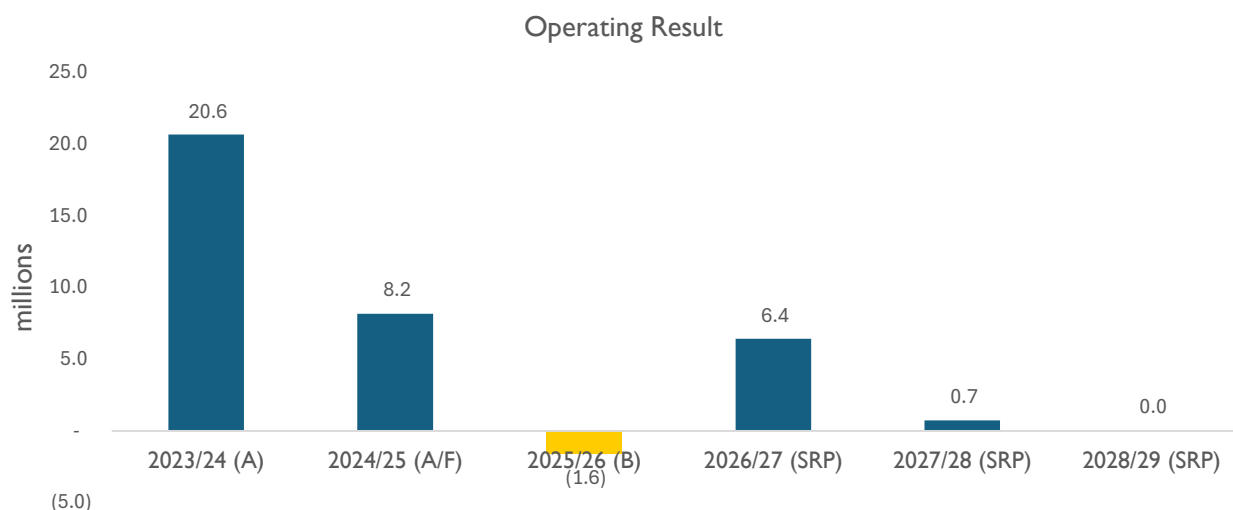
Rate revenue for 2025-26 year is expected to be \$61.6 million. The year on year increase includes a 0.7% growth in the number of properties within the municipality combined with an average rate increase of 3% in line with the rate cap as mandated by the State Government.

Waste Charges for 2025-26 is expected to be \$18.9 million. Council utilises a waste recovery model, that sets the Waste Charge at a level that covers the cost of providing waste services across the municipality. The standard Waste Charge will increase by \$42.33 to \$617.54 in 2025-26.

The balance of \$1 million includes supplementary rates and interest.

Refer also to Section 8 and Appendix 2 for further information on rates and charges.

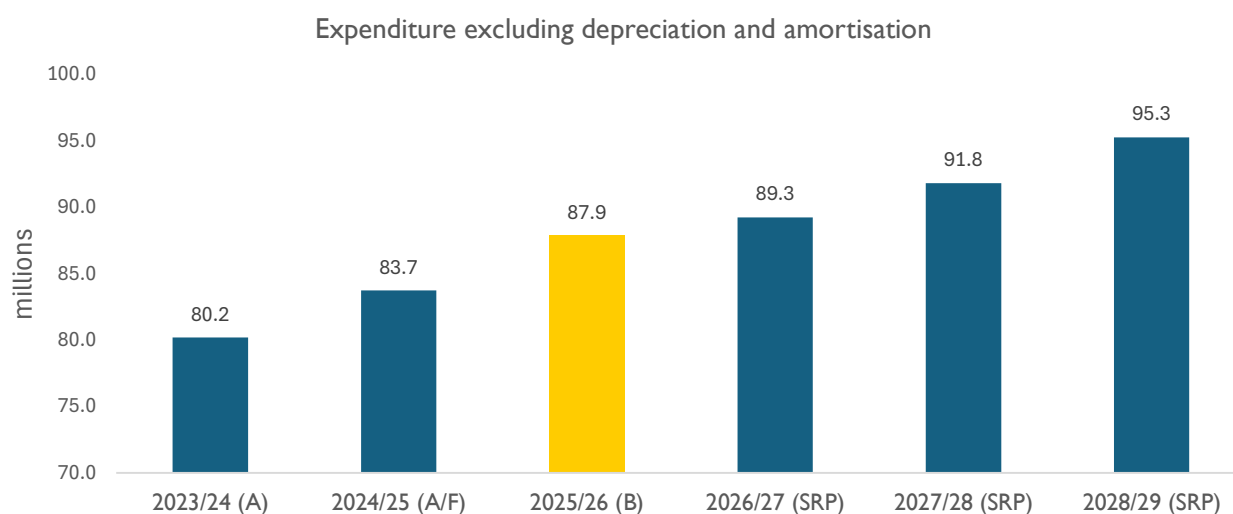
3.2 Operating result



The operating deficit in the 2025-26 year is projected to be \$1.6 million. The 2025-26 projected deficit is due to a combination of \$5.1 million funding for waste management operating projects and a sharp increase in depreciation following recent revaluations of roads, pathways and open space assets.

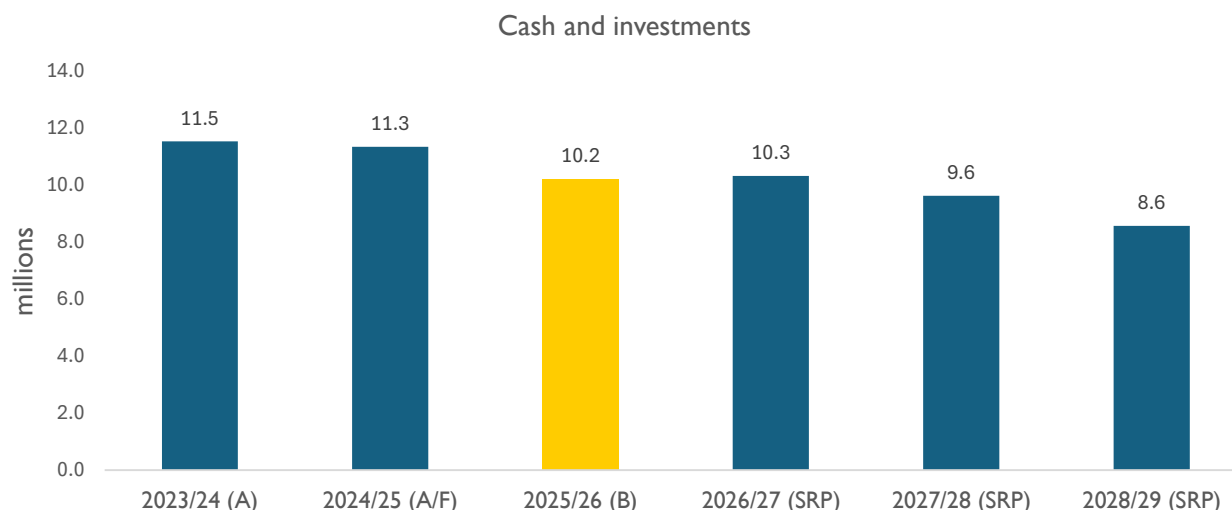
The elevated 2023-24 result reflects the receipt of \$16.6 million in unbudgeted developer contributed assets. Council's current forecast surplus is due to \$14.5 million in capital grant funding, which is linked to the development of major intergenerational capital projects.

3.3 Expenditure excluding depreciation and amortisation



Expenditure excluding depreciation and amortisation for the 2025-26 year is expected to be \$87.9 million. Growth of operating expenses has been restrained, by a focus on cost containment and the inclusion of labour cost efficiencies in the Budget. The increase to the 2025-26 Budget reflects the impact of waste compliance costs through old landfill rehabilitation."

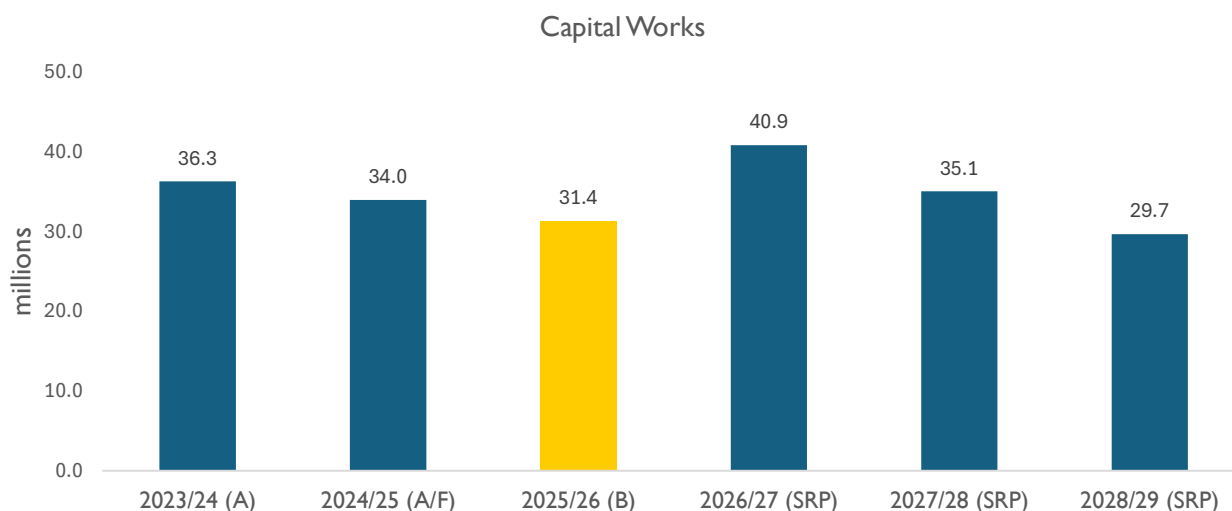
3.4 Cash and investments



Cash and investments are budgeted to be \$10.2 million as at 30 June 2026. Cash and investments are expected to reduce to \$8.6 million as at 30 June 2029. This is due to the planned utilisation of discretionary reserves as a capital works funding source.

Refer to Appendix I for the Statement of Cash Flows and Appendix 3 for the detailed capital works program.

3.5 Capital works



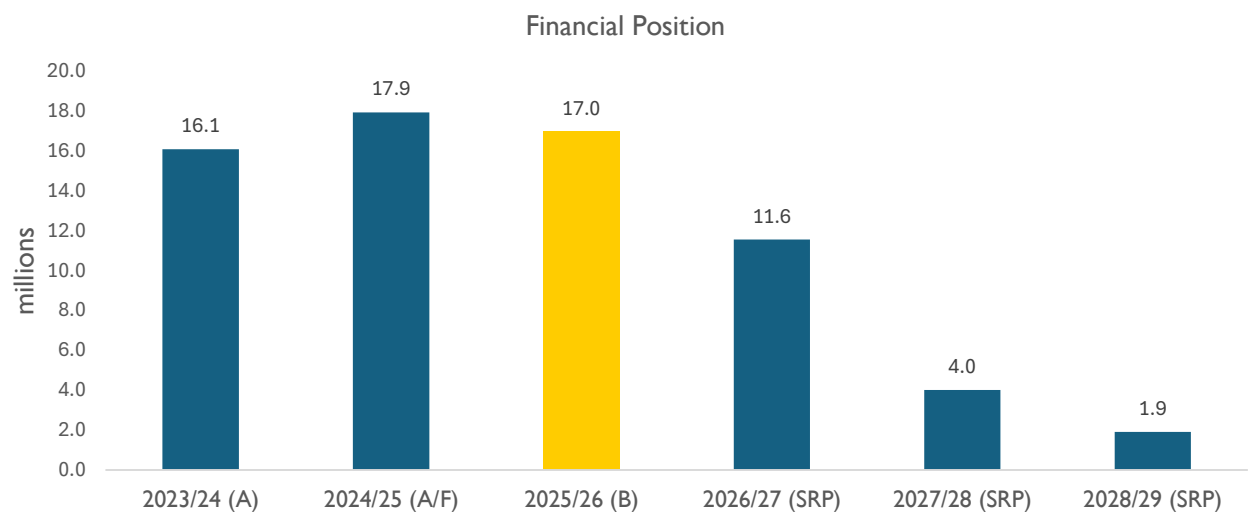
The Capital Works Program for 2025-26 is expected to be \$31.36 million.

The 2025-26 Program includes a continued investment in new, renewal and upgrade of Council assets including \$3.9 million on sporting pavilions, \$3.5 million on the Inverloch to Wonthaggi Trail and \$3 million on the commencement of the Cowes Streetscape Master Plan.

The program is funded by capital grants of \$9.8 million, borrowings of \$2 million and the remainder from Council funds. The capital expenditure program has been rigorously prioritised considering deliverability and community need.

Refer to Appendix I for the Statement of Capital Works and Appendix 3 for the detailed capital works program.

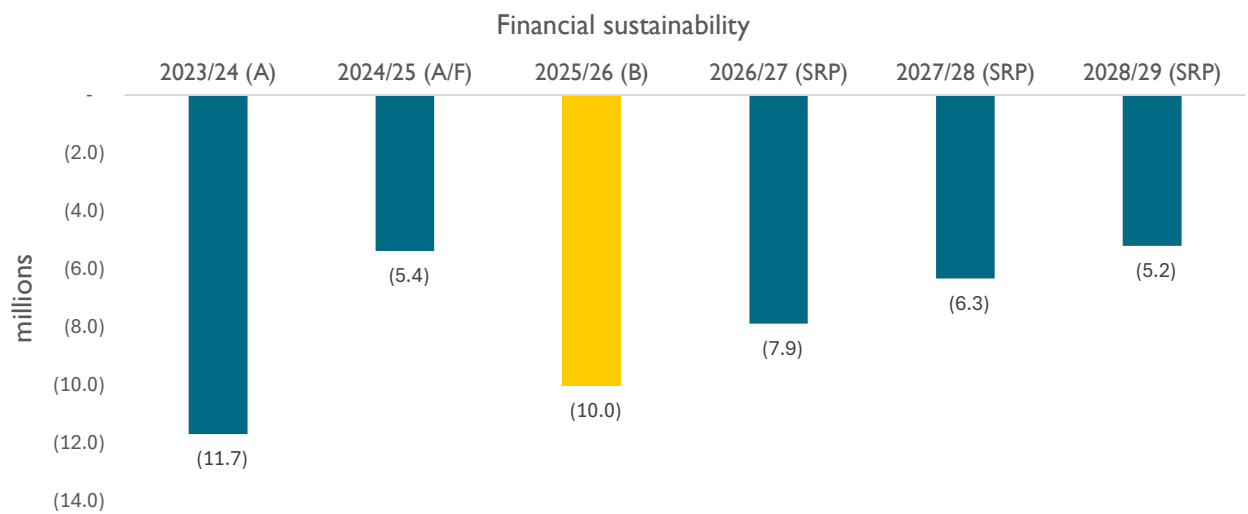
3.6 Financial position



Council's working capital position is expected to reduce over the term of the SRP from a net \$17 million in 2025-26 to \$1.9 million by June 2029. This result remains within VAGO's low risk rating and confirms that Council's financial position will remain sound with a working capital ratio greater than 1.0.

Refer to Appendix I for the Balance Sheet.

3.7 Financial sustainability



Council's projected adjusted underlying results range from a deficit of \$10 million in 2025-26 to \$5.2 million in 2028-29. This reflects the impact of a significant increase in depreciation expense resulting from asset revaluation uplifts, significant waste compliance costs through old landfill rehabilitation, and a projected 2.5 per cent rate cap.

3.8 Strategic objectives



The Budget includes a range of services and initiatives to be funded that will contribute to the achievement of the strategic objectives specified in the Council Plan. The above graph shows the level of funding allocated in the Budget compared to 2024-25 Forecast at Quarter 2.

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

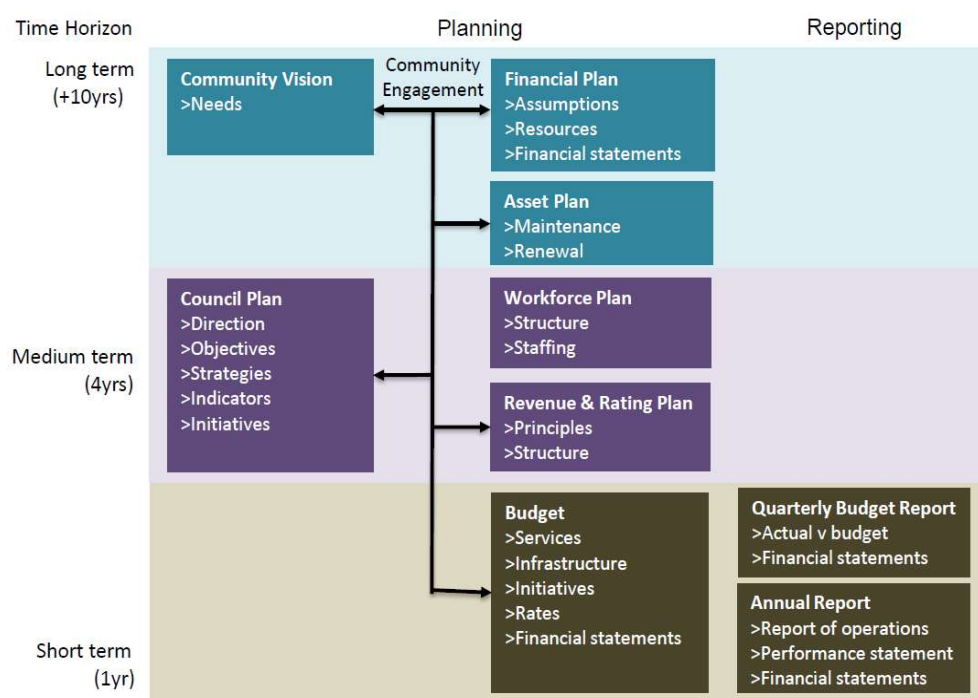
Overview

4 Link to the Integrated Planning and Reporting Framework

This section describes how the Budget links to the achievement of the Community Vision and Council Plan within an overall Integrated Planning and Reporting Framework. This Framework guides 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).

4.1 Planning and accountability framework

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



Source: Department of Jobs, Precincts and Regions

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

4.2 Key planning considerations

Service level planning

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

4.3 Our purpose

Community Vision

Bass Coast is a vibrant community within an easy two hours drive from Melbourne. The region is a combination of unspoilt coastline and picturesque rural hinterland. A popular holiday destination, our quaint rural villages, bustling holiday towns, rolling hills and world-renowned surf breaks provide a breathtaking getaway for over three million visitors each year. We live proudly on Bunurong Country and build on learnings from our First Nations Peoples and their knowledge. We coexist in harmony with our environment and are prepared for future challenges and changes. We are the people of the Bass Coast. Experience our cultures and history and contribute to our story.

Our values

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

- Excellence
- Passion
- Integrity
- Imagination
- Courage

4.4 Strategic objectives

Council delivers services and major initiatives under 47 major service categories. Each contributes to the achievement of one of the six Strategic Objectives as set out in the Council Plan 2021-25. The following table lists the six Strategic Objectives as described in the Council Plan. Further detail of services is provided in Section 6.

Strategic Objective	Description
1. Protecting our Natural Environment	Building resilience and protecting and enhancing our natural assets
2. Healthy Community	An inclusive community that embraces its lifestyle and supports health and wellbeing
3. Our Places	Strengthening the connection between people and the public places they share
4. Growing our Economy	Progressing opportunities for visitation economy and business growth in harmony with our natural environment and sustainable values
5. Sustainable Development	Prepare for growth while ensuring the intrinsic values and character of Bass Coast are retained
6. Leading for our Community	Demonstrating leadership through good governance, transparency and accountability.

5 Budget Influences

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

5.1 Snapshot of Bass Coast Shire

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

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

Population

The total population of Bass Coast Shire is estimated to be 42,729 people according to the Australian Bureau of Statistics.

Reflecting the appeal of the Shire as a holiday and retirement destination, a substantial number of ratepayers reside outside the Shire.

Tourism

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

Ageing population

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

Housing

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

5.2 External Influences

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

- The Victorian Government has set the 2025-26 rate cap at 3%.
- The Consumer Price Index (CPI) rose 2.4% over the 12 months to December 2024, driven by higher prices for recreation and culture, and discretionary consumables.
- The Wage Price Index has increased to 3.2% for the 12 months to December 2024. This increase is linked to growth in health care and social assistance, manufacturing and construction.
- Interest rates have peaked with the Reserve Bank of Australia (RBA) reducing rates in February 2025 and forecasts indicating modest decreases in 2025-26.
- Population growth will continue to be an important driver of economic growth and demand for housing.
- Over time funding provided to Local Governments has not kept pace with service cost growth and has escalated through cost shifting where Local Government provides a service to the community on behalf of the State or Federal Government.

5.3 Budget principles

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

The principles included:

- Grants to be based on confirmed funding levels.
- New revenue sources to be identified where possible.
- Service levels to be maintained with the aim to use fewer resources with an emphasis on innovation and efficiency.
- Salaries and wage increases are linked to the current Enterprise Agreement.
- Employer Superannuation Guarantee contributions increased to 12% with effect from 1 July 2025.
- New initiatives or employee proposals to be justified through a business case.
- Targeted a 0% increase in non-CPI linked expenses.
- Operating revenues and expenses arising from completed capital projects to be included.

5.4 Addressing the Climate Change Emergency

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

- Continuation of the sector leading waste collection system which includes the use of an organics bin for the disposal of household food waste. This initiative has enabled Bass Coast to divert more than three quarters of its waste from landfill, which is a sector leading outcome.
- Delivering public electric vehicle fast-charging stations across the Shire, in Grantville, Newhaven, Wonthaggi, and Inverloch
- Delivering Council fleet electric vehicle charging stations, to support the uptake of electric vehicles within Council.
- Updating Council's Environmentally Sustainable Design (ESD) Policy, aligning Council's building and infrastructure projects with its net zero by 2030 target, and training staff responsible for implementation.
- Delivering a climate resilience toolkit and campaign, that supports emissions reduction and adaptation across Bass Coast.
- Continuing to upgrade the energy efficiency and solar coverage at Council facilities, by acting on recommendations from energy audits across our sites.
- Continuing to deliver the Biolinks Program, that provides significant carbon drawdown and habitat enhancement outcomes.
- Improving the pedestrian friendly aspects of our townships through the Footpaths Gaps Program.
- Providing the agricultural sector with a land management rebate that supports active land management practices of farmers to eradicate noxious plants and weeds, mitigate soil erosion and reduce the impact of wildlife on land.
- Delivering the Urban Forest Strategy, and key actions to support it.
- Delivering significant coastal erosion management, including detailed monitoring and grant funded projects.

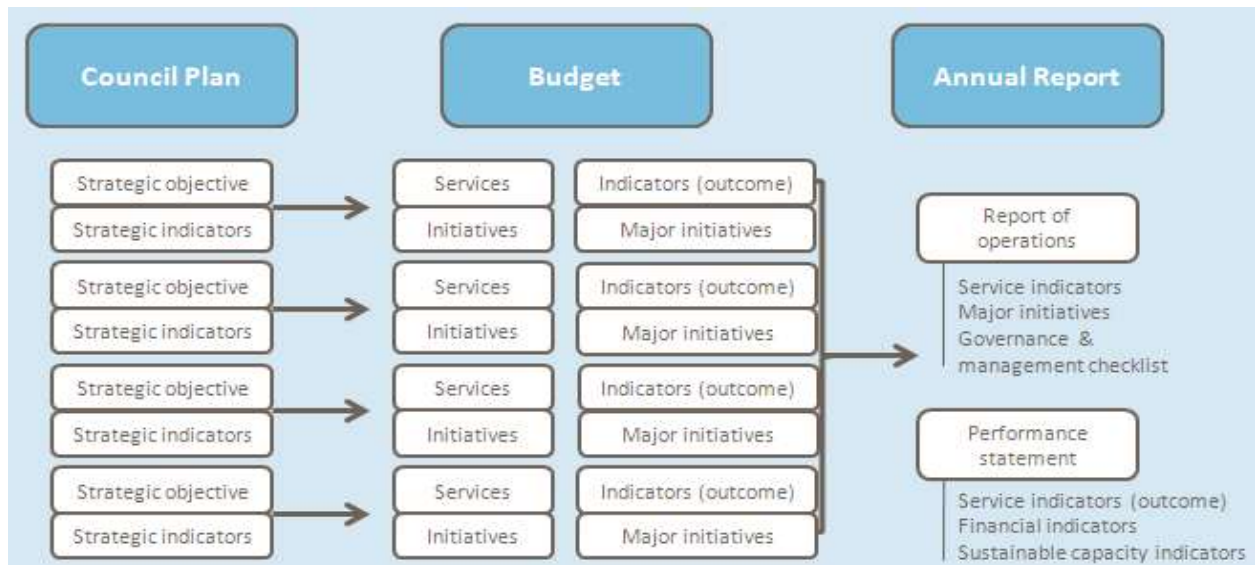
5.5 Long term strategies

The Budget includes consideration of a number of long term strategies including the Long Term Financial Plan and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan for 2025-26 to 2028-29 (Section 7), Rating Strategy (Section 8) and Other Strategies (Sections 9 and 10) including borrowings and infrastructure.

Services Provided by Council

6 Services and service performance indicators

This section provides a description of the services and major initiatives to be funded in the Budget for the 2025-26 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's operations. Council is required by legislation to identify major initiatives and service performance outcome indicators in the Budget and report against them in its Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Jobs, Precincts and Regions

6.1 Strategic Objective 1: Protecting our Natural Environment

To achieve our objective of Protecting our Natural Environment, we will work together to care for our land and coast, sharing our knowledge and skills. Through prudent planning and development, we live in balance with our natural environment. The services, major initiatives and service performance indicators for each business area are described below.

Services

Service areas	Description of services provided	Income Expenditure Surplus/(deficit) \$'000
Environmental Strategy	This service coordinates the strategies that detail and activate Council's objective of protecting and enhancing the natural environment. Ensure that Council's environmental policies and strategies remain coherent, comprehensive, and continue to push the envelope of what it means for communities to thrive in partnership with nature.	35 204 (169)
Environmental Program Delivery	This service delivers on-ground works, community programs and helps to maintain and improve the local natural environment by complying with environmental regulations, mitigating and adapting to the effects of climate change, providing environmental education for staff and the community, and is responsible for recording and reporting on the organisations greenhouse emissions and water use.	21 1,974 (1,953)
Waste Services	This service provides the effective management of Council's waste services including the contracted collection of domestic, smaller commercial, public place garbage and recycling bins and domestic hard waste. This service monitors and investigates reports of illegally dumped rubbish and litter including issuing compliance notices and infringements, and aims to reduce waste to landfill in accordance with the State Government's "Towards Zero Waste" strategy through waste and recycling education programs.	4,274 21,110 (16,836)
Protecting our natural environment Management	This service is responsible for managing the activities to deliver the protecting the natural environment strategic objective.	- 204 (204)
Environmental Partnerships	This service leverages the goodwill, resources and dedication of key partners and volunteers, to collaboratively deliver social and environmental benefits.	20 398 (378)

Major Initiatives

1. Deliver the Wonthaggi closed landfill capping project
2. Undertake a mid-term review of the Bass Coast Climate Change action plan 2020-30

6.1 Strategic Objective I: Protecting our Natural Environment (continued)

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Target or desired trend
Percentage of commercial waste diverted from landfill	Increase
Percentage of Council energy use from renewable sources	Increase
Percentage of net vegetation cover	Increase
Percentage of Council sustainable procurement	Increase

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

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

6.2 Strategic Objective 2: Healthy Community

To achieve our objective of Healthy Community, we will continue to have culturally appropriate and safe services and facilities that encourage wellbeing and ensure everyone has a roof over their heads. The services, major initiatives and service performance indicators for each business area are described below.

Service areas	Description of services provided	Income Expenditure Surplus/(deficit) \$'000
Healthy Community Management	This service is responsible for managing the activities to deliver the healthy community strategic objective.	- <u>232</u> (232)
Environmental Health	This service provides Environmental Health services such as immunisation programs and monitoring compliance with health regulations to the community and businesses to promote health and wellbeing.	408 <u>765</u> (357)
Community Safety and Resilience	This service assists the organisation to ensure Council and the municipality is in a state of preparedness to fulfil its responsibilities in Emergency Management. The service also implements Council's responsibilities under legislation including the <i>Domestic Animals Act 1994</i> and Council's Local Laws, to promote community safety and promulgate harmonious community relationships.	1,494 <u>2,736</u> (1,242)
Recreation	This service supports, encourages and develops leisure projects, programs and services, along with a range of recreational facilities including an aquatic centre, fully equipped gymnasiums and an extensive range of recreational programs.	8 <u>1,840</u> (1,832)
Community Life	This service also responds to the challenges of social inclusion that present to Council. This service provides and gives support to community development, community planning, community grants, youth and social planning, rural access and Inter-Council Aboriginal Consultative Committee.	99 <u>2,431</u> (2,332)

Major Initiatives

3. Adopt and commence implementation of the Municipal Public Health and Wellbeing Plan 2025-29
4. Commence implementation of the Public Art Strategy

6.2 Strategic Objective 2: Healthy Community (continued)

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Target or desired trend
Achievement of the Municipal Public Health and Wellbeing Plan	100%
Achievement of the Access, Equity and Inclusion Plan	100%
Rate of domestic violence within Bass Coast	Decrease
Number of new social and affordable housing facilitated within Bass Coast	Increase

Performance Indicators	Measures
Health and Safety	Critical and major non-compliance notifications*
Utilisation	Utilisation of aquatic facilities*
Health and Safety	Animal management prosecutions*

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

6.3 Strategic Objective 3: Our Places

To achieve our objective of Our Places, we will continue to strengthen the connection between people and the public places they share. The services, major initiatives and service performance indicators for each business area are described below.

Service areas	Description of services provided	Income Expenditure Surplus/(deficit) \$'000
Our Places Management	This service is responsible for managing the infrastructure activities to deliver the our places strategic objective. This service also provides oversight over the library service that caters for the needs of residents.	- 3,644 (3,644)
Asset Management	This service plans for the preservation, protection and expansion of existing and future infrastructure assets for their maximum possible design life and minimum ongoing life-cycle cost, while responding to the community's changing needs and expectations. This service also provides advice to Planning Approvals and Strategic Planning on new developments across Bass Coast.	- <u>1,385</u> (1,385)
Civil Construction & Design	This service undertakes design, tendering, contract management and supervision of various works within Council's Capital Works Program to ensure delivery to a quality standard, to scope, on time and on budget.	- <u>864</u> (864)
Building Maintenance	This service maintains Council buildings in accordance with the Building Asset Management Plan.	40 <u>2,497</u> (2,457)
Open Space	This service maintains open spaces including parks, gardens, reserves, foreshores and sporting ovals.	- <u>6,426</u> (6,426)
Plant and Operational Support	This service provides plant and vehicle management services and support to the infrastructure maintenance department.	(1) <u>1,276</u> (1,277)
Roads	This service maintains Council's roads and road related infrastructure.	2,067 <u>5,387</u> (3,320)
Arts, Culture & Heritage	Support and offer a diverse range of facilities and opportunities for participation in a vibrant and active cultural sector. The service is responsible for the operation of the Wonthaggi Union Community Arts Centre and Berninnet	922 <u>2,468</u> (1,546)
Major Projects	This service leads feasibility studies, master planning, and the effective design, and delivery of transformational projects. Manages the design and development of urban design, open space projects and provides sustainable recreation planning, strategy and policy development.	- <u>342</u> (342)

6.3 Strategic Objective 3: Our Places (continued)

Major Initiatives

- 5. Adopt the Road Management Plan review
- 6. Adopt the Asset Plan 2025-35
- 7. Prepare a Functional Layout Plan for the Phillip Island Recreation Reserve
- 8. Continue delivery of the Cowes Streetscape Master Plan
- 9. Commence detailed design for the Bass Coast Aquatic and Leisure Centre (Wonthaggi)

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Target or desired trend
Percentage delivery of Council’s Capital Works Program on time	Increase
Percentage delivery of Council’s Capital Works Program on budget	Increase
Council investment in arts and culture	Increase
Council investment in sport and recreation	Increase

Service	Measures
Condition	Sealed local roads below the intervention level*
Participation	Library membership*

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

6.4 Strategic Objective 4: Growing our Economy

To achieve our objective of Growing our Economy, we will continue to progress opportunities for the visitation economy and business growth in harmony with our natural environment and sustainable values. The services, major initiatives and service performance indicators for each business area are described below.

Service areas	Description of services provided	Income Expenditure Surplus/(deficit) \$'000
Growing our Economy Management	This service is responsible for managing the activities to deliver the Growing our Economy strategic objective.	- <u>625</u> (625)
Investment & Events Attraction	This service supports local business operators to build their skills and run more efficient business operations leading to increased investment and employment opportunities.	22 <u>506</u> (484)
Visitor Economy & Events	This service assists with tourism development for the region, through destination marketing and brand development and the facilitation of the region's events, and coordinates Council involvement in event activities in the Shire.	89 <u>1,310</u> (1,221)

Major Initiatives

10. Complete the criteria required for Eco Tourism Certification for Bass Coast Shire through Eco Tourism

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Target or desired trend
Percentage change in Economic Output	Increase
Percentage change in Gross Regional Product	Increase
Percentage change in employment rates	Increase
Number of businesses	Increase
Central Business District vacancy rates	Decrease
Percentage change in inbound investment	Increase

6.5 Strategic Objective 5: Sustainable Development

To achieve our objective of Sustainable Development, we will continue to prepare for growth while ensuring the intrinsic values and character of Bass Coast are retained. The services, major initiatives and service performance indicators for each business area are described below.

Service areas	Description of services provided	Income Expenditure Surplus/(deficit) \$'000
Planning and Character Management	This service is responsible for managing the sustainable development and growth activities that develop the character of the municipality. In addition this service enforces the Bass Coast Planning Scheme including the management and investigation of complaints, liaison and negotiation to achieve positive outcomes after breaches have occurred and the legal activities associated with Planning Enforcement.	- <u>727</u> (727)
Building Services	This service is responsible for the assessment and determination of building applications, conducting building inspections, advising residents on building-related matters and implementing pool safety and essential safety audits.	480 <u>598</u> (118)
Development Services	This service manages subdivision design and construction, and is responsible for ensuring engineering requirements of planning applications are adequately considered and controlled.	530 <u>1,464</u> (934)
Statutory Planning	This service provides assessment of planning permit applications against the various requirements of the Bass Coast Planning Scheme and the <i>Planning and Environment Act 1987</i> to ensure that development across the Shire is appropriately planned and controlled.	777 <u>2,229</u> (1,452)
Strategic Planning	This service maintains the Bass Coast Planning Scheme by development and delivery of key Strategic Planning projects and policies, and the assessment of planning scheme amendments. This service also plans for recreation facilities and services to meet the current and future needs of the community.	25 <u>835</u> (810)
Growth Areas	This service assesses planning permit applications within the Wonthaggi North East Growth Area against the requirements of the Bass Coast Planning Scheme and the <i>Planning and Environment Act 1987</i> to ensure that development is adequately considered and appropriately controlled.	- <u>446</u> (446)

Major Initiatives

1. Commence a review of the Bass Coast planning scheme

6.5 Strategic Objective 5: Sustainable Development (continued)

Service Performance Outcome Indicators

Council Plan Strategic Indicators	Target or desired trend
Completion of Planning Scheme Review	Deliver
Number of Victorian Civil and Administrative Tribunal (VCAT) decisions that did not set aside Council's decision	Increase
Percentage of VCAT decisions that did not set aside Council's decision	Increase
Percentage of planning applications decided within required timeframes	Increase
Average statutory days taken to determine planning applications	Decrease

Service	Measures
Service standard	Planning applications decided within required timeframes*

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

6.6 Strategic Objective 6: Leading for our Community

To achieve our objective of Leading for our Community, we will continue to demonstrate leadership through good governance, transparency and accountability. The services, major initiatives and service performance indicators for each business area are described below.

Service areas	Description of services provided	Income Expenditure Surplus/(deficit) \$'000
Mayor, Council and Chief Executive Office	This service supports the administration of the organisation and activities related to the Mayor, Councillors and Chief Executive Officer	- <u>1,397</u> (1,397)
Advocacy	Coordinate Council's advocacy for positive outcomes for our community	211 (211)
Governance Management	This service is responsible for managing the activities to deliver the leading for our community strategic objective.	18 <u>1,241</u> (1,223)
Finance	This service provides responsive and reliable financial services and reporting to enable the organisation to make effective and timely decisions; ensures the organisation meets its financial legislative and statutory compliance obligations; and accurately accounts for and reports on the activities of Council.	1,703 <u>1,404</u> 299
Procurement and Fleet	This service provides contract management support services, coordinates the tender process, prepares tender and quote documentation; monitors officer obligations under the <i>Competition and Consumer Act 2010</i> and monitors spending with suppliers to ensure legislative compliance; maintains and administers procurement systems; and provides fleet management services (including services for plant management).	10 <u>145</u> (135)
Revenue	This service is responsible for raising and collecting ratepayer revenue and special charges; maintaining property data including street and property addressing; providing valuation services, including revaluation of all properties in the municipality every year and supplementary valuations as required.	202 <u>1,108</u> (906)
Communications	This service informs staff and community on key Council issues; provides professional advice on consultation and engagement within Council; and assists and educates Council staff on effective and professional communication with the community and stakeholders.	- <u>537</u> (537)
Engagement	This service facilitates innovative engagement practices that will further enhance access and inclusion, strengthen relationships, be efficient and effective, and helps to inform Council decisions.	- <u>297</u> (297)

6.6 Strategic Objective 6: Leading for our Community (continued)

Service areas	Description of services provided	Income
		Expenditure Surplus/(deficit) \$'000
Corporate Planning, Performance and Reporting	This services provides an oversight to Council's Corporate Planning and Business Planning and improvement processes that integrate with risk management and insurance; ensures Council has the appropriate process, authorisations and delegations in order to make transparent and accountable decisions.	- <u>1,866</u> (1,866)
Property	This service manages Council's property portfolio including Crown Land where Council is the appointed Committee of Management, and support and compliance to Committees of Management.	1,221 <u>681</u> 540
Customer & Visitor Experience	This service provides frontline customer service to our customers and ratepayers to provide services and to enable contact with Council staff about services provided by Council. Also responsible for visitor services through the operation of Visitor Information Centres and provides management of the Inverloch Community Hub.	275 <u>2,398</u> (2,123)
Corporate Information	This service assists the organisation to ensure records are captured efficiently and accurately; accurately digitises physical records into a compliant electronic format; and conducts staff training and inductions in information management awareness, information privacy, freedom of information and confidentiality.	2 <u>472</u> (470)
Information Technology	This service provides, supports and maintains reliable and cost effective communications and computing systems, facilities and infrastructure to Council staff enabling them to deliver services in a smart, productive and efficient way.	- <u>6,233</u> (6,233)
Business Transformation	To support and drive a culture of effectiveness and efficiency improvement across the organisation focusing on excellence in culture, systems and processes and oversees Council's Service Review Program.	- <u>420</u> (420)
Talent Management	Delivers workforce planning and recruitment and human resources information and reporting.	- <u>518</u> (518)
Employee Experience	Provides leadership, advice, programs and support to the whole organisation in the areas of Occupational Health Safety (OHS), WorkCover, health and wellbeing, payroll, leadership and organisation culture, and learning and development and payment of salaries and wages to Council employees.	210 <u>2,153</u> (1,943)
Asset Management Systems	This service protects the value of Council's assets through effective asset management systems and processes to deliver the best outcome for the community.	- <u>430</u> (430)

6.6 Strategic Objective 6: Leading for our Community (continued)

Service areas	Description of services provided	Income
		Expenditure Surplus/(deficit) \$'000
Sustainable Transport & Movement	This service ensures the safe and efficient movement of all transport modes within the municipality.	- <u>758</u> (758)
Geographic Information Systems (GIS)	This service provides Geographic Information Systems for Council including the management of software architecture and tools to enable strategic planning across the organisation.	1 <u>276</u> (275)

Major Initiatives

12. Adopt the refreshed Community Vision
13. Adopt the Council Plan 2025-29
14. Adopt the Long Term Financial Plan 2025-35
15. Adopt the Workforce Plan 2025-29

Service Performance Outcome Indicators

Council Plan Strategic Indicators		Target or desired trend
Achievement of Climate Change Action Plan		100%
Council emissions		Decrease
Community satisfaction with Council decisions		Increase
Transparency of Council decision making (Number of decisions made in closed Council)		Maintain
Development and delivery of the Reconciliation Action Plan		100%
Financial viability of Council having regard to Victorian Auditor General's office financial sustainability indicators		Within desirable limits
Deliver efficiencies through innovation and continuous improvement		Increase
Performance Indicators	Measures	
Consultation and engagement	Satisfaction with community consultation and engagement*	

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

6.7 Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Governance	Consultation and engagement	Satisfaction with community consultation and engagement. (Community satisfaction rating out of 100 with the consultation and engagement efforts of Council)	Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement
Statutory planning	Service standard	Planning applications decided within required timeframes (percentage of regular and VicSmart planning application decisions made within legislated timeframes)	[Number of planning application decisions made within 60 days for regular permits and 10 days for VicSmart permits / Number of planning application decisions made] x100
Roads	Condition	Sealed local roads below the intervention level (percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)	[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100
Libraries	Participation	Library membership (Percentage of the population that are registered library members)	[Number of registered library members / Population] x100
Waste Management	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. (Percentage of animal management prosecutions which are successful)	Number of successful animal management prosecutions / Total number of animal management prosecutions
Food safety	Health and safety	Critical and major non-compliance notifications. (Percentage of critical and major non-compliance notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100

6.8 Performance Statement

Any service performance indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 98 of the Act and included in the 2025-26 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in Section 7.3) and sustainable capacity, which are not included in this Budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The Major Initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

6.9 Reconciliation with budgeted operating result

Strategic Objectives	Surplus/ (Deficit) \$'000	Expenditure \$'000	Income / Revenue \$'000
Protecting our natural environment	(19,540)	23,890	4,350
Healthy Community	(5,995)	8,004	2,009
Our places	(21,261)	24,289	3,028
Growing our economy	(2,330)	2,441	111
Sustainable development	(4,487)	6,299	1,812
Leading for our community	(18,903)	22,545	3,642
Total	(72,516)	87,468	14,952
Expenses added in:			
Depreciation & Amortisation	27,141		
Borrowing Costs	1,166		
Finance costs - leases	7		
Other expenses/Adjustments	(782)		
Deficit before funding sources	(100,048)		
Funding sources added in			
Rates & charges	81,457		
General Purpose Financial Assistance Grant	7,084		
Capital Grants	9,772		
Capital Contributions	175		
Total funding sources	98,488		
Operating surplus/(deficit) for the year	(1,560)		

Long Term Strategies

7 Strategic Resource Plan (SRP)

7.1 Plan development

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

Council has prepared a SRP for the four years 2025-26 to 2028-29 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP is closely aligned to the financial settings in the Long Term Financial Plan.

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

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

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

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

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

7.2 Financial Resources

The following table summarises the projected key financial results for the next four years as set out in the SRP for years 2025-26 to 2028-29.

	Forecast 2024/25 \$'000	Budget 2025/26 \$'000	Projections 2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
Surplus/(deficit) for the year	8,163	(1,560)	6,417	725	14
Adjusted underlying result	(5,376)	(10,030)	(7,876)	(6,335)	(5,216)
Cash and investments balance	11,345	10,214	10,324	9,627	8,575
Cash flows from operations	29,887	33,576	36,539	34,152	33,632
Capital works expenditure	33,976	31,358	40,864	35,051	29,730

7.3 Targeted Performance Indicators

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

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

Targeted performance indicators - Service

Indicator	Measure	Notes	Actual	Forecast	Target	Target Projections			Trend
			2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	+/-
Governance									
Consultation and engagement (Council decisions made and implemented with community input)	Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with the consultation and engagement efforts of Council	1	48	48	49	50	51	52	o
Roads									
Condition (Sealed local roads below the intervention level)	Sealed local roads below the intervention level Number of kms of sealed local roads below the renewal intervention level set by Council / kms of sealed local roads	2	93%	93%	94%	95%	96%	97%	o
Statutory planning									
Service standard (planning application processing and decisions are in accordance with legislative requirements)	Planning applications decided within the relevant required time Number of planning application decisions made within the relevant required time / Number of planning application decisions made	3	60%	76%	77%	78%	79%	80%	o
Waste management									
Waste Diversion (amount of waste diverted from landfill is maximised)	Kerbside collection waste diverted from landfill Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins	4	74%	73%	75%	76%	77%	78%	o

Targeted performance indicators - Financial

Indicator	Measure	Notes	Actual 2023/24	Forecast 2024/25	Target 2025/26	Target Projections			Trend
						2026/27	2027/28	2028/29	+/-
Liquidity									
Working Capital	Current assets compared to current liabilities								
(sufficient working capital is available to pay bills as and when they fall due)	Current assets / current liabilities	5	132%	140%	145%	132%	111%	105%	-
Obligations									
Asset renewal	Asset renewal compared to depreciation								
(assets are renewed as planned)	Asset renewal and upgrade expense / Asset depreciation	6	121%	97%	79%	85%	77%	66%	-
Stability									
Rates concentration	Rates compared to adjusted underlying revenue								
(revenue is generated from a range of sources)	Rate revenue / adjusted underlying revenue	7	81.12%	76.62%	77.60%	77.36%	77.12%	76.91%	o
Efficiency									
Expenditure level	Expenses per property assessment								
(resources are used efficiently in the delivery of services)	Total expenses / no. of property assessments	8	\$3,014.79	\$3,080.25	\$3,268.26	\$3,297.56	\$3,355.76	\$3,429.34	+

7.4 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 2023/24	Forecast 2024/25	Budget 2025/26	Projections			Trend +/-
						2026/27	2027/28	2028/29	
Operating position									
Adjusted underlying result (an adjusted underlying surplus is generated in the ordinary course of business)	Adjusted underlying surplus (or deficit) Adjusted underlying surplus (deficit) / Adjusted underlying revenue	9	(12.7%)	(5.3%)	(9.6%)	(7.2%)	(5.5%)	(4.3%)	-
Liquidity									
Unrestricted cash (sufficient cash that is free of restrictions is available to pay bills as and when they fall due)	Unrestricted cash compared to current liabilities Unrestricted cash / current liabilities	10	(9.0%)	11.8%	10.8%	11.4%	9.1%	6.0%	-
Obligations									
Loans and borrowings (level of interest bearing loans and borrowings is appropriate to the size and nature of Council's activities)	Loans and borrowings compared to rates Interest bearing loans and borrowings / rate revenue	11	32.5%	37.1%	31.6%	31.4%	28.1%	23.6%	+
Loans and borrowings (level of interest bearing loans and borrowings is appropriate to the size and nature of Council's activities)	Loans and borrowings repayments compared to rates Interest and principal repayments on interest bearing loans and borrowings / rate revenue	11	12.95%	2.98%	7.61%	4.35%	4.64%	4.59%	o
Indebtedness (level of long term liabilities is appropriate to the size and nature of a Council's activities)	Non-current liabilities compared to own-source revenue Non-current liabilities / own source revenue	11	27.44%	31.54%	35.21%	37.79%	33.13%	28.18%	+
Stability									
Rates effort (rating level is set based on the community's capacity to pay)	Rates compared to property values Rate revenue / CIV of rateable properties in the municipal district	12	0.27%	0.29%	0.30%	0.31%	0.33%	0.34%	o
Efficiency									
Revenue level (resources are used efficiently in the delivery of services)	Average rate per property assessment General rates and municipal charges / no. of property assessments	13	\$1,676.90	\$1,732.02	\$1,771.28	\$1,813.77	\$1,858.35	\$1,904.06	o

Key to Forecast Trend:

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

Notes to indicators

1. Satisfaction with community consultation and engagement

Council is not aware of any circumstances which would materially impact the result over the next four years.

2. Sealed local roads below the intervention level

Council is not aware of any circumstances which would materially impact the result over the next four years.

3. Planning applications decided within the relevant required time

Council is not aware of any circumstances which would materially impact the result over the next four years.

4. Kerbside collection waste diverted from landfill

Council is not aware of any circumstances which would materially impact the result over the next four years.

5. Working Capital

This decrease is due to utilisation of council's cash reserves on large multi-year capital projects.

6. Asset renewal

Council utilises an Asset Management Plan to outline renewal and upgrade strategies for optimum efficiencies levels.

7. Rates concentration

As a large regional shire, Council generates less own-source revenue, such as user fees and fines, and relies more on rates funding than metropolitan councils.

8. Expenditure level

As a large regional shire, Council has a low population density, resulting in larger service delivery and asset management costs.

9. Adjusted underlying result

The capacity of Council to generate sufficient own-source revenue to fund operating expenditure is limited by the rate cap environment with costs expected to increase at a greater rate than the rate cap.

10. Unrestricted Cash

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

11. Debt compared to rates

Council borrowings are only used for intergeneration projects, this assists Council to remain financially sustainable as revenue generated is used to provide services rather than service debt.

12. Rates effort

Council's rates effort is expected to remain consistent over the term of the projections.

13. Revenue level

Council's dependency on rate revenue is linked to the expected rate cap over the term of the projections.

Rating Strategy

8 Rating information

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

8.1 Rating context

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

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

In developing the Budget, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the financial planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2025-26 the FGRS cap has been set at 3.00%. 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 3.00% in line with the rate cap.

This will raise total rates and charges for 2025-26 to \$81,456,850.

8.2 Current and proposed rates and charges

The following table sets out current and future proposed increases in revenue from total rates and charges and is based on the forecast financial position of Council as at 30 June 2025. Please note that the total rates and charges increase includes expected growth within the municipality during these periods. The average rate increase per assessment is anticipated to be in accordance with the projected rate cap.

Year	Rate Cap Increase %	Waste Charge increase %	Total Rates and charges \$'000s	Total Rates & Charges Increase %
2024/25	2.75%	4.4%	77,643	3.9%
2025/26	3.00%	7.4%	81,457	4.9%
2026/27	2.50%	5.0%	85,592	5.1%
2027/28	2.50%	5.0%	90,169	5.3%
2028/29	2.50%	5.0%	95,042	5.4%

8.3 Rating Structure

Council proposes to apply various rates:

a) Developed Land rate

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

b) Farm Land rate

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

- i. primarily used for agricultural production (grazing, dairying, pig farming, poultry farming, pig farming, fish farming, tree farming, bee keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind); and,
- ii. used by a business which has a significant or substantial commercial purpose, seeks to make a profit on a continuous or repetitive basis or has a reasonable prospect of making a profit from the agricultural activities being undertaken.

c) Vacant Land rate

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

d) Cultural and Recreational Land rate

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

e) Waste Charge

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

For more information on the rates and Waste charge see Appendix 2.

8.4 Consideration of Ministerial Guidelines for Differential Rates

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

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

- a) Council believes that the use of differential rates will contribute to the equitable and efficient carrying out of its functions. Council is of the view that equity is achieved through the distribution of rates between rateable properties by the application of current and accurate property valuations. Council undertakes regular property valuations as required by the Act and to the standards set out by the Valuer-General. Equity can also be achieved by the classification of properties into homogenous property categories. Council has identified these categories in its rating structure set out above. Equity therefore can be achieved by the treatment of like properties, in other words, that similar rates are paid by similar properties. Council achieves this by a combination of accurate valuations and homogenous property classification. Council also believes that the rating structure can be administered efficiently as it is a relatively simple structure which has been in place for some time.
- b) In specifying the objective of each differential rate, Council has had regard to good practice taxation principles and its assessment against each differential rate objective and determination. It has done this by considering the taxation principles based upon the capacity to pay principle, the benefit principle and the wealth taxation principle.

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

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

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

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

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

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

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

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

8.5 General revaluation of properties

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

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

Summary of other strategies

9 Borrowings

In developing the Strategic Resource Plan (SRP) (see Section 7), borrowings were identified as an important funding source for the capital works programs. The principles in the Long Term Financial Plan are in place to responsibly guide the use of borrowings with a focus on borrowing only for new intergenerational projects. The use of borrowings will be subject to outstanding debt remaining below 60% of rates revenue.

In the 2025-26 financial year, Council proposes to raise \$2.0 million in new borrowings to fund \$2.0 million of the capital works program including \$1.0 million for the Wonthaggi Netball Pavilion and \$1.0million towards the Wonthaggi - Inverloch Path . Principal repayments of \$5.035 million will see projected borrowings finish at \$25.757 million as at 30 June 2026. The following table sets out future borrowings, based on the forecast financial position of Council as of 30 June 2025.

Year	New Borrowings \$'000	Principal Paid \$'000	Interest Paid \$'000	Balance 30 June \$'000
2024/25	5,925	1,326	993	28,792
2025/26	2,000	5,035	1,166	25,757
2026/27	3,811	2,657	1,066	26,911
2027/28	1,497	3,054	1,129	25,354
2028/29	400	3,296	1,066	22,458

9.1 Statement of borrowings

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000
Total amount borrowed as at 30 June of the prior year	24,193	28,792
Total amount proposed to be borrowed	5,925	2,000
Total amount projected to be redeemed	(1,326)	(5,035)
Total amount of borrowings as at 30 June	28,792	25,757

10 Infrastructure

The Council has developed an Asset Management Policy and Asset Management Strategy Improvement Plan, which provides the framework for the review or preparation of asset management plans for all infrastructure asset groups. These Asset Management Plans set out the capital expenditure requirements of Council for the next 10 years by class of asset and are a key input to the Long Term Financial Plan. The Plans predict infrastructure consumption, renewal needs, and consider infrastructure needs to meet future community service expectations. The key aspects of the Asset Planning process are as follows:

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

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

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

Indicator	Budget	Projections		
	2025/26	2026/27	2027/28	2028/29
Asset renewal expenditure (\$'000)	16,008	17,492	16,329	16,250
Asset upgrade expenditure (\$'000)	4,946	6,104	6,290	3,730
Depreciation (\$'000)	26,526	27,909	29,219	30,295
Asset renewal	79%	85%	77%	66%

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

Year	Total	Summary of funding sources			
	Capital Program	Grants	Contributions	Borrowings	Council cash
	\$'000	\$'000	\$'000	\$'000	\$'000
2024/25	33,976	14,463	269	2,925	16,319
2025/26	31,358	9,773	175	2,000	19,410
2026/27	40,864	15,161	886	3,811	21,006
2027/28	35,051	6,797	2,110	1,497	24,647
2028/29	29,730	7,077	-	400	22,253

In addition to using cash generated from its annual operations, borrowings and external contributions such as government grants, Council has cash or investment reserves that are also used to fund a variety of capital projects. These reserves are 'discretionary' reserves. Discretionary reserves relate to the appropriation of prior year surpluses by Council for specific purposes. As they are discretionary, they can be expended at Council's discretion although they may be earmarked for a specific purpose.

II Gender Impact Assessment

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

Appendix I - Financial Statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The Budget information for the year 2025-26 has been supplemented with projections to 2028-29.

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

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

12 Comprehensive Income Statement

For the four years ending 30 June 2029

		Forecast Actual 2024/25	Budget 2025/26	Projections 2026/27	2027/28	2028/29
	NOTES	\$'000	\$'000	\$'000	\$'000	\$'000
Income / Revenue						
Rates and charges	19.2	77,643	81,457	85,592	90,169	95,042
Statutory fees and fines	18.1	3,312	3,447	3,734	3,980	4,183
User fees	18.2	5,911	6,378	6,636	6,903	7,182
Grants - operating	18.3	10,001	9,483	9,566	9,805	10,050
Grants - capital	18.3	14,463	9,772	15,161	6,797	7,077
Contributions - monetary	18.4	429	276	990	2,216	109
Net gain (or loss) on disposal of property, infrastructure, plant and equipment		84	-	-	-	-
Other income	18.5	3,103	2,627	2,510	2,502	2,551
Total income / revenue		114,946	113,440	124,188	122,373	126,194
Expenses						
Employee costs	18.6	36,674	38,953	40,371	41,998	43,690
Materials and services	18.7	39,239	43,382	43,314	44,037	45,695
Depreciation	18.8	22,399	26,526	27,909	29,219	30,295
Amortisation - intangible assets		343	350	357	365	372
Depreciation - right of use assets		306	265	252	237	249
Allowance for impairment losses		18	10	10	10	10
Borrowing costs		993	1,166	1,066	1,129	1,066
Finance costs - leases		14	7	11	26	22
Other expenses	18.9	6,797	4,342	4,482	4,629	4,782
Total expenses		106,783	115,000	117,772	121,648	126,180
Surplus/(deficit) for the year		8,163	(1,560)	6,417	725	14
Total comprehensive result		8,163	(1,560)	6,417	725	14

13 Balance Sheet

For the four years ending 30 June 2029

		Forecast Actual 2024/25	Budget 2025/26	2026/27	Projections 2027/28	2028/29
	NOTES	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Cash and cash equivalents		11,345	10,214	10,324	9,627	8,575
Trade and other receivables		13,188	9,818	10,794	10,578	10,889
Other financial assets		36,640	32,976	24,732	18,549	16,694
Inventories		44	44	44	44	44
Other assets		1,399	1,416	1,433	1,451	1,469
Total current assets		62,616	54,468	47,327	40,249	37,671
Non-current assets						
Property, infrastructure, plant & equipment		1,310,572	1,314,854	1,327,394	1,332,806	1,331,886
Right-of-use assets		441	176	1,278	1,105	912
Intangible assets		2,390	2,490	4,803	4,936	4,564
Total non-current assets		1,313,403	1,317,520	1,333,475	1,338,847	1,337,363
Total assets		1,376,019	1,371,988	1,380,802	1,379,096	1,375,034
Liabilities						
Current liabilities						
Trade and other payables		6,509	7,507	7,630	7,821	8,146
Trust funds and deposits		4,333	4,420	4,508	4,598	4,690
Contract and other liabilities		13,739	13,589	13,009	11,859	11,859
Provisions		7,234	9,175	7,359	8,429	7,348
Interest-bearing liabilities	9.1	12,561	2,632	3,045	3,294	3,468
Lease liabilities	18.1.1	297	186	215	231	248
Total current liabilities		44,673	37,509	35,766	36,232	35,758
Non-current liabilities						
Provisions		11,980	9,944	12,275	11,362	11,032
Interest-bearing liabilities	9.1	16,231	23,125	23,867	22,060	18,990
Lease liabilities	18.1.1	164	-	1,067	889	686
Total non-current liabilities		28,375	33,068	37,208	34,311	30,708
Total liabilities		73,048	70,577	72,974	70,543	66,467
Net assets		1,302,971	1,301,411	1,307,828	1,308,553	1,308,567
Equity						
Accumulated surplus		377,210	384,187	395,220	401,814	403,413
Reserves		925,761	917,224	912,608	906,739	905,154
Total equity		1,302,971	1,301,411	1,307,828	1,308,553	1,308,567

14 Statement of Changes in Equity

For the four years ending 30 June 2029

	NOTES	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2025 Forecast Actual					
Balance at beginning of the financial year		1,294,808	369,810	889,627	35,371
Surplus/(deficit) for the year		8,163	8,163	-	-
Net asset revaluation gain /(loss)		-	-	-	-
Transfers to other reserves		-	(6,127)	-	6,127
Transfers from other reserves		-	3,985	-	(3,985)
Balance at end of the financial year		1,302,971	375,831	889,627	37,513
2026 Budget					
Balance at beginning of the financial year		1,302,971	375,831	889,627	37,513
Surplus/(deficit) for the year		(1,560)	(1,560)	-	-
Net asset revaluation gain /(loss)		-	-	-	-
Transfers to other reserves		-	(1,287)	-	1,287
Transfers from other reserves		-	9,824	-	(9,824)
Balance at end of the financial year		1,301,411	382,808	889,627	28,976
2027					
Balance at beginning of the financial year		1,301,411	382,808	889,627	28,976
Surplus/(deficit) for the year		6,417	6,417	-	-
Net asset revaluation gain /(loss)		-	-	-	-
Transfers to other reserves		-	(2,101)	-	2,101
Transfers from other reserves		-	6,717	-	(6,717)
Balance at end of the financial year		1,307,828	393,841	889,627	24,360
2028					
Balance at beginning of the financial year		1,307,828	393,841	889,627	24,360
Surplus/(deficit) for the year		725	725	-	-
Net asset revaluation gain /(loss)		-	-	-	-
Transfers to other reserves		-	(1,164)	-	1,164
Transfers from other reserves		-	7,033	-	(7,033)
Balance at end of the financial year		1,308,553	400,435	889,627	18,491
2029					
Balance at beginning of the financial year		1,308,553	400,435	889,627	18,491
Surplus/(deficit) for the year		14	14	-	-
Net asset revaluation gain /(loss)		-	-	-	-
Transfers to other reserves		-	(2,945)	-	2,945
Transfers from other reserves		-	4,530	-	(4,530)
Balance at end of the financial year		1,308,567	402,034	889,627	16,906

15 Statement of Cash Flows

For the four years ending 30 June 2029

	Forecast Actual 2024/25	Budget 2025/26	2026/27	Projections 2028/29	2028/29
NOTES	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Rates and charges	79,942	83,915	84,278	87,763	92,645
Statutory fees and fines	3,312	3,914	4,062	4,316	4,582
User fees	7,186	7,242	7,241	7,500	7,873
Grants - operating	9,416	9,789	9,513	9,695	10,027
Grants - capital	10,865	10,088	14,648	7,415	7,052
Interest received	2,051	1,700	1,560	1,528	1,553
Trust funds and deposits taken	(672)	87	88	90	92
Other receipts	3,048	1,559	2,683	4,690	3,575
Net GST refund / payment	5,333	6,186	7,352	6,743	6,442
Employee costs	(36,867)	(38,534)	(40,262)	(41,881)	(43,550)
Materials and services	(44,844)	(41,874)	(45,310)	(45,231)	(47,797)
Other payments	(8,883)	(10,495)	(9,315)	(8,474)	(8,862)
Net cash provided by/(used in) operating activities	29,887	33,576	36,539	34,152	33,632
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(33,976)	(34,494)	(44,950)	(38,556)	(32,703)
Proceeds from sale of property, infrastructure, plant and equipment	611	605	457	462	391
Payments for investments	-	3,664	8,244	6,183	1,855
Net cash provided by/ (used in) investing activities	(33,365)	(30,225)	(36,250)	(31,911)	(30,457)
Cash flows from financing activities					
Finance costs	(988)	(1,166)	(1,066)	(1,129)	(1,066)
Proceeds from borrowings	5,925	2,000	3,811	1,497	400
Repayment of borrowings	(1,326)	(5,035)	(2,657)	(3,054)	(3,296)
Interest paid - lease liability	(14)	(7)	(11)	(26)	(22)
Repayment of lease liabilities	(312)	(275)	(257)	(226)	(243)
Net cash provided by/(used in) financing activities	3,285	(4,483)	(179)	(2,938)	(4,227)
Net increase/(decrease) in cash & cash equivalents	(193)	(1,131)	110	(697)	(1,052)
Cash and cash equivalents at the beginning of the financial year	11,538	11,345	10,214	10,324	9,627
Cash and cash equivalents at the end of year	11,345	10,214	10,324	9,627	8,575

16 Statement of Capital Works

For the four years ending 30 June 2029

	Forecast Actual 2024/25	Budget 2025/26	2026/27	Projections 2027/28	2028/29
NOTES	\$'000	\$'000	\$'000	\$'000	\$'000
Property					
Land improvements	7,812	5,591	10,774	6,843	9,544
Total land	7,812	5,591	10,774	6,843	9,544
Buildings	6,232	9,276	9,831	10,184	7,609
Total buildings	6,232	9,276	9,831	10,184	7,609
Total property	14,044	14,867	20,606	17,027	17,153
Plant and equipment					
Plant, machinery and equipment	2,584	1,990	1,480	1,450	1,450
Computers and telecommunications	642	700	721	685	685
Other infrastructure	140	50	50	50	50
Total plant and equipment	3,366	2,740	2,251	2,185	2,185
Infrastructure					
Roads	6,856	4,900	8,453	5,508	5,506
Bridges	2,594	768	1,750	1,750	1,750
Footpaths and cycleways	4,382	4,628	1,067	4,095	1,696
Drainage	1,543	1,819	2,355	1,897	1,190
Waste management	1,191	1,636	4,382	2,589	250
Total infrastructure	16,566	13,751	18,007	15,839	10,392
Total capital works expenditure	21.1 33,976	31,358	40,864	35,051	29,730
Represented by:					
New asset expenditure	11,878	9,033	10,561	8,345	9,425
Asset renewal expenditure	17,874	16,008	17,492	16,329	16,250
Asset expansion expenditure	482	1,371	6,707	4,087	325
Asset upgrade expenditure	3,742	4,946	6,104	6,290	3,730
Total capital works expenditure	21.1 33,976	31,358	40,864	35,051	29,730
Funding sources represented by:					
Grants	14,463	9,773	15,161	6,797	7,077
Contributions	269	175	886	2,110	-
Council cash	16,319	19,410	21,006	24,647	22,253
Borrowings	2,925	2,000	3,811	1,497	400
Total capital works expenditure	21.1 33,976	31,358	40,864	35,051	29,730

17 Funding Impact Statement

For the four years ending 30 June 2029

	Forecast Actual 2024/25	Budget 2025/26	2026/27	Projections 2027/28	2028/29
NOTES	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Rates and charges	77,643	81,457	85,593	90,170	95,042
Statutory fees and fines	3,312	3,447	3,734	3,980	4,183
User fees	5,911	6,378	6,636	6,903	7,182
Grants - operating	10,001	9,483	9,566	9,805	10,050
Contributions - monetary	160	101	104	106	109
Interest revenue	2,048	1,700	1,560	1,528	1,553
Other income	1,055	927	950	974	998
Total revenue	100,130	103,493	108,143	113,466	119,117
Proceeds					
Sale of assets	611	550	415	420	355
Total proceeds	611	550	415	420	355
Expenses					
Employee costs	(36,674)	(38,953)	(40,371)	(41,998)	(43,690)
Materials and services	(39,642)	(43,657)	(43,571)	(44,257)	(45,924)
Borrowing costs	(1,006)	(1,173)	(1,077)	(1,154)	(1,087)
Other expenses	(7,218)	(4,352)	(4,492)	(4,638)	(4,792)
Total expenses	(84,540)	(88,135)	(89,511)	(92,047)	(95,493)
Reserve fund movements					
Transfers from/(to) reserves	(2,141)	8,537	4,616	5,862	1,570
Net reserve movements	(2,141)	8,537	4,616	5,862	1,570
Capital expenditure and income					
Grants - capital	14,463	9,773	15,161	6,797	7,077
Contributions - monetary	269	175	886	2,110	-
Repayment of borrowings	(1,326)	(5,035)	(2,657)	(3,054)	(3,296)
New loans	5,925	2,000	3,811	1,497	400
Capital works	(33,976)	(31,358)	(40,864)	(35,051)	(29,730)
Net capital works and income	(14,645)	(24,445)	(23,663)	(27,701)	(25,549)
Surplus/(deficit)	(585)	-	-	-	-

18 Statement of Human Resources

18.1 Human Resources by Division

For the four years ending June 2029

	Forecast	Budget	Projections		
	Actual				
	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000
Employee Expenditure					
Employee costs - operating	36,674	38,953	40,371	41,998	43,690
Employee costs - capital	1,416	1,868	1,936	2,014	2,096
Total employee expenditure	38,090	40,821	42,307	44,012	45,786
Employee numbers					
Employee	348.2	350.8	353.4	357.4	361.4
Total employee numbers	348.2	350.8	353.4	357.4	361.4

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

Division	Comprises				
	Budget	Permanent			
	2025/26	Full time	Part time	Casual	Temporary
	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Office	499	499	-	-	-
Community and Culture	15,960	12,604	2,804	552	-
Future Places	11,162	10,163	921	-	77
Governance and Finance	4,888	3,881	1,007	-	-
Innovation and Engagement	8,151	6,678	1,443	-	30
Total permanent employee expenditure	40,660				
Other employee related expenditure	161				
Capitalised labour costs	(1,868)				
Total expenditure	38,953				

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

Division	Comprises				
	Budget	Permanent			
	2025/26	Full Time	Part time	Casual	Temporary
Chief Executive Office	2.0	2.0	-	-	-
Community and Culture	149.6	119.0	30.6	-	-
Future Places	87.0	77.0	9.4	-	0.6
Governance and Finance	39.9	30.0	9.9	-	-
Innovation and Engagement	72.3	56.0	15.5	-	0.8
Total staff	350.8	284.0	65.4	-	1.4

18.2 Human Resources by Gender

The Council has developed a Summary of Planned Human Resources Expenditure
For the four years ending 30 June 2029

	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
Chief Executive Office				
Permanent - Full time	499	519	540	562
Women	141	147	153	159
Men	358	372	387	403
Total Chief Executive Office	499	519	540	562
Community and Culture				
Permanent - Full time	12,604	13,100	13,630	14,181
Women	3,437	3,572	3,716	3,866
Men	8,420	8,751	9,105	9,473
Vacant positions	748	777	809	842
Permanent - Part time	2,804	2,914	3,032	3,154
Women	1,478	1,536	1,598	1,662
Men	1,064	1,105	1,150	1,197
Vacant positions	262	273	284	295
Total Community and Culture	15,408	16,013	16,661	17,335
Future Places				
Permanent - Full time	10,163	10,563	10,990	11,435
Women	2,891	3,004	3,126	3,252
Men	6,949	7,222	7,515	7,819
Vacant positions	323	336	349	364
Permanent - Part time	921	957	996	1,036
Women	675	701	730	759
Men	228	237	247	257
Vacant positions	18	19	19	20
Total Future Places	11,085	11,520	11,986	12,471
Governance and Finance				
Permanent - Full time	3,881	4,033	4,196	4,366
Women	2,870	2,982	3,103	3,229
Men	1,011	1,051	1,093	1,138
Permanent - Part time	1,007	1,046	1,089	1,133
Women	869	903	939	977
Men	74	76	80	83
Vacant positions	64	67	70	73
Total Governance and Finance	4,888	5,080	5,285	5,499

	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
Innovation and Engagement				
Permanent - Full time	6,678	6,940	7,221	7,513
Women	4,223	4,389	4,566	4,751
Men	1,494	1,553	1,615	1,681
Vacant positions	961	999	1,040	1,082
Permanent - Part time	1,443	1,500	1,560	1,624
Women	1,335	1,388	1,444	1,502
Vacant positions	108	112	116	121
Total Innovation and Engagement	8,121	8,440	8,782	9,137
Casuals, temporary and other expenditure	821	735	758	783
Capitalised labour costs	(1,868)	(1,936)	(2,014)	(2,096)
Total staff expenditure	38,953	40,371	41,998	43,690

	2025/26 FTE	2026/27 FTE	2027/28 FTE	2028/29 FTE
Chief Executive Office				
Permanent - Full time	2.0	2.0	2.0	2.0
Women	1.0	1.0	1.0	1.0
Men	1.0	1.0	1.0	1.0
Total Chief Executive Office	2.0	2.0	2.0	2.0
Community and Culture				
Permanent - Full time	119.0	120.0	121.0	122.0
Women	28.0	29.0	30.0	31.0
Men	84.0	84.0	84.0	84.0
Vacant positions	7.0	7.0	7.0	7.0
Permanent - Part time	30.6	30.6	30.6	30.6
Women	15.2	15.2	15.2	15.2
Men	12.1	12.1	12.1	12.1
Vacant positions	3.3	3.3	3.3	3.3
Total Community and Culture	149.6	150.6	151.6	152.6
Future Places				
Permanent - Full time	77.0	78.0	79.0	80.0
Women	22.0	23.0	24.0	25.0
Men	50.0	50.0	50.0	50.0
Vacant positions	5.0	5.0	5.0	5.0
Permanent - Part time	9.4	9.4	9.4	9.4
Women	6.4	6.4	6.4	6.4
Men	2.0	2.0	2.0	2.0
Vacant positions	1.0	1.0	1.0	1.0
Total Future Places	86.4	87.4	88.4	89.4

	2025/26	2026/27	2027/28	2028/29
	FTE	FTE	FTE	FTE
Governance and Finance				
Permanent - Full time	30.0	31.0	32.0	33.0
Women	23.0	24.0	25.0	26.0
Men	7.0	7.0	7.0	7.0
Permanent - Part time	9.9	9.9	9.9	9.9
Women	8.6	8.6	8.6	8.6
Men	0.6	0.6	0.6	0.6
Vacant positions	0.7	0.7	0.7	0.7
Total Governance and Finance	39.9	40.9	41.9	42.9
Innovation and Engagement				
Permanent - Full time	56.0	57.0	58.0	59.0
Women	33.0	34.0	35.0	36.0
Men	11.0	11.0	11.0	11.0
Vacant positions	12.0	12.0	12.0	12.0
Permanent - Part time	15.5	15.5	15.5	15.5
Women	13.6	13.6	13.6	13.6
Vacant positions	1.9	1.9	1.9	1.9
Total Innovation and Engagement	71.5	72.5	73.5	74.5
Casuals and temporary employees	1.4	0.0	0.0	0.0
Capitalised labour*	16	16	16	16
Total employee numbers	350.8	353.4	357.4	361.4

*this does not have any impact on total employee numbers

19 Notes to the financial statements

19.1 Statutory fees and fines

	Forecast			
	Actual	Budget	Change	Change
	2024/25	2025/26		
	\$'000	\$'000	\$'000	%
Infringements and costs	400	482	82	20.4%
Town planning fees	382	420	39	10.1%
Land information certificates	77	82	5	6.1%
Permits	2,453	2,463	10	0.4%
Total statutory fees and fines	3,312	3,447	135	4.1%

19.2 User Fees

	Forecast			
	Actual	Budget	Change	Change
	2024/25	2025/26		
	\$'000	\$'000	\$'000	%
Aged and health services	6	8	1	18.9%
Leisure centre and recreation	1,116	1,184	68	6.1%
Waste management services	3,478	3,858	380	10.9%
Other fees and charges	1,311	1,328	17	1.3%
Total user fees	5,911	6,378	466	7.9%

19.3 Grants

	Forecast			
	Actual	Budget	Change	Change
	2024/25	2025/26		
	\$'000	\$'000	\$'000	%
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	13,496	11,694	(1,801)	(13.3%)
State funded grants	10,968	7,561	(3,407)	(31.1%)
Total grants received	24,464	19,255	(5,208)	(21.3%)
(a) Operating Grants				
Recurrent - Commonwealth Government				
Financial Assistance Grants	8,792	9,051	259	2.9%
Other	28	33	5	17.9%
Recurrent - State Government				
Community health	34	36	2	5.9%
Environment	20	21	1	5.0%
Community safety	171	170	(1)	(0.6%)
Other	109	-	(109)	(100.0%)
Total recurrent grants	9,154	9,311	157	1.7%
Non-recurrent - State Government				
Recreation	99	100	1	1.0%
Waste management	14	-	(14)	(100.0%)
Community Safety	39	-	(39)	(100.0%)
Other	695	72	(623)	(89.6%)
Total non-recurrent grants	847	172	(675)	(79.7%)
Total operating grants	10,001	9,483	(518)	(5.2%)
(b) Capital Grants				
Recurrent - Commonwealth Government				
Roads to recovery	1,193	2,610	1,417	118.8%
Total recurrent grants	1,193	2,610	1,417	118.8%
Non-recurrent - Commonwealth Government				
Roads	1,056	-	(1,056)	(100.0%)
Other	2,427	-	(2,427)	(100.0%)
Non-recurrent - State Government				
Buildings	1,076	2,370	1,294	120.3%
Open space	4,063	4,792	729	17.9%
Roads	1,035	-	(1,035)	(100.0%)
Other	3,613	-	(3,613)	(100.0%)
Total non-recurrent grants	13,270	7,162	(6,108)	(46.0%)
Total capital grants	14,463	9,772	(4,691)	(32.4%)
Total Grants	24,464	19,255	(5,208)	(21.3%)

19.4 Contributions

	Forecast			
	Actual	Budget	Change	Change
	2024/25	2025/26		
	\$'000	\$'000		
Monetary	429	276	(154)	(35.8%)
Total contributions	429	276	(154)	(35.8%)

19.5 Other income

	Forecast			
	Actual	Budget	Change	Change
	2024/25	2025/26		
	\$'000	\$'000		
Interest	2,048	1,700	(348)	(17.0%)
Dividends	3	3	(0)	(6.3%)
Other rent	268	211	(57)	(21.4%)
Other	783	713	(70)	(8.9%)
Total other income	3,103	2,627	(475)	(15.3%)

19.6 Employee Costs

	Forecast			
	Actual	Budget	Change	Change
	2024/25	2025/26		
	\$'000	\$'000		
Wages and salaries	27,871	29,831	1,960	7.0%
Annual leave	2,948	3,118	170	5.8%
Long service leave	905	866	(40)	(4.4%)
WorkCover	581	739	159	27.3%
Superannuation	4,187	4,239	52	1.2%
Fringe benefits tax	182	161	(21)	(11.4%)
Total employee costs	36,674	38,953	2,279	6.2%

19.7 Materials and services

	Forecast			
	Actual	Budget	Change	Change
	2024/25	2025/26		
	\$'000	\$'000	\$'000	%
Contractor payments	11,732	15,778	4,046	34.5%
Building maintenance	69	3	(66)	(96.4%)
General maintenance	2,191	2,289	97	4.4%
Utilities	966	1,115	149	15.4%
Office administration	365	319	(45)	(12.5%)
Information technology	2,643	2,904	262	9.9%
Insurance	1,018	1,152	134	13.2%
Consultants	4,259	2,938	(1,321)	(31.0%)
Banking and financing Fees	116	125	9	7.8%
Subscriptions and memberships	383	388	5	1.3%
Advertising	294	315	21	7.0%
Cost of goods sold	176	184	8	4.3%
Consumables	1,097	1,025	(73)	(6.6%)
Legal and debt recovery	465	457	(8)	(1.6%)
Employee development and recruitment	779	878	99	12.7%
Waste management	9,577	10,381	803	8.4%
Communications	363	400	37	10.2%
Other	651	573	(79)	(12.1%)
Library services	2,090	2,152	63	3.0%
Property leases	5	7	2	44.5%
Total materials and services	39,239	43,382	4,143	10.6%

19.8 Depreciation

	Forecast			
	Actual	Budget	Change	Change
	2024/25	2025/26		
	\$'000	\$'000	\$'000	%
Property	5,448	6,205	757	13.9%
Plant & equipment	2,297	2,754	457	19.9%
Infrastructure	14,654	17,567	2,913	19.9%
Total depreciation	22,399	26,526	4,127	18.4%

19.9 Other expenses

	Forecast			
	Actual	Budget	Change	Change
	2024/25	2025/26		
	\$'000	\$'000	\$'000	%
Auditors' remuneration - VAGO	13	69	56	422.7%
Auditors' remuneration - Internal	121	98	(23)	(18.9%)
Councillors' allowances	373	414	40	10.8%
Land management rebate	678	675	(4)	(0.5%)
Fire services levy	85	150	65	76.5%
Landfill levy	1,046	1,792	746	71.3%
Contributions to other organisations	4,400	1,103	(3,297)	(74.9%)
Stamp duty	36	42	6	18.0%
Fee waiver	45	-	(45)	(100.0%)
Total other expenses	6,798	4,342	(2,456)	(36.1%)

19.10 Statement of Investment Reserves

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	2026/27 \$'000	Projections 2027/28 \$'000	2028/29 \$'000
Art in Public Places	102	102	102	102	102
Future Sustainability Fund	350	350	350	350	350
Landfill rehabilitation reserve	7,001	2,472	-	-	-
LGFV sinking fund	2,650	-	-	-	-
Resort & Recreation Interest Reserve	805	805	962	1,126	1,298
Skate park	261	261	61	61	61
Strategic Land Acquisitions Reserve	-	500	1,000	1,500	2,000
Strategic works	14,397	13,187	11,066	6,133	3,391
Tracks & Trails Reserve	1,385	1,385	1,385	407	407
Unallocated surplus	6,322	5,174	4,194	3,072	3,057
Wonthaggi North East Land Acquisitions Reserve	2,500	3,000	3,500	4,000	4,500
Total Reserves	35,773	27,236	22,620	16,751	15,166

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

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

19.11 Leases

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

	Forecast			
	Actual	Budget	Change	Change
	2024/25	2025/26		
	\$'000	\$'000	\$'000	%
Right-of-use assets				
Land and buildings	441	176	(265)	(60.1%)
Plant and equipment	-	-	-	0.0%
Total right-of-use assets	441	176	(265)	(60.1%)
Lease liabilities				
Current lease Liabilities				
Land and buildings	297	186	(111)	(37.4%)
Plant and equipment	-	-	-	0.0%
Total current lease liabilities	297	186	(111)	(37.4%)
Non-current lease liabilities				
Land and buildings	164	-	(164)	(100.0%)
Total non-current lease liabilities	164	-	(164)	(100.0%)
Total lease liabilities	461	186	(275)	(59.7%)

Where the interest rate applicable to a lease is not expressed in the lease agreement, Council applies the average incremental borrowing rate in the calculation of lease liabilities. The current incremental borrowing rate is 3.9%.

19.12 Proposal to Lease Council Land

This section presents a summary of Council's proposals to lease land to external parties in the 2025-26 financial year. Council hereby gives public notice of its intention to lease the property pursuant to Section 115 of the *Local Government Act 2020* and Council's Community Engagement Policy.

Part of each of the properties listed below, for the purpose of community battery sites:

- 91-97 Thompson Ave, Cowes VIC 3922
- 1 Kembla Rd, Cowes VIC 3922
- Opposite 11 Seagrass Ave, Cowes VIC 3922
- Opposite 75 Goodwood Drive, Cowes VIC 3922
- Cnr Hallway Dr and Hoad St, Cowes VIC 3922
- 105 Settlement Rd, Cowes VIC 3922
- 50 Katherine Cct, Cowes VIC 3922
- Cnr Pembrey Lp and Elvington Ave, Cowes VIC 3922

Appendix 2 - Rates and charges

20 Rates and charges

20.1 Fair Go Rates System Compliance

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

	2024/25	2025/26
Total rates	\$ 57,739,030	\$ 59,813,322
Number of rateable properties	\$ 34,422	\$ 34,667
Base average rate	\$ 1,677	\$ 1,725
Maximum rate increase (set by Government)	2.75%	3.00%
Capped average rate	\$ 1,724	\$ 1,777
Maximum general rates	\$ 59,326,853	\$ 61,607,722
Budget general rates	\$ 59,325,114	\$ 61,605,815
Budgeted supplementary rates	\$ 800,000	\$ 720,000
Budgeted total rates	\$ 60,125,114	\$ 62,325,815

20.2 Reconciliation of total rates and charges

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

	Forecast Actual 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	Change %
General rates*	59,325	61,606	2,281	3.8%
Service rates and charges	17,388	18,926	1,538	8.8%
Special rates and charges	6	-	(6)	(100.0%)
Supplementary rates and rate adjustments	719	720	1	0.1%
Interest on rates and charges	171	170	(1)	(0.6%)
Revenue in lieu of rates	34	35	1	2.9%
Total rates and charges	77,643	81,457	3,814	4.9%

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

20.3 Rate in the dollar to be levied as general rates

The amount that Council intends to raise by rates and charges and the differential rate declared are levied under Section 94 of the Act:

General rate for rateable properties	2024/25 Cents / \$ CIV	2025/26 Cents / \$ CIV	Change %
Residential	0.00213510	0.00230810	8.1%
Farm	0.00170800	0.00184640	8.1%
Commercial	0.00213510	0.00230810	8.1%
Industrial	0.00213510	0.00230810	8.1%
Vacant Land	0.00320260	0.00346210	8.1%
Recreational	0.00128106	0.00138486	8.1%

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

20.4 Estimated total amount to be raised by general rates

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

Type or class of land	2024/25 \$'000	2025/26 \$'000	Change \$'000	%
Residential	48,252	50,093	1,841	3.8%
Farm	3,747	3,971	223	6.0%
Commercial	1,947	2,226	279	14.3%
Industrial	535	628	94	17.5%
Vacant Land	4,808	4,650	(158)	(3.3%)
Recreational	36	38	2	6.4%
Total amount to be raised by general rates	59,325	61,606	2,281	3.8%

20.5 Number of assessments

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

Type or class of land	2024/25 Number	2025/26 Number	Change Number	Change %
Residential	29,237	29,635	398	1.4%
Farm	998	1,002	4	0.4%
Commercial	929	931	2	0.2%
Industrial	438	460	22	5.0%
Vacant Land	2,800	2,619	(181)	(6.5%)
Recreational	20	20	-	0.0%
Total number of assessments	34,422	34,667	245	0.7%

20.6 Basis of valuation

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

20.7 Estimated total value of land

Type or class of land	2024/25 \$'000	2025/26 \$'000	Change \$'000	Change %
Residential	22,599,495	21,703,095	(896,400)	(4.0%)
Farm	2,194,020	2,150,425	(43,595)	(2.0%)
Commercial	911,920	964,265	52,345	5.7%
Industrial	250,345	272,185	21,840	8.7%
Vacant Land	1,501,321	1,343,214	(158,108)	(10.5%)
Recreational	27,995	27,995	-	0.0%
Total value of land	27,485,096	26,461,179	(1,023,918)	(3.7%)

20.8 Rate or unit amount to be levied

The description of any fixed component of the rates is levied under Section 94 of the Act:

Type of Charge	2024/25	2025/26	Change	Change
	\$	\$	\$	%
Waste charge	575.21	617.54	42.33	7.4%
- 240 Litre organics				
- 240 litre recycle				
- 120 litre landfill				
Additional recycle bin - annual charge	119.00	128.00	9.00	7.6%
Additional organics bin - annual charge	150.00	161.00	11.00	7.3%
Additional 120 litre landfill bin - annual charge	149.00	160.00	11.00	7.4%
Additional 240 litre landfill bin - annual charge	264.00	283.00	19.00	7.2%
Upsized landfill bin (120 litre to 240 litre)	115.04	123.51	8.47	7.4%
- annual charge				

20.9 Estimated total amount to be raised

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

Type of Charge	2024/25	2025/26	Change	Change
	\$	\$	\$	%
Waste	16,276,678	18,926,164	2,649,486	16.3%

20.10 Estimated total amount to be raised by supplementary charges

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

Type of Charge	2024/25	2025/26	Change	Change
	\$	\$	\$	%
Supplementary rates	700,000	600,000	(100,000)	(14.3%)
Supplementary Waste charges	100,000	120,000	20,000	20.0%

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

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

Type of Charge	2024/25	2025/26	Change	Change
	\$	\$	\$	%
General rates	59,325,114	61,605,815	2,280,701	3.8%
Waste management charge	16,276,678	18,926,164	2,649,486	16.3%
Supplementary rates	800,000	720,000	(80,000)	(10.0%)
Revenue in lieu of rates	34,000	35,000	1,000	2.9%
Total rates and charges	76,435,792	81,286,979	4,851,187	6.3%

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

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

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

- The making of supplementary valuations (2025-26: estimated \$600,000 and 2024-25: \$700,000)
- The variation of returned levels of value (e.g. valuation appeals)
- Changes in use of land such that rateable land becomes non-rateable land and vice versa
- Changes in use of land such that residential land becomes business land and vice versa.

21 Differential rates

21.1 Rates to be levied

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

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

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

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

Council has considered the '*Ministerial Guidelines for Differential Rating*' issued by the Minister for Local Government.

These guidelines seek to ensure that when using differential rating Council consider the following:

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

21.2 Rates to be levied

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

- A general rate of 0.23081% (0.23081 cents in the dollar) of CIV for all rateable residential, commercial and industrial properties
- A general rate of 0.18464% (0.18464 cents in the dollar) of CIV for all rateable farm properties
- A general rate of 0.34621% (0.34621 cents in the dollar) of CIV for all rateable vacant land from all categories
- A general rate of 0.138486% (0.138486 cents in the dollar) of CIV for all rateable recreational and cultural properties.

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

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

21.3 Residential land

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

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

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

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

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

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

The types of buildings on the land within this differential rate are all buildings already on the land or which will be constructed prior to the expiry of the 2025-26 financial year.

21.4 Commercial land

Commercial land is any land which is:

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

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

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

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

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

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2025-26 financial year.

21.5 Industrial land

Industrial land is any land which is:

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

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

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

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

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

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2025-26 financial year.

21.6 Farm land

Farm land is any land which is:

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

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

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

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

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2025-26 financial year.

21.7 Vacant land

Vacant land is any land which is:

- Considered vacant in that it has no buildings or dwellings constructed on it prior to the expiry of the 2024/25 financial year; and,
- May include land zoned as residential, commercial, industrial or rural residential.

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

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

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

21.8 Recreational land

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

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

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

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

The types of buildings on the land within this differential rate are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2025-26 financial year.

Appendix 3 - Capital Works Program

22 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2025-26 year, classified by expenditure type and funding source. Works are also disclosed as current budget or carried forward from prior year.

22.1 Capital Works Program Summary

	Forecast 2024/25 \$'000	Budget 2025/26 \$'000	Change \$'000	%
Property	14,044	14,867	823	5.86%
Plant and equipment	3,366	2,740	(626)	(18.60%)
Infrastructure	16,566	13,751	(2,815)	(16.99%)
Total	33,976	31,358	(2,618)	(7.71%)

	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
Property	14,867	4,760	5,811	4,296	-	5,552	175	8,140	1,000
Plant and equipment	2,740	50	2,690	-	-	-	-	2,740	-
Infrastructure	13,751	4,223	7,507	650	1,371	4,221	-	8,530	1,000
Total	31,358	9,033	16,008	4,946	1,371	9,773	175	19,411	2,000

22.2 Detailed list of Capital Works

	Project Cost	New	Asset expenditure types			Summary of Funding Sources			
	\$'000		\$'000	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
PROPERTY									
Land Improvements									
Climate Change Actions	400	400	-	-	-	-	-	400	-
Courts	150	150	-	-	-	-	150	-	-
Cowes Activity Centre Plan	3,000	3,000	-	-	-	3,000	-	-	-
Dog Parks	50	50	-	-	-	-	-	50	-
Minor Projects	276	-	-	276	-	182	-	94	-
Open Space renewal program	1,405	-	1,405	-	-	-	-	1,405	-
Phillip Island Recreation Reserve	250	250	-	-	-	-	-	250	-
Recreation Projects Design	60	60	-	-	-	-	-	60	-
Land Improvements Total	5,591	3,910	1,405	276	-	3,182	150	2,259	-
Buildings									
Aquatics & Leisure Centres	500	500	-	-	-	-	-	500	-
Buildings renewal program	4,381	-	4,381	-	-	-	-	4,381	-
Old Wonthaggi Secondary College Site Redevelopment	350	350	-	-	-	-	-	350	-
Pavilion Upgrades	3,895	-	-	3,895	-	2,370	25	500	1,000
Access Control, and Security Systems Upgrades	125	-	-	125	-	-	-	125	-
Community Facilities Furniture Renewal Program	25	-	25	-	-	-	-	25	-
Buildings Total	9,276	850	4,406	4,020	-	2,370	25	5,881	1,000
PROPERTY TOTAL	14,867	4,760	5,811	4,296	-	5,552	175	8,140	1,000
PLANT AND EQUIPMENT									
Artworks									
Public Art	50	50	-	-	-	-	-	50	-
Artworks Total	50	50	-	-	-	-	-	50	-
Computers and telecommunications									
Computers and Telecommunications renewal program	625	-	625	-	-	-	-	625	-
Cultural Facilities	75	-	75	-	-	-	-	75	-
Computers and telecommunications Total	700	-	700	-	-	-	-	700	-
Plant, machinery and equipment									
Plant, Fleet & Equipment renewal program	1,990	-	1,990	-	-	-	-	1,990	-
Plant, machinery and equipment Total	1,990	-	1,990	-	-	-	-	1,990	-
PLANT AND EQUIPMENT TOTAL	2,740	50	2,690	-	-	-	-	2,740	-

22.2 Detailed list of Capital Works (Continued)

	Project Cost	Asset expenditure types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INFRASTRUCTURE									
Bridges									
Bridges renewal program	768	-	768	-	-	-	-	768	-
Bridges Total	768	-	768	-	-	-	-	768	-
Drainage									
Minor Projects	650	-	-	650	-	-	-	650	-
Storm Water renewal program	1,169	-	1,169	-	-	-	-	1,169	-
Drainage Total	1,819	-	1,169	650	-	-	-	1,819	-
Footpaths and cycleways									
Footpath gaps program (RAMP)	100	-	-	-	100	-	-	100	-
Minor Projects	225	-	-	-	225	-	-	225	-
Pathways renewal program	251	-	251	-	-	-	-	251	-
Strategic Pathways Tracks and Trails	3,720	3,720	-	-	-	1,610	-	1,110	1,000
Footpaths and cycleways Total	4,296	3,720	251	-	325	1,610	-	1,686	1,000
Roads									
Sealed Roads	2,625	333	2,292	-	-	1,478	-	1,147	-
Unsealed Roads	2,608	-	2,608	-	-	1,133	-	1,475	-
Roads Total	5,232	333	4,900	-	-	2,611	-	2,622	-
Waste									
Grantville Cell 8 Construction	450	-	-	-	450	-	-	450	-
Other Waste/Depot Infrastructure	766	170	-	-	596	-	-	766	-
Waste Total	1,216	170	-	-	1,046	-	-	1,216	-
Other Infrastructure									
Grantville Waste Facilities	420	-	420	-	-	-	-	420	-
Other Infrastructure Total	420	-	420	-	-	-	-	420	-
INFRASTRUCTURE TOTAL	13,751	4,223	7,507	650	1,371	4,221	-	8,530	1,000
TOTAL CAPITAL WORKS PROGRAM	31,358	9,033	16,008	4,946	1,371	9,773	175	19,411	2,000

22.3 Summary of Planned Capital Works Expenditure

For the year ending 30 June 2026

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Land	-	-	-	-	-	-	-	-	-
Land Improvements	5,591	3,910	1,405	276	-	3,182	150	2,259	-
Total Land	5,591	3,910	1,405	276	-	3,182	150	2,259	-
Buildings	9,276	850	4,406	4,020	-	2,370	25	5,881	1,000
Total Buildings	9,276	850	4,406	4,020	-	2,370	25	5,881	1,000
TOTAL PROPERTY	14,867	4,760	5,811	4,296	-	5,552	175	8,140	1,000
PLANT AND EQUIPMENT									
Artworks	50	50	-	-	-	-	-	50	-
Computers and telecommunications	700	-	700	-	-	-	-	700	-
Plant, machinery and equipment	1,990	-	1,990	-	-	-	-	1,990	-
TOTAL PLANT AND EQUIPMENT	2,740	50	2,690	-	-	-	-	2,740	-
INFRASTRUCTURE									
Bridges	768	-	768	-	-	-	-	768	-
Drainage	1,819	-	1,169	650	-	-	-	1,819	-
Footpaths and Cycleways	4,296	3,720	251	-	325	1,610	-	1,686	1,000
Roads	5,232	333	4,900	-	-	2,611	-	2,622	-
Waste	1,216	170	-	-	1,046	-	-	1,216	-
Other Infrastructure	420	-	420	-	-	-	-	420	-
TOTAL INFRASTRUCTURE	13,751	4,223	7,507	650	1,371	4,221	-	8,530	1,000
TOTAL CAPITAL WORKS	31,358	9,033	16,008	4,946	1,371	9,773	175	19,411	2,000

22.3 Summary of Planned Capital Works Expenditure (continued)

For the year ending 30 June 2027

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Land									
Land Improvements	10,774	6,815	3,300	659	-	5,814	776	4,184	-
Total Land	10,774	6,815	3,300	659	-	5,814	776	4,184	-
Buildings	9,831	710	3,701	3,320	2,100	3,775	110	4,806	1,140
Total Buildings	9,831	710	3,701	3,320	2,100	3,775	110	4,806	1,140
TOTAL PROPERTY	20,605	7,525	7,001	3,979	2,100	9,589	886	8,990	1,140
PLANT AND EQUIPMENT									
Artworks	50	50	-	-	-	-	-	50	-
Computers and telecommunications	721	36	685	-	-	-	-	721	-
Plant, machinery and equipment	1,480	-	1,480	-	-	-	-	1,480	-
TOTAL PLANT AND EQUIPMENT	2,251	86	2,165	-	-	-	-	2,251	-
INFRASTRUCTURE									
Bridges	1,750	-	1,750	-	-	-	-	1,750	-
Drainage	2,355	-	970	1,385	-	250	-	2,105	-
Footpaths and cycleways	1,067	400	262	80	325	200	-	867	-
Landfill cells	2,671	-	-	-	2,671	-	-	-	2,671
Roads	8,453	2,330	5,343	660	120	5,122	-	3,331	-
Waste management	1,711	220	-	-	1,491	-	-	1,711	-
TOTAL INFRASTRUCTURE	18,007	2,950	8,325	2,125	4,607	5,572	-	9,764	2,671
TOTAL CAPITAL WORKS	40,863	10,561	17,491	6,104	6,707	15,161	886	21,005	3,811

22.3 Summary of Planned Capital Works Expenditure (continued)

For the year ending 30 June 2028

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Land									
Land Improvements	6,843	1,860	2,031	2,952	-	1,550	1,300	3,993	-
Total Land	6,843	1,860	2,031	2,952	-	1,550	1,300	3,993	-
Buildings	10,184	2,550	3,734	1,600	2,300	2,540	60	6,584	1,000
Total Buildings	10,184	2,550	3,734	1,600	2,300	2,540	60	6,584	1,000
TOTAL PROPERTY	17,027	4,410	5,765	4,552	2,300	4,090	1,360	10,577	1,000
PLANT AND EQUIPMENT									
Artworks	50	50	-	-	-	-	-	50	-
Computers and telecommunications	685	-	685	-	-	-	-	685	-
Plant, machinery and equipment	1,450	-	1,450	-	-	-	-	1,450	-
TOTAL PLANT AND EQUIPMENT	2,185	50	2,135	-	-	-	-	2,185	-
INFRASTRUCTURE									
Bridges	1,750	-	1,750	-	-	-	-	1,750	-
Drainage	1,897	-	1,070	827	-	-	750	1,147	-
Footpaths and cycleways	4,095	2,698	261	811	325	860	-	3,235	-
Landfill cells	497	-	-	-	497	-	-	-	497
Roads	5,508	60	5,348	100	-	1,847	-	3,661	-
Waste management	2,092	1,127	-	-	965	-	-	2,092	-
TOTAL INFRASTRUCTURE	15,839	3,885	8,429	1,738	1,787	2,707	750	11,885	497
TOTAL CAPITAL WORKS	35,051	8,345	16,329	6,290	4,087	6,797	2,110	24,647	1,497

22.3 Summary of Planned Capital Works Expenditure (continued)

For the year ending 30 June 2029

Capital Works Area	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Land									
Land Improvements	9,544	6,310	1,795	1,440	-	3,100	-	6,444	-
Total Land	9,544	6,310	1,795	1,440	-	3,100	-	6,444	-
Buildings	7,609	1,650	3,959	2,000	-	1,600	-	5,609	400
Total Buildings	7,609	1,650	3,959	2,000	-	1,600	-	5,609	400
TOTAL PROPERTY	17,153	7,960	5,754	3,440	-	4,700	-	12,053	400
PLANT AND EQUIPMENT									
Artworks	50	50	-	-	-	-	-	50	-
Computers and telecommunications	685	-	685	-	-	-	-	685	-
Plant, machinery and equipment	1,450	-	1,450	-	-	-	-	1,450	-
TOTAL PLANT AND EQUIPMENT	2,185	50	2,135	-	-	-	-	2,185	-
INFRASTRUCTURE									
Bridges	1,750	-	1,750	-	-	-	-	1,750	-
Drainage	1,190	-	1,000	190	-	-	-	1,190	-
Footpaths and cycleways	1,696	1,105	266	-	325	530	-	1,166	-
Landfill cells	-	-	-	-	-	-	-	-	-
Roads	5,506	60	5,346	100	-	1,847	-	3,659	-
Waste management	250	250	-	-	-	-	-	250	-
TOTAL INFRASTRUCTURE	10,392	1,415	8,362	290	325	2,377	-	8,015	-
TOTAL CAPITAL WORKS	29,730	9,425	16,251	3,730	325	7,077	-	22,253	400