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**Introduction by the Mayor and Chief Executive Officer**

We’re pleased to present to the Warrnambool community the Draft 2024-2025 Budget.

We believe it strikes a balance between meeting community aspirations in terms of providing projects and services our city needs – and the community’s expectations that we deliver value for money and manage our resources wisely.

Despite tightening budgets at all levels of government there is still plenty happening on the capital works front. Our proposed $27.9 million program comprises **$10.4 million** of existing and ongoing projects and **$17.5 million** of new project allocations, including:

* $9 million of new budget allocations to Council’s asset renewal program, which sees ongoing renewal of Council’s roads, bridges, footpaths, and buildings,
* A $2.1 million upgrade of the Matron Swinton Childcare Centre, which will increase capacity for the provision of up to 33 additional childcare spaces, and a new community hub multipurpose room suitable for Maternal Child Health consultations,
* $1.5 million towards the redevelopment of recreation facilities at Walter Oval,
* $0.7 million to upgrade the flooring at the Val Bertrand Netball Stadium,
* $0.6 million on Council’s CBD Footpaths and Car Parks program,
* $0.35 million on upgrading irrigation at Friendly Society’s Park,
* A detailed business case for the future proposed aquatic facility redevelopment, and
* Year three of the joint “Coastal Connect” information technology shared services alliance, partnering with Corangamite and Moyne Shires.

We’ll also continue to deliver important services. Council recently re-committed to providing home support services including aged and disability care and this is reflected in the draft budget.

This is a financially responsible budget. We plan to increase rates by an average of 2.75%, in line with the Victorian Government’s rate cap, and 0.20% lower than the 2023-24 rise. This equates to an average of 88 cents per week increase for property owners with homes valued between $500,000 and $1 million. For residents with homes valued under $500,000 the increase will be less than 50 cents a week.

The waste management charge that covers the four-bin kerbside collection service has been cut from $427 to $417.

No new borrowings are budgeted for the 2024-25 financial year. Council will hold a responsible loan portfolio of $6.8m (down from $8.5m in 2023-2024) and will continue to repay debt. This decrease in our borrowings give us capacity for the needs of our growing city which also services a much larger, regional population.

There are major projects on the horizon which are part of the plan to cater for our city’s growing population. Our Aquatic Strategy describes how we can upgrade AquaZone in stages so that it can meet the needs of more people.

Many residents will be aware of the work under way at Brierly Reserve and we will soon be having conversations with north-east Warrnambool residents about a community hub at Brierly and how we could ensure that it provides the services and programs most needed by the community.

Council will need external funding to complete the Brierly Reserve and AquaZone redevelopments and Council will be advocating for funding from the Australian and Victorian governments to bring these projects to completion.

Council’s budgeted operating result shows a surplus of $8.3 million. In simple terms, the surplus is generated to fund capital works and meet council commitments such as loan repayments. In accordance with Australian Accounting Standards, the surplus includes one-off funding tied to the delivery of specific projects, and excludes capital expenditure. It also includes non-cash valuation movements related to community assets. The Income Statement surplus does not represent unallocated cash available to Council. The underlying budget has been created on a balanced cash basis, whereby the amount of cash received by Council is balanced to the amount spent.

The Budget is prepared based on the priorities outlined in the Council Plan 2021-2025 and to the objectives in the long-term community vision, Warrnambool 2040. We recommend that the Budget is read in conjunction with the Council Plan. The vision for the four-year life of the Council Plan is for Warrnambool to be a Thriving City in the Heart of Coast and Country



Cr Ben Blain Andrew Mason

Mayor Chief Executive Officer

**Budget influences**

Cost increases continue to impact Council budgets. These include rising construction and building costs that comprise a large part of Council’s budget. The table below shows cost increases relevant to Council over the past financial year:

|  |  |
| --- | --- |
| **Increase** | **Index** |
| 13.3% | Electricity Index |
| 7.2% | Non-Residential Building Construction |
| 5.4% | Heavy and Civil Engineering Construction |
| 4.9% | Road and Bridge Construction |
| *Source – Australian Bureau of Statistics* | |

Council must also absorb significant increases in State Government charges including substantial increases in Workcover premiums, Victorian Electoral Commission costs, and compliance and regulation costs. At the same time we must contend with diminishing grant opportunities.

Council maintains assets worth more than $800 million and is heavily focused on ensuring these are maintained and renewed. These assets include buildings, roads, recreation and drainage. The 2024-25 budget includes an allocation of $9 million towards asset renewal.

Council’s Waste Management Charge provides the four-bin kerbside collection which is levied on rates notices to property owners. Council is budgeting to reduce the Waste Management Charge in 2024-25 in response to Ministerial guidelines.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Expected Average Residential Rates** | **2023-24** | **Increase/ (Decrease)** | **2024-25** | **% Increase/ (Decrease)** |
| Average Residential Rates | $1,499.13 | $41.23 | $1,540.36 | 2.75% |
| Municipal Charge | $294.65 | $8.10 | $302.75 | 2.75% |
| Waste Management Fee | $427.00 | ($10.00) | $417.00 | (2.40%) |
| Average Residential Rates & Charges | **$2,220.78** | **$39.33** | **$2,260.11** | **1.77%** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Waste Management Charge** |  |  |  | **2022-23** | **2023-24** | **2024-25** |
| Garbage collection & disposal (including EPA Levies) | | | | $91.35 | $94.27 | $102.14 |
| Recycling collection & processing | | | | $66.80 | $73.77 | $84.11 |
| FOGO collection & processing | | | | $58.14 | $56.01 | $55.64 |
| Glass collection & processing | | | | $25.39 | $28.26 | $29.29 |
| Street cleaning | | | | $64.48 | $67.01 | $66.06 |
| Drainage cleaning/rubbish removal/foreshore cleaning | | | | $51.03 | $54.23 | $53.80 |
| Council overhead | | | | $55.40 | $53.44 | $25.97 |
| **Total** | | | | **$412.58** | **$427.00** | **$417.00** |

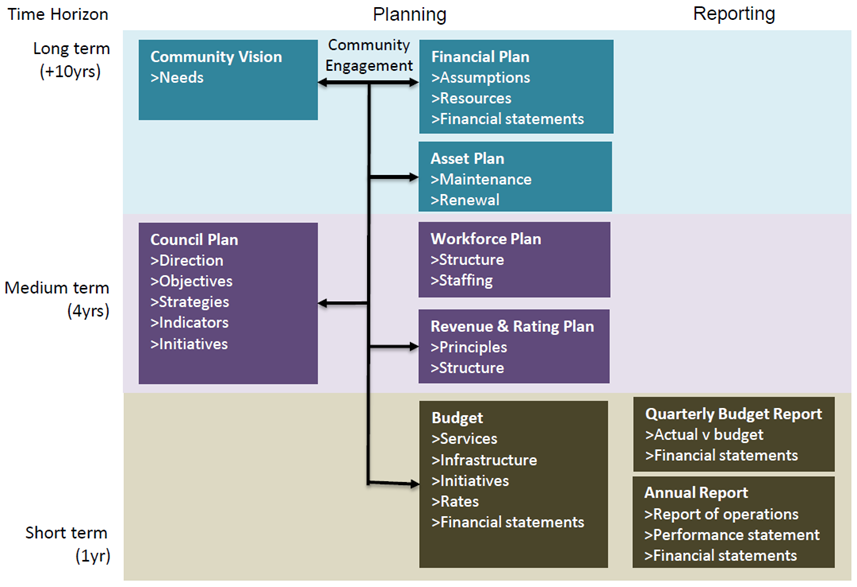
|  |  |
| --- | --- |
| **How we invest each $100** | |
| Construction, roads, paths and drains | 22.27 |
| Parks, recreation, libraries and culture | 20.45 |
| Aged and family services | 19.94 |
| Administration | 14.13 |
| Economic development and tourism | 8.22 |
| Environmental, waste management and street cleaning | 5.82 |
| Engineering and planning | 4.38 |
| Regulatory control, public health and safety | 3.73 |
| Elected Council and governance | 1.07 |
| **Total** | $100.00 |

**1. Link to the Integrated Strategic Planning and Reporting Framework**

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

**1.1 Legislative planning and accountability framework**

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



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

**1.1.2 Key planning considerations**

**Service level planning**

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

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

**1.2 Our purpose**

**Our vision**

***A thriving city at the heart of coast and country.***

**Our values**

**Accountability**

We will be responsible and take ownership for our actions and decisions by being ethical, honest and transparent.

**Collaboration**

We will foster effective relationships through engagement, communication and cooperation; supporting decisions and outcomes for the benefit of all.

**Respectfulness**

We will treat everyone with dignity, fairness and empathy; providing them with the opportunity to share views and to be heard.

**Progressiveness**

We will evolve and grow by encouraging development, change and continuous improvement in everything that we do.

**Wellbeing**

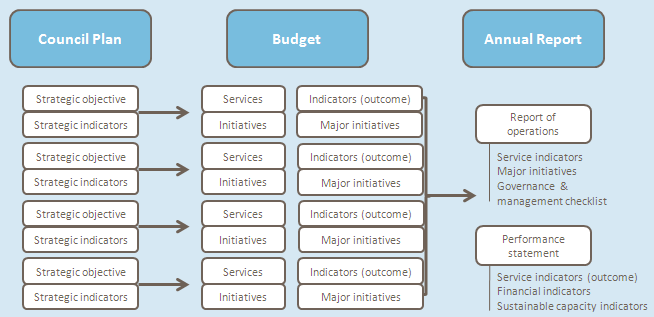
We will commit to providing a safe and healthy workplace that promotes staff engagement, performance and achievement allowing all employees to flourish for the benefit of themselves and the organisation.

**1.3 Strategic objectives**

|  |  |
| --- | --- |
| Council's strategic objectives were developed with the community in response to the vision and goals described in the long-term community plan, Warrnambool 2040. | |
| Strategic Objective | Description |
| A healthy community | *To be a healthy, inclusive, and thriving community with equitable access to services, cultural opportunities and recreational activities.* |
| A sustainable environment | *To protect and strengthen local ecosystems, enhance biodiversity and enable sustainable communities.* |
| A strong economy | *Support a resilient local and self-sustaining regional economy that encourages economic growth and provides increased employment opportunities attracting ongoing investment.* |
| A connected, inclusive place | *Provide quality places that all people value and want to live, work, play and learn in.* |
| An effective Council | *To be recognised as a collaborative Council and a high-performing organisation that enables positive outcomes for Warrnambool's community, environment and economy and Victoria's south west.* |

**2. Services and service performance indicators**

This section provides a description of the services and initiatives to be funded in the Budget for the 2024-25 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, initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below:



**2.1 Strategic Objective 1: A Healthy Community**

To be a healthy, inclusive, and thriving community with equitable access to services, cultural opportunities and recreational activities.

Strategies to achieve Strategic Objective 1 (A Healthy Community) are:

1.1 Welcoming and inclusive city

1.2 Aboriginal communities

1.3 Health and wellbeing

1.4 Accessible city

1.5 Recreation, arts, culture and heritage

1.6 Community learning pathways

The service categories to deliver these key strategic objectives are described below.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | |  | |  |
| Service area | Description of services provided |  | | 2022-23  Actual  $'000 | | 2023-24  Forecast  $'000 | 2024-25  Budget  $'000 |
| Aged Services | This area provides a range of services including meals on wheels, personal care, respite, home maintenance, home care, adult day care and senior citizens programs. | Inc | | 4,153 | | 4,557 | 4,050 |
| Exp | | 4,351 | | 5,234 | 4,561 |
| **Surplus / (deficit)** | | **(198)** | | **(677)** | **(511)** |
| Family Services | This service provides family orientated support services including pre-schools, maternal & child health, child care, counselling & support, youth services, immunisation, family day care. | Inc | | 8,920 | | 10,119 | 10,378 |
| Exp | | 9,199 | | 10,897 | 11,216 |
| **Surplus / (deficit)** | | **(279)** | | **(778)** | **(838)** |
| Service area | Description of services provided |  | | 2022-23  Actual  $'000 | | 2023-24  Forecast  $'000 | 2024-25  Budget  $'000 |
| Art and Culture | Provision of high-quality venues where people can see, present and explore the arts, ideas and events provided at the Warrnambool Art Gallery and Light House Theatre. | Inc | | 2,887 | | 2,535 | 2,391 |
| Exp | | 3,858 | | 3,582 | 3,557 |
| **Surplus / (deficit)** | | **(971)** | | **(1,047)** | **(1,166)** |
| Library Services | Provision of quality library and information services to the community. | Inc | | 598 | | 699 | 730 |
| Exp | | 1,419 | | 1,824 | 1,905 |
| **Surplus / (deficit)** | | **(821)** | | **(1,125)** | **(1,175)** |
| Recreation | Provision of sport, recreation and cultural facilities, service and programs in response to identified community need and to provide information and advice to clubs and organisations involved in these areas. | Inc | | 192 | | 235 | 222 |
| Exp | | 734 | | 920 | 818 |
| **Surplus / (deficit)** | | **(542)** | | **(685)** | **(596)** |
| Leisure Centres | The Arc and Aquazone provide premier indoor community leisure facilities in South West Victoria, providing equitable and affordable access to a wide range of aquatic and fitness activities. | Inc | | 2,813 | | 2,788 | 2,887 |
| Exp | | 3,657 | | 3,910 | 4,081 |
| **Surplus / (deficit)** | | **(844)** | | **(1,122)** | **(1,194)** |
| Health Services | Administration of legislative requirements pertaining to public health, immunisation and food premises. Preparation of the Health & Wellbeing plan and the Reconciliation Action Plan. | Inc | | 265 | | 258 | 303 |
| Exp | | 699 | | 891 | 1,056 |
| **Surplus / (deficit)** | | **(434)** | | **(633)** | **(753)** |

**Major initiatives**

1) Matron Swinton Children’s Care Centre Upgrade

2) Val Bertrand Stadium Flooring Upgrade

**Other initiatives**

3) Aquazone Redevelopment Business Case

4) Municipal Health and Wellbeing Plan Action Plans

**Service performance outcome indicators**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Service | Indicator | 2022-23 | 2023-24 | 2024-25 |
| Actual | Forecast | Budget |
| $'000 | $'000 | $'000 |
| **Aquatic Facilities** |  |  |  |  |
| Health inspections of aquatic facilities | [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities] | 0 | 3.5 | 4 |
|  |  |
| Utilisation of Aquatic Facilities | (Number of visits to aquatic facilities / Municipal population] | 5.63 | 5.91 | 6.03 |
|  |
| Cost of Aquatic Facilities | [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities] | $2.79 | $2.89 | $3.22 |
|  |
| **Food Safety** |  |  |  |  |
| Food safety Timeliness | Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints] | 3.82 | 1.4 | 1.0 |
| Food Safety - service standard | Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100 | 28.23% | 98% | 100% |
| Food safety - service cost | Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984] | $391.81 | $ 525.20 | $ 534.69 |
| Food safety - Critical and major non-compliance | [Number of critical noncompliance outcome notifications and major noncompliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100 | 50.00% | 97.35% | 100.00% |
| **Library** |  |  |  |  |
| Library - utilisation | Physical library collection usage [Number of physical library collection item loans / Number of physical library collection items] | 3.21 | 3.46 | 3.50 |
| Library - resource standard | Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100 | 67.53% | 83.70% | 81.68% |
| Library - participation | Active library borrowers in municipality | 17.10% | 27.03% | 37.92% |
| [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100 |
| Library - service cost | Cost of library service per population | $38.20 | $48.54 | $50.12 |
| [Direct cost of the library service / Population] |
| **Maternal and child health** |  |  |  |  |
| Maternal and child health - service standard | Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100 | 101.12% | 100.00% | 100.00% |
| Maternal and child health - service cost | Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses] | $83.13 | $83.78 | $83.72 |
| Maternal and child health - participation | Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 | 79.42% | 369.32% | 413.70% |
| Maternal and child health - participation | Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100 | 80.75% | 80.25% | 86.42% |
| Maternal and child health - satisfaction | Participation in 4-week Key Age and Stage visit [Number of 4-week key age and stage visits / Number of birth notifications received] x100 | 98.04% | 100.00% | 100.00% |
| Recreational facilities | Satisfaction | 67 | 69 | 71 |

**2.2 Strategic Objective 2: A Sustainable Environment**

To protect and strengthen local ecosystems, enhance biodiversity and enable sustainable communities.

Strategies to achieve Strategic Objective 2 (A Sustainable Environment) are:

2.1 Natural environment

2.2 Water and coastal management

2.3 Minimise environmental impact and a changing climate

2.4 Water resource management

2.5 Waste minimisation

2.6 Awareness and celebration

The service categories to deliver these key strategic objectives are described below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Service area | Description of services provided |  | 2022-23 | 2023-24 | 2024-25 |
|  | Actual | Forecast | Budget |
|  | $'000 | $'000 | $'000 |
| Environmental Management and Sustainability | This service develops environmental policy, coordinates and implements environmental projects and works with other services to improve Council’s environmental performance. | Inc | 21 | 13 | 22 |
| Exp | 655 | 809 | 819 |
| **Surplus/ (deficit)** | **(634)** | **(796)** | **(797)** |
| Waste Management & Street Cleaning | This service provides kerbside collections and processing of garbage, recycling and Food Organics Green Organics (FOGO) from all households and some commercial properties in Council. It also provides street cleaning, leaf collection and street litter bins throughout Council. | Inc | 10 | 183 | 65 |
| Exp | 5,005 | 5,439 | 5,666 |
| **Surplus/ (deficit)** | **(4,995** | **(5,256)** | **(5,601)** |
| Parks and Gardens | This service covers a range of areas such as tree pruning, planting, removal, planning and street tree strategies, management of conservation and parkland areas, creeks and other areas of environmental significance. Parks Management provides management and implementation of open space strategies and maintenance programs. | Inc | 397 | 409 | 421 |
| Exp | 4,786 | 5,085 | 5,051 |
| **Surplus/ (deficit)** | **(4,389)** | **(4,676)** | **(4,630)** |

**Major initiatives**

1) Continued delivery of environment and sustainability capital program.

2) Footpath and bike path renewal.

**Other initiatives**

3) Beach Access Renewal and Risk Mitigation Program

**Service Performance Outcome Indicators**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Service | Indicator | 2022-23 | 2023-24 | 2024-25 |
| Actual | Forecast | Budget |
| Appearance of public areas | Satisfaction | 73 | 73 | 73 |
| Environmental sustainability | Performance | 61 | 70 | 70 |
| Waste collection | Satisfaction | 70 | 70 | 70 |
| Waste collection | Satisfaction - [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x 1000 | 38.43 | 36.00 | 35.57 |
| Waste collection | Service Standard - [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000 | 0.67 | 0.55 | 0.47 |
| Waste collection | Service cost - bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins] | $82.28 | $90.57 | $91.53 |
| Waste collection | Waste diversion - [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins] | $46.48 | $40.47 | $36.65 |
| Waste collection | Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill | 67.24% | 65.79% | 66.69% |

**2.3 Strategic Objective 3: A Strong Economy**

Support a resilient local and self-sustaining regional economy that encourages economic growth and provides increased employment opportunities attracting ongoing investment.

Strategies to achieve Strategic Objective 3 (A Strong Economy) are:

3.1 Build on competitive strengths

3.2 Emerging industries

3.3 Visitor growth

3.4 Workforce capability

3.5 Digital capability

The service categories to deliver these key strategic objectives are described below.

| Service area | Description of services provided |  | 2022-23 | 2023-24 | 2024-25 |
| --- | --- | --- | --- | --- | --- |
|  | Actual | Forecast | Budget |
|  | $'000 | $'000 | $'000 |
| Statutory Building Services | This service provides statutory building services to the Council community including processing of building permits. | Inc | 162 | 121 | 144 |
| Exp | 250 | 304 | 326 |
| **Surplus/ (deficit)** | **(88)** | **(183)** | **(182)** |
| City Strategy & Development | This service prepares and processes amendments to the Council Planning Scheme. This service processes statutory planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary. It monitors the Council’s Planning Scheme, prepares major policy documents and processes amendments to the Council Planning Scheme. | Inc | 401 | 377 | 449 |
| Exp | 1,457 | 1,757 | 1,864 |
| **Surplus/ (deficit)** | **(1,056)** | **(1,380)** | **(1,415)** |
| Livestock Exchange | The South West Victoria Livestock Exchange ceased operating during 2023-24. Ongoing costs relate to site maintenance only. | Inc | 522 | 88 | - |
| Exp | 1,021 | 185 | 30 |
| **Surplus/ (deficit)** | **(499)** | **(97)** | **(30)** |
| Holiday Parks | Provides affordable holiday accommodation that is modern, clean and well maintained in a family orientation atmosphere. | Inc | 3,549 | 3,935 | 3,977 |
| Exp | 2,178 | 2,199 | 2,276 |
| **Surplus/ (deficit)** | **1,371** | **1,736** | **1,701** |
| Flagstaff Hill Maritime Village and Visitor Information Centre | A City and Regional tourism hub open 364 days of the year that includes a Visitor Information Centre and Flagstaff Hill Maritime Village, which tells the maritime history of the region during the day and a ‘Shipwrecked’ Sound and Light Laser show in the evening. | Inc | 1,493 | 1,236 | 1,382 |
| Exp | 2,174 | 2,498 | 2,423 |
| **Surplus/ (deficit)** | **(681)** | **(1,262)** | **(1,041)** |
| Economic Development | Includes the industry and business -support, research and statistical analysis and project development which underpin economic development. | Inc | 5 | - | 3 |
| Exp | 741 | 843 | 867 |
| **Surplus/ (deficit)** | **(736)** | **(843)** | **(864)** |
| Warrnambool Airport | This service provides a regional Airport that meets the needs of users and operates as a viable commercial enterprise to the benefit of the region. | Inc | 205 | 226 | 241 |
| Exp | 285 | 413 | 364 |
| **Surplus/ (deficit)** | **(80)** | **(187)** | **(123)** |
| Port of Warrnambool | Council manages the City’s port facility on behalf of the State Government. | Inc | 102 | 103 | 103 |
| Exp | 103 | 103 | 103 |
| **Surplus/ (deficit)** | **(1)** | **0** | **0** |
| Festivals and Events Group | Delivers a range of promotions, festivals and events along with attracting events to the city to deliver economic benefits. | Inc | 2 | 14 | 4 |
| Exp | 937 | 1,152 | 1,194 |
| **Surplus / (deficit)** | **(935)** | **(1,138)** | **(1,190)** |

**Major initiatives**

1) CBD Footpath and Car parking upgrades

**Other initiatives**

2) Warrnambool Futures Blueprint

3) Warrnambool Events Strategy.

**Service Performance Outcome Indicators**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Service | Indicator | 2022-23 | 2023-24 | 2024-25 |
| Actual | Forecast | Budget |
| Tourism development | Satisfaction | 70 | 70 | 70 |
| Population growth | Satisfaction - measure of community perception | 57 | 57 | 57 |
| Statutory planning | Timeliness - Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application] | 83 | 83 | 83 |
| Statutory planning | Service standard - Planning applications decided within required time frames [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100 | 66.97% | 66.97% | 66.97% |
| Statutory planning | Service cost - Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received] | $3,130.56 | $3,514.50 | $3,549.65 |
| Statutory planning | Decision making -Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100 | 80% | 100% | 100% |

**2.4 Strategic Objective 4: A Connected, Inclusive Place**

Provide quality places that all people value and want to live, work, play and learn in.

Strategies to achieve Strategic Objective 4 (A Connected, Inclusive Place) are:

4.1 Effective planning

4.2 Connected community

4.3 Stronger neighbourhoods

4.4 Sustainable practices

The service categories to deliver these key strategic objectives are described below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Service area | Description of services provided |  | 2022-23 | 2023-24 | 2024-25 |
|  | Actual | Forecast | Budget |
|  | $'000 | $'000 | $'000 |
| Asset Maintenance | This service prepares long term maintenance management programs for Council’s property assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These include buildings, pavilions, roads, footpaths and tracks and drainage. | Inc | 613 | 631 | 667 |
| Exp | 2,528 | 3,050 | 3,096 |
| **Surplus/ (deficit)** | **(1,915)** | **(2,419)** | **(2,429)** |
| Infrastructure Services | This service prepares and conducts capital works and maintenance planning for Council’s main civil infrastructure assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These include roads, laneways, car parks, foot/bike paths, drains and bridges. | Inc | 4,249 | 4,928 | 4,907 |
| Exp | 7,534 | 8,845 | 9,349 |
| **Surplus/ (deficit)** | **(3,285)** | **(3,917)** | **(4,442)** |
| Regulatory Services | Local laws enforcement including parking fees and fines, public safety, animal management and traffic control. | Inc | 3,432 | 3,580 | 3,539 |
| Exp | 2,352 | 2,589 | 2,627 |
| **Surplus/ (deficit)** | **1,080** | **991** | **912** |

**Major initiatives**

1. Asset Renewal Programs
2. Wollaston Road Duplication (Stage 1)

**Other initiatives**

3) West Warrnambool Neighbourhood House

4) Warrnambool Airport Upgrades

**Service Performance Outcome Indicators**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Service | Indicator | 2022-23 | 2023-24 | 2024-25 |
| Actual | Forecast | Budget |
| Roads | Satisfaction of use - Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads ] x100 | 60 | 60 | 60 |
| Roads | Condition - Sealed local roads maintained to condition standards [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100 | 93.56% | 93.56% | 93.56% |
| Roads | Service cost - Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed] | $142.71 | $142.71 | $142.71 |
| Roads | Service cost - Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed] | $6.52 | $6.52 | $6.52 |
| Roads | Satisfaction - Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads] | 50 | 50 | 50 |
| Appearance of public areas | Performance | 73 | 73 | 73 |
| Animal management | Timeliness - Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests] | 1 | 1 | 1 |
| Animal management | Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100 | 19.18% | 19.18% | 19.18% |
| Animal management | Animals rehomed [Number of animals rehomed / Number of animals collected] x100 | 67.53% | 67.53% | 67.53% |
| Animal management | Cost of animal management service per population [Direct cost of the animal management service / Population] | $17.59 | $20.45 | $19.04 |
| Animal management | Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x100 | 0%  (Nil) | 0%  (Nil) | 0%  (Nil) |

**2.5 Strategic Objective 5: An Effective Council**

To be recognised as a collaborative Council and a high-performing organisation that enables positive outcomes for Warrnambool's community, environment and economy and Victoria's south west.

Strategies to achieve Strategic Objective 5 (An Effective Council) are:

5.1 Leadership and governance

5.2 Engaged and informed communities

5.3 Customer focused services

5.4 High performance culture

5.5 Organisational and financial sustainability

5.6 Risk mitigation

5.7 Effective advocacy

5.8 Regional role and relationships

The service categories to deliver these key strategic objectives are described below.

| Service area | Description of services provided |  | 2022-23 | 2023-24 | 2024-25 |
| --- | --- | --- | --- | --- | --- |
|  | Actual | Forecast | Budget |
|  | $'000 | $'000 | $'000 |
| Governance & Elected Council | Elected Council governs our City in partnership with and on behalf of our community, and encourages and facilitates participation of all people in civic life. Also includes contributions made to community groups and organisations. | Inc | 3 | - | - |
| Exp | 586 | 788 | 1,187 |
| **Surplus/ (deficit)** | **(583)** | **(788)** | **(1,187)** |
| Executive Services | Manages and facilitates the Council governance service, implementation of Council decisions and policies and compliance with the legislative requirements. | Inc | - | - | - |
| Exp | 572 | 564 | 538 |
| **Surplus/ (deficit)** | **(572)** | **(564)** | **(538)** |
| Communications & Customer Service | Provides a customer interface for various service units and a wide range of transactions. Includes media and marketing. | Inc | - | - | - |
| Exp | 1,149 | 1,219 | 1,199 |
| **Surplus/ (deficit)** | **(1,149)** | **(1,219)** | **(1,199)** |
| Volunteer Services | Volunteer Connect provides support and guidance to organisations and community groups that involve volunteers in their work, and provides a volunteer matching service to bring together volunteer roles, and volunteers to fill them. | Inc | - | - | - |
| Exp | 131 | 158 | 141 |
| **Surplus/ (deficit)** | **(131)** | **(158)** | **(141)** |
| Information Services | Enables Council staff to have access to the information they require to efficiently perform their functions. Includes software support, licensing and lease commitments. | Inc | 1 | - | - |
| Exp | 2,622 | 2,738 | 3,132 |
| **Surplus/ (deficit)** | **(2,621)** | **(2,738)** | **(3,132)** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Organisation Development & Risk Management | This service promotes and implements positive HR strategies to assist staff reach their full potential and, at the same time are highly productive in delivering Council’s services to the community. Includes recruitment, staff inductions, training, implementation of the Corporate Risk Management Framework and managing Council’s insurance portfolio. | Inc | 14 | 8 | - |
| Exp | 1,803 | 1,789 | 1,880 |
| **Surplus/ (deficit)** | **(1,789)** | **(1,781)** | **(1,880)** |
| Corporate & Financial Services | Provides corporate support to Council and all divisions/branches in meeting organisational goals and objectives and includes banking and treasury functions, loan interest, audit, grants commission, legal, procurement, overhead costs including utilities and unallocated grants commission funding. | Inc | 8,256 | 7,163 | 7,825 |
| Exp | 3,671 | 4,294 | 4,520 |
| **Surplus/ (deficit)** | **4,585** | **2,869** | **3,305** |
| Depreciation | Depreciation is the allocation of expenditure write down on all of Council’s assets over there useful lives. | Inc | - | - | - |
| Exp | 13,375 | 13,097 | 13,425 |
| **Surplus/ (deficit)** | **(13,375)** | **(13,097)** | **(13,425)** |

**Major initiatives**

1) Coastal Connect (Regional Council Transformation Program) with Moyne and Corangamite Shires

2) Introduce changes through the Gender Equality Action Plan.

**Other initiatives**

3) Advocacy by Council on issues outlined in the Advocacy Plan.

4) Cyber Security and digital connectivity programs

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Service | Indicator | 2022-23 | 2023-24 | 2024-25 |
| Actual | Forecast | Budget |
| Governance | Transparency - Council decisions made at meetings closed to the public [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors ] x100 | 4.03% | 4.03% | 4.03% |
| Governance | Consultation and engagement - Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement | 46 | 50 | 50 |
| Governance | Attendance - Councillor attendance at council meetings [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100 | 95.92% | 100.00% | 100.00% |
| Governance | Service cost - Cost of elected representation [Direct cost of the governance service / Number of Councillors elected at the last Council general election] | $57,041.14 | $66,058.14 | $60,908.57 |
| Governance | Satisfaction - Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community] | 44 | 50 | 50 |
| Financial performance | Revenue level - Average rate per property assessment [General rates and Municipal charges / Number of property assessments] | $2,036.72 | $2,110.15 | $2,176.59 |
| Financial performance | Expenditure level - Expenses per property assessment [Total expenses / Number of property assessments] | $4,724.40 | $5,010.18 | $4,799.00 |
| Financial performance | Workforce turnover - Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100 | 12.40% | 12.40% | 12.40% |
| Financial performance | Working capital - Current assets compared to current liabilities [Current assets / Current liabilities] x100 | 240.34% | 287.21% | 227.88% |
| Financial performance | Unrestricted cash - Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100 | -38.81% | 26.99% | 17.35% |
| Financial performance | Asset renewal - Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100 | 114.67% | 139.83% | 183.54% |
| Financial performance | Loans and borrowings - Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100 | 22.93% | 21.85% | 16.77% |
| Financial performance | Loans and borrowings - repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100 | 3.66% | 4.66% | 4.12% |
| Financial performance | Indebtedness - Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100 | 14.73% | 11.71% | 7.03% |
| Financial performance | Adjusted underlying result - Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100 | 4.05% | 0.59% | 4.60% |
| Financial performance | Rates concentration - Rates compared to adjusted underlying revenue | 49.54% | 50.79% | 51.81% |
| Financial performance | Rates effort - Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100 | 0.42% | 0.41% | 0.42% |

**2.3 Reconciliation with budgeted operating result**



**3. Financial Statements**

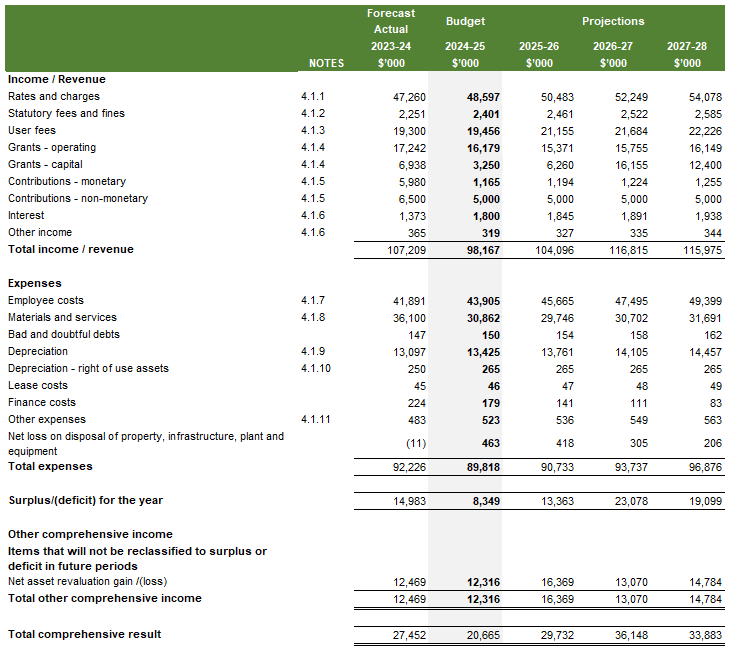
This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2024-25 has been supplemented with projections to 2027-28.

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

* Comprehensive Income Statement
* Balance Sheet
* Statement of Changes in Equity
* Statement of Cash Flows
* Statement of Capital Works
* Statement of Human Resources

**Comprehensive Income Statement**

For the four years ending June 30, 2028



**Balance Sheet**

For the four years ending June 30, 2028



**Statement of changes in equity**

For the four years ending June 30, 2028



**Statement of cash flows**

For the four years ending June 30, 2028



**Statement of capital works**

For the four years ending June 30, 2028



**Statement of human resources**

For the four years ending June 30, 2028



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



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



**Summary of Planned Human Resources Expenditure**

For the four years ending 30 June 2028

Human Resources expenditure by Directorate:



**Human Resources allocated by Directorate:**



**4. Notes to the financial statements**

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

**4.1 Comprehensive Income Statement**

**4.1.1 Rates and charges**

Rates and charges are required by the 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 2024-25 the FGRS cap has been set at **2.75%.** The cap applies to both general rates and municipal charges and is calculated on the basis of council’s average rates and charges. Council’s budget has been prepared in line with the rate cap.

A $250 financial hardship rebate will also be available to ratepayers via an application process.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the community.

This will raise total rates and charges for 2024-25 to **$48.7** million.

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



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

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



Note:

*Rate in the dollar figures will be updated in line with the Valuer-General Victoria’s property valuations due May 2024.*

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



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



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

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



Note:

*Property Valuation data will be updated in line with the Valuer-General Victoria’s property valuations due May 2024.*

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

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



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



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



**4.1.1(k) The estimated total amount to be raised by all rates and charges compared with the previous financial year (excluding Recreational and Cultural Land and interest).**



**4.1.1(l) Fair Go Rates System Compliance**

Victoria City 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.



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

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 (2024-25: estimated $0.32m and 2023-24: $0.50m)

·      The variation of returned levels of value (e.g. valuation appeals)

·      Changes of use of land such that rateable land becomes non-rateable land and vice versa

·      Changes of use of land such that residential land becomes business land and vice versa.

**4.1.1(n) Differential rates**

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

* A general rate of 0.2651% (0.2651 cents in the dollar of CIV) for all rateable other land properties;
* A general rate of 0.1600% (0.1600 cents in the dollar of CIV) for all rateable farm land properties;
* A general rate of 0.5705% (0.5705 cents in the dollar of CIV) for all rateable commercial properties;
* A general rate of 0.5358% (0.5358 cents in the dollar of CIV) for all rateable industrial properties;
* A general rate of 0.4260% (0.4260 cents in the dollar of CIV) for all rateable vacant land properties; and

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

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

**Commercial land**

Commercial land is any land, which is:

* Occupied for the principal purpose of carrying out the manufacture/production of, or trade in, goods or services; or
* Unoccupied but zoned commercial under the Warrnambool City Planning Scheme.

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

* Construction and maintenance of infrastructure assets;
* Development and provision of health and community services;
* Economic development and planning services, having direct benefit to the use of Commercial Land; and
* Provision of general support services.

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

1. Rateable property used for income generation from business and administrative purposes, including, but not limited to, properties used for:

* The sale or hire of goods by retail or trade sales, e.g. shops, auction rooms, milk bars, newsagents;
* The manufacture of goods where the goods are sold on the property;
* The provision of entertainment, e.g. theatres, cinemas, amusement parlours;
* Media establishments, e.g. radio stations, newspaper offices, television stations;
* The provision of accommodation other than residential, e.g. motels, caravan parks, camping grounds, camps, accommodation houses, hostels, boarding houses;
* The provision of hospitality, e.g. hotels, bottle shops, restaurants, cafes, takeaway food establishments, tearooms;
* Tourist and leisure industry, e.g. flora and fauna parks, gymnasiums, boatsheds, indoor sports stadiums, gaming establishments;
* The provision of education, e.g. schools, museums, art galleries;
* Showrooms, e.g. display of goods;
* Religious purposes; and
* Public offices and halls.

2. Properties used for the provision of health services including, but not limited to, properties used for hospitals, nursing homes, rehabilitation, medical practices and dental practices.

3. Properties used as offices including, but not limited to, properties used for legal practices, real estate agents, veterinary surgeons, accounting firms and advertising agencies.

The money raised by the differential rate will be applied to the items of expenditure described in the budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council’s budgeted expenditure, having regard to the characteristics of the land. The geographic location of the land within this differential rate is wherever located within the municipal district.

The use of the land within this differential rate, in the case of improved land, is any use of land permitted under the relevant Planning Scheme. The characteristics of planning scheme zoning is the zoning applicable to each rateable land within this category as determined by consulting maps referred to in the relevant Planning Scheme.

The types of buildings on the land within this differential rate are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2024-25 financial year.

**Farm Land**

Farm land is any land, which is:

• “farm land” as described in of Section 2 (1) of the Valuation of Land Act 1960.

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

• Construction and maintenance of infrastructure assets;

• Development and provision of health and community services;

• Encouragement of sustainable and productive use and management of Farm Land; and

• Provision of general support services.

The types and classes of rateable land within this differential rate are those having the relevant characteristics of “farm land” as described in of Section 2 (1) of the Valuation of Land Act 1960.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council’s budgeted expenditure, having regard to the characteristics of the land.

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

The use of the land within this differential rate, in the case of improved land, is any use of land permitted under the relevant Planning Scheme.

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

The types of buildings on the land within this differential rate are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2024-25 financial year.

**Industrial land**

Industrial land is any land, which is:

• Occupied for the principal purpose of carrying out the manufacture or production of, or trade in, goods or services; or

• Unoccupied but zoned Industrial under the Warrnambool City Planning Scheme.

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

• Construction and maintenance of infrastructure assets;

• Development and provision of health and community services;

• Economic development and planning services, having direct benefit to the use of Industrial Land; and

• Provision of general support services.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described but not limited to those below.

Rateable properties which are used in the process of income generation, including, but not limited to the following:

• The manufacture of goods, food and beverage which are generally not sold or consumed on site (but does preclude some warehouse sales);

• The storage of goods;

• The provision of services for the repair of goods;

• The storage of plant and machinery;

• The production of raw materials in the extractive and timber industries; and

• The treatment and storage of industrial waste materials.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council’s budgeted expenditure, having regard to the characteristics of the land.

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

The use of the land within this differential rate, in the case of improved land, is any use of land permitted under the relevant Planning Scheme. The characteristics of planning scheme zoning is the zoning applicable to each rateable land within this category as determined by consulting maps referred to in the relevant Planning Scheme.

The types of buildings on the land within this differential rate are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2024-25 financial year.

**Vacant land**

"Vacant land is any land, which is:

• Vacant unoccupied land within the Warrnambool City Council; or

• Land on which no building designed or adapted for human occupation is erected

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

• Construction and maintenance of infrastructure assets;

• Development and provision of health and community services;

• Encouragement for orderly planning through development of serviced urban properties;

• Provision of municipal administrative services; and

• Provision of general support services.

The types and classes of rateable land within this differential rate are those having the relevant characteristics of vacant unoccupied land and on which no building designed or adapted for human occupation is erected within the Warrnambool City Council.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council’s budgeted expenditure, having regard to the characteristics of the land.

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

The use of the land within this differential rate is any use of land permitted under the relevant Planning Scheme.

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

The types of buildings on the land within this differential rate are no buildings are constructed.

**Other land**

"Other land is any land, which is:

• Occupied for the principal purpose of human habitation including dwellings, flats and units;

• “residential use land” as described in of Section 2 (1) of the Valuation of Land Act 1960; and

• “urban farm land” as described in of Section 2 (1) of the Valuation of Land Act 1960.

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

• Construction and maintenance of infrastructure assets;

• Development and provision of health and community services; and

• Provision of general support services.

The types and classes of rateable land within this differential rate are those having the relevant characteristics of a property which is used for human habitation including dwellings, flats and units, or is residential use land or urban farm land as described in of Section 2 (1) of the Valuation of Land Act 1960.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council’s budgeted expenditure, having regard to the characteristics of the land.

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

The use of the land within this differential rate is any use of land permitted under the relevant Planning Scheme.

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

The types of buildings on the land within this differential rate are all buildings which are now constructed on the land or which are constructed prior to the expiry of the 2024-25 financial year.

**Cultural and Recreational land**

The amounts listed are subject to change until the Valuer General Victoria has provided council with a Generally True and Correct Declaration for the 2024 General Revaluation:



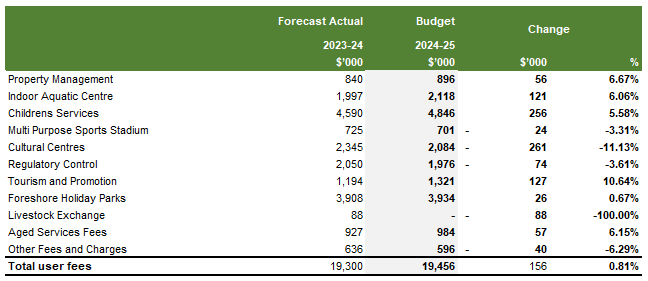
**4.1.2 Statutory fees and fines**



Statutory fees and fines are mainly levied in accordance with legislation and relate to income collected through parking fines, health registrations, animal registrations, planning permits and building permits.

Town planning and building fees continue to grow on high development volumes. Parking fines will increase in the 2024-25 financial year from $80 to $100 per infringement.

**4.1.3 User fees**



User fees relate to the wide range of services Council provides across its extensive service delivery programs and includes holiday park fees, leisure centre and performing arts centre user charges, fees

for the provision of child care, family day care and home help, entrance fees at flagstaff hill, car parking fees and livestock exchange selling fees. Council sets fees based on market conditions and the cost associated with running a service, while giving consideration to those who may be suffering financial hardship.

Children’s Services user fees will increase year on year based on increased fees and higher enrolment numbers in the program. Cultural Centre user fees will decrease year on year due to the Council exiting gymnastics operations.

Indoor Aquatic Centre user fees are budgeted to increase in the 2024-25 year based on higher visitation to Aquazone.

**4.1.4 Grants**

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



Grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council’s services to ratepayers and funding the capital works program.

**4.1.5 Contributions**

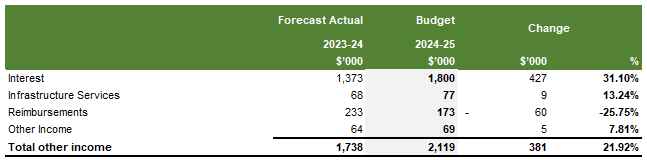


Monetary contributions include monies paid to Council for works, including roads and drainage, required to be completed by developers in accordance with planning permits issued for property development. Also included are philanthropic donations and contributions by other organisations to specific projects.

This income can vary considerably between years as it is largely dependent on development activity driven by the housing market and developers. The 2023-24 forecast included a number of once-off (non-recurring) developer contributions, as well as contributions from various groups to capital works.

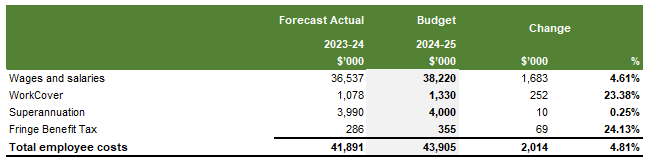
Non-monetary contributions occur when upon completion of new developments by external parties the Council takes ownership of the assets and recognises the value of the assets as non-cash contributions in its income statement. Based on the current levels of development and future projects, Council is expecting a decrease in non-monetary contributions in 2024-25 due to the slowdown of development across the city.

**4.1.6 Other Income**



Other revenue relates to a range of items such as investment interest, private works, cost recoups and other miscellaneous income items. Interest revenue will be further influenced in 2024-25 by interest rates and high levels of cash held for the delivery of major infrastructure projects.

**4.1.7 Employee Costs**



Employee costs include all labour related expenditure such as wages, salaries and on-costs such as allowances, leave entitlements, and employer superannuation.   
  
Wages and salaries are budgeted to increase by $2.01m compared to the 2023-24 forecast. This is mainly due to:

* Council’s Workcover premium is expected to increase by $0.25m year on year. This is the second year of large premium increases, which is due to a state-wide funding shortfall for Workcover that will impact organisations through increased industry rates. The WorkCover budget also covers any shortfalls in the MAV Workcover scheme (expected to be $0.15m in 2024-25).
* The balance of the increase is mainly due to the impact of pay increases and banding increments under the Warrnambool City Council Enterprise Agreement, and the impact of the Commonwealth Government’s increase to the Superannuation Guarantee from 11.0% to 11.5%

**4.1.8 Materials and Services**



Materials and services include the purchases of consumables, payments to contractors for the provision of services and overhead costs including insurances and utilities.

Council’s expenditure on materials and services is budgeted to decrease by $5.2m in 2024-25. The main reason for this decrease is due to a number of non-recurrent operational projects that were budgeted for in the forecast year, or carried forward from a previous year, that are related to once-off funding allocations, and not recurrent in nature (particularly in the Recreation and Cultural Services, Children’s Services, Planning and Building Services, and Health and Local Laws areas, which included a number of grant funded projects).

In 2024-25, Council is undertaking a particular project that would generally would be considered capital in nature, however, as it relates to non-Council assets it is considered an operating expense, which is the shared Coastal Connect ICT project $2.0m.

**4.1.9 Depreciation**



Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council’s property, plant and equipment including infrastructure assets such as roads and drains. The increase of $0.32 million for 2024-25 will be due to the capitalisation of new infrastructure completed in 2023-24.

**4.1.10 Amortisation – Right of use assets**



**4.1.11 Other expenses**



Other expenditure relates to a range of unclassified items including audit fees, Councillor allowances, lease costs and miscellaneous items. An increase is expected in 2024-25 for Councillor allowances following the new pay structures set out from the Victorian Independent Remuneration Tribunal.

**4.2 Balance Sheet**

**4.2.1 Assets**

Cash assets include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of less than 90 days. Investments exceeding 90 days are classified as financial assets. Council expects to have a balance of $37.9 million in Cash and Investments at the end of the 2024-25 year, being held mainly to deliver future capital works and meet future cash commitments.   
  
Trade and other receivables are monies owed to Council by ratepayers and others. It is expected that these will reduce as a number of grant programs come to an end.  
  
Property, infrastructure, plant and equipment is the largest component of Council’s worth and represents the value of all the land, buildings, roads, drainage, plant and equipment, which has been built up by the Council over many years. The increase in this balance is attributable to the net result of the capital works program, depreciation of assets, gifted assets and the sale and revaluation of assets.

**4.2.2 Liabilities**

Trade and other payables are those to whom Council owes money as at 30 June. No significant movement is expected in this category for 2024-25.  
  
Provisions include accrued long service leave, annual leave owing to employees and rehabilitation costs for a cessed landfill site. These employee entitlements are only expected to increase marginally and are influenced by the outcome of the current Enterprise Agreement negotiation and active management of leave entitlements.

**4.2.3 Borrowings**

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

Council has indicatively planned $3 million of borrowings in the 2027-28 financial year to help fund Council’s contribution to an upgraded aquatic facility. This requirement may change in future years as Council reviews priority projects and strategic opportunities.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Forecast Actual | Budget | Projections | Projections | Projections |
|  | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|  | $ | $ | $ | $ | $ |
| Amount borrowed as at 30 June of the prior year | 10,329 | 8,512 | 6,833 | 5,341 | 4,216 |
| Amount proposed to be borrowed | - | - | - | - | 3,000 |
| Amount projected to be repaid | (1,817) | (1,679) | (1,492) | (1,125) | (1,161) |
| **Amount of borrowings as at 30 June** | **8,512** | **6,833** | **5,341** | **4,216** | **6,055** |

**4.2.4 Leases by category**

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

|  |  |  |
| --- | --- | --- |
|  | Forecast | Budget |
|  | Actual | 2024-25 |
|  | 2023-24 | $’000 |
|  | $’000 |  |
| **Right-of-use assets** |  |  |
| Land and buildings | 61 | 36 |
| Plant & Equipment | 666 | 394 |
| **Total right-of-use assets** | 727 | 430 |
|  |  |  |
| **Lease liabilities** |  |  |
| **Current lease Liabilities** |  |  |
| Land and buildings | 24 | 17 |
| Plant & Equipment | 258 | 186 |
| **Total current lease liabilities** | 282 | 202 |
| **Non-current lease liabilities** |  |  |
| Land and buildings | 45 | 40 |
| Plant & Equipment | 500 | 435 |
| **Total non-current lease liabilities** | 545 | 474 |
| Total lease liabilities | 827 | 677 |

**4.3 Statement of changes in equity**

**4.3.1 Reserves**

Reserves contain both specific cash backed reserves and asset revaluation amounts. Cash backed reserves include statutory reserves, Councils drainage and Carparking/CBD funds.   
  
The asset revaluation reserve represents the difference between the previously recorded value of assets and their current valuations. Assets valuations are required to be considered annually and formally revalued if there is a material change.

**4.3.2 Equity**

Accumulated surplus is the value of all net assets less specific reserve allocations and revaluations that have built up over financial years.

**4.4 Statement of cash flows**

Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

**4.4.1 Net cash flows provided by/used in operating activities**

Net operating cash flows are expected to remain relatively consistent year on year. The net cash flows from operating activities does not equal the operating result for the year as the expected revenues and expenses of the Council that are included in the operating result include non-cash items which have been excluded from the Cash Flow Statement per Australian Accounting Standards.

**4.4.2 Net cash flows provided by/used in investing activities**

Significant capital projects are expected to be completed in 2024-25, some of which are being carried forward from the 2023-24 budget. These payments for property, plant and equipment will result in Council drawing down some of its short term investments to fund this.

**4.4.3 Net cash flows provided by/used in financing activities**

No new borrowings have been budgeted in the 2024-25 financial year.

**4.5 Capital works program**

This section presents a listing of the capital works projects that will be undertaken for the 2024-25 year, classified by expenditure type and funding source. Works are also disclosed as current budget or carried forward from prior year.

**4.5.1 Summary**





Council has more than 250 major buildings with a replacement cost of over $140 million and includes buildings and improvements for community facilities, sports facilities and pavilions and municipal buildings. These assets require renewal investment in addition to the new scheduled building projects. In keeping with the principles of financial sustainability from the *Local Government Act 2020*, the majority of Councils building capital works program is focused on asset renewal rather than building new assets.

Plant and equipment includes plant, machinery and equipment, computers and telecommunications and art works. A Large component in the 2024-25 budget relates to the Coastal Connect project, whereby Council is involved in implementing a new enterprise software system across three regional councils with the backing of the state government’s Rural Council Transformation Program. Under this $4.5m project, Warrnambool, Moyne, and Corangamite councils will all transition to a common software platform, with $2.0m remaining to be spent on the project from 2024-25 onwards. The remainder of the spend in this category for 2024-25 mainly relates to renewing Councils plant, machinery and equipment.

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

**4.5.2 New Budget Capital Works Allocations**





**4.5.3 Works carried forward from the 2023-2024 year**



**Summary of Planned Capital Works Expenditure**

**For the years ending 30 June 2026, 2027 & 2028**







**5a. Financial 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** | **Actual** | **Forecast Actual** | **Target** | **Target Projections** | | | **Trend** |
| **2022-23** | **2023-24** | **2024-25** | **2025-26** | **2026-27** | **2027-28** | **+/o/-** |
| ***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 | 46 | 50 | 50 | 50 | 50 | 50 | **o** |
| ***Roads*** |  |  |  |  |  |  |  |  |
| **Condition** (sealed local roads are maintained at the adopted condition standard) | **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 | 93.56% | 93.56% | 93.56% | 93.56% | 93.56% | 93.56% | **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 | 66.97% | 66.97% | 66.97% | 66.97% | 66.97% | 66.97% | **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 | 67.24% | 65.79% | 66.69% | 66.69% | 66.69% | 66.69% | **o** |

\*Note: The introduction of the Victorian State Government’s Container Deposit Scheme may impact future recycling collection volumes. The impact of the scheme on kerbside recycling volumes is yet to be ascertained.

**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

**Targeted performance indicators – Service**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **Measure** | **Notes** | **Actual** | **Forecast Actual** | **Target** | **Target Projections** | | | **Trend** |
| **2022-22** | **0** | **0** | **0** | **0** | **0** | **+/o/-** |
| ***Liquidity*** |  |  |  |  |  |  |  |  |  |
| **Working Capital** (sufficient working capital is available to pay bills as and when they fall due) | **Current assets compared to current liabilities** Current assets / current liabilities | 1 | 240% | 287% | 228% | 230% | 207% | 196% | **o** |
| ***Obligations*** |  |  |  |  |  |  |  |  |  |
| **Asset renewal** (assets are renewed as planned) | **Asset renewal compared to depreciation** Asset renewal and upgrade expense / Asset depreciation | 2 | 115% | 140% | 184% | 158% | 238% | 204% | **o** |
| ***Stability*** |  |  |  |  |  |  |  |  |  |
| **Rates concentration** (revenue is generated from a range of sources) | **Rates compared to adjusted underlying revenue** Rate revenue / adjusted underlying revenue | 3 | 49.54% | 50.79% | 51.81% | 51.81% | 51.81% | 51.81% | **o** |
| ***Efficiency*** |  |  |  |  |  |  |  |  |  |
| **Expenditure level** (resources are used efficiently in the delivery of services) | **Expenses per property assessment** Total expenses / no. of property assessments |  | $4,724.40 | $5,010.18 | $4,799.00 | $4,799.00 | $4,799.00 | $4,799.00 | **o** |

**Key to Forecast Trend:**

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

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

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

**Notes to indicators**

1. **Working Capital**

The proportion of current liabilities represented by current assets. Working capital is shown to remain relatively consistent over the 4 year budget and be in line with expectations.

1. **Asset renewal**

This percentage indicates the extent of Council's renewal and upgrade against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets. Council continues to invest in asset renewal and where possible it leverages grant funding for significant renewal and upgrade projects. This ensures that Council continues to meet the current demand of its assets.

1. **Rates concentration**

Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Councils reliance on rate revenue is to remain stable over time.

**5b. 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** | **Forecast** | **Budget** | **Projections** | | | **Trend** |
| **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **2027/28** | **+/o/-** |
| ***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 | 1 | 4.05% | 0.59% | 4.60% | 5.82% | 5.37% | 4.95% | **+** |
| ***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 | 2 | 38.81% | 26.99% | 17.35% | 20.53% | 12.59% | 14.41% | **o** |
| ***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 | 3 | 22.93% | 21.85% | 16.77% | 8.35% | 5.84% | 9.77% | **o** |
| **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 |  | 3.66% | 4.66% | 4.12% | 3.24% | 2.37% | 2.30% | **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 |  | 14.73% | 11.71% | 7.03% | 5.33% | 6.08% | 7.85% | **o** |
| ***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 |  | 0.42% | 0.41% | 0.42% | 0.43% | 0.44% | 0.44% | **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 |  | $2,037 | $2,110 | $2,177 | $2,252 | $2,308 | $2,365 | **o** |

Notes to indicators

1. **Adjusted underlying result**

An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. The underlying result is expected to be around the breakeven to a small surplus for the budget projection period.

1. **Unrestricted Cash**

The cash not associated to a particular use within Council or a legislative requirement. Council maintains a consistent ratio over the 4 year budget.

1. **Debt compared to rates**

Council will continue to use debt as a funding strategy to enable generational capital projects such as the Reid Oval upgrade, Learning & Library Hub, Civic Centre upgrade and the Brierly Community Hub. Debt is also being used to fund income generating projects at the Livestock Exchange and cost saving projects through the Smart Buildings program. Council has a borrowing strategy that it adheres to when planning its long-term funding strategy.

**6. Schedule of Fees and Charges**

This appendix presents the fees and charges of a statutory/non-statutory nature which will be charged in respect to various goods and services during the financial year 2024-25.

Fees and charges are based on information available at the time of publishing and may vary during the financial year subject to any changes in Council's policy or legislation. The fees listed are a maximum and Council have the discretion to charge a lesser amount if appropriate.

**Interest on Unpaid Monies other than rates and charges**

In accordance with Section 227(a) of the Local Government Act 1989 Council sets the rate of interest to apply to unpaid monies, other than rates and charges, presently at 10.00% but subject to change when the rate is set by the State Government at 30th June 2024.