



Community Budget Session

12 June 2019



Information Provided



Consistent with previous years

High level outline of budget process and inclusions

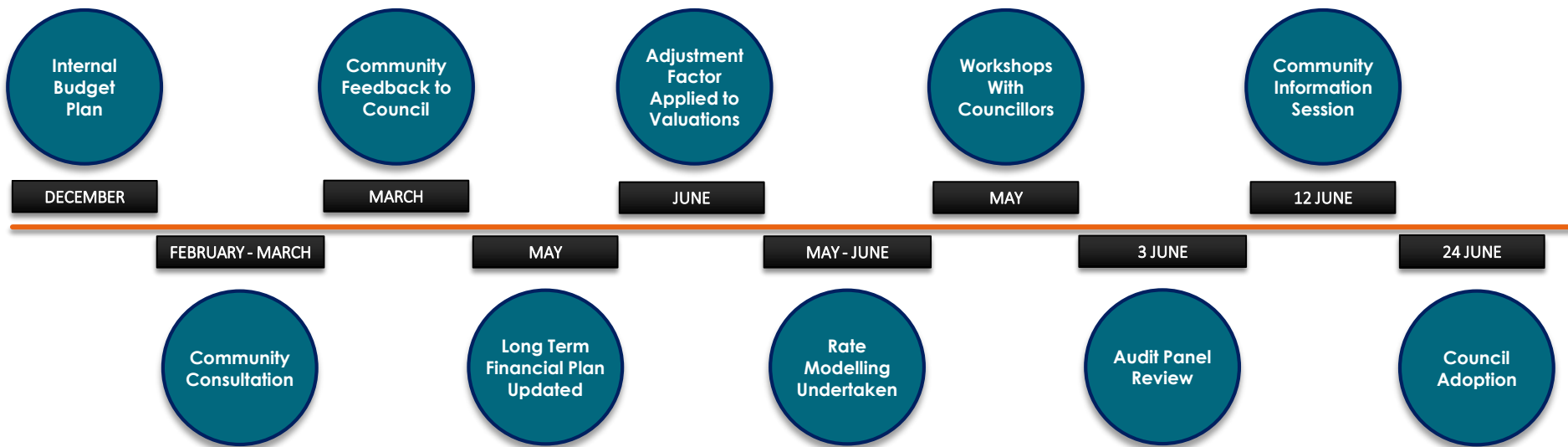
Information presented is DRAFT and **is** still subject to adoption by Council

Annual Plan will outline the actions to be taken to progress the Strategic Plan during the next 12 months

Will not disclose confidential information or matters considered or under consideration by Council in Closed Session



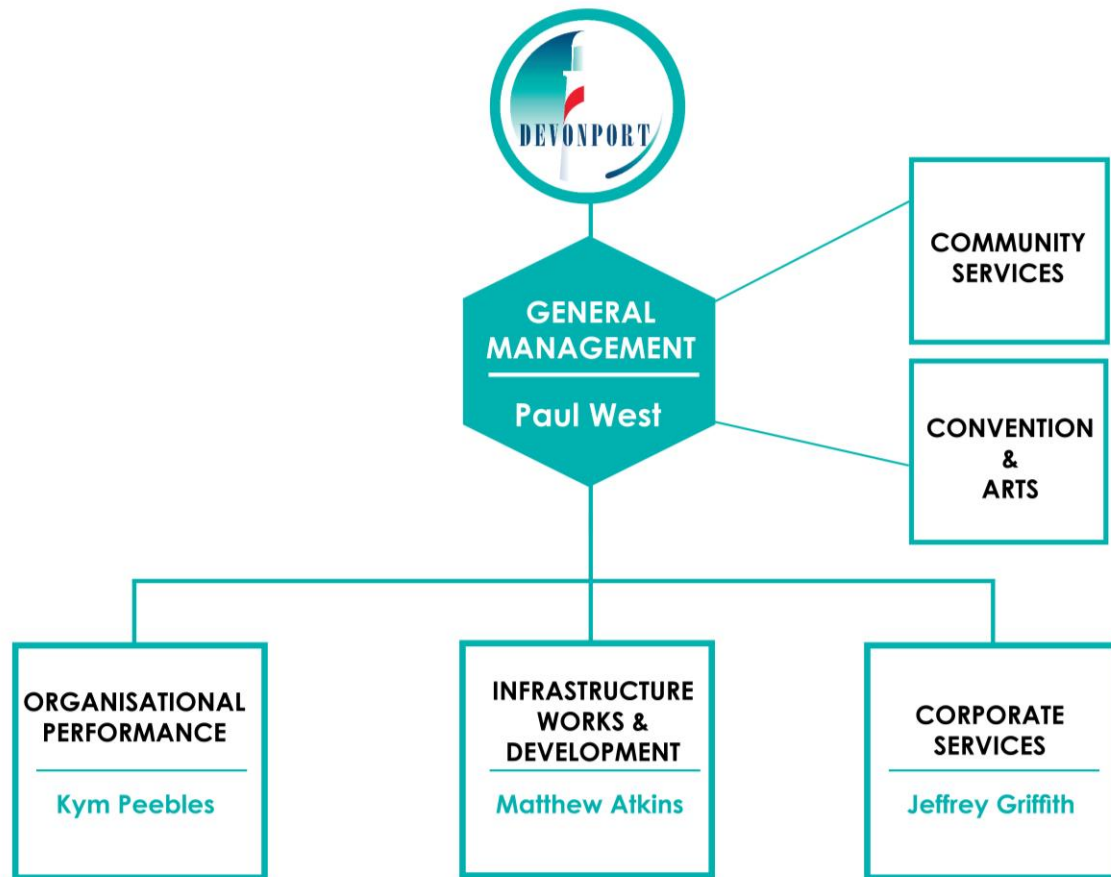
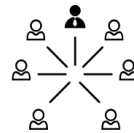
Budget Process



Strategic Planning Framework



Organisational Structure



Budget provision	2019/20	150 Full Time Equivalent
	2018/19	147 Full Time Equivalent

Program Area	Budget 2018/19 FTE Count	Budget 2019/20 FTE Count	Change	Comments
Executive Management	1.1	1.1	0.0	
Organisational Performance	6.8	6.8	0.0	
Corporate Services	22.1	21.6	(0.5)	Reduction in Casual Parking Attendants
Economic Development	2.8	2.3	(0.5)	Completion of Secondment
Infrastructure	16.3	17.7	1.4	TechOne Asset Management Implementation
Works Staff	58.3	59.2	0.9	Apprentice Mechanic converted from Contract Hire to Permanent on completion
Development Services	12.1	13.3	1.2	Return of employee from secondment & implementation of Statewide Planning Scheme Requirements
Community Services	10.2	11.0	0.8	Return of employees from maternity leave
Convention & Arts	17.3	17.0	(0.3)	Modified staffing arrangements
TOTAL	147.0	150.0	3.0	

Budget Drivers

PRIORITIES

- 1.
- 2.
- 3.



Maintain and improve level of service delivery

Strategic plan objectives

TechOne Asset Management System

Digital transformation of Council's business processes

Capital works program

Waterfront Park development



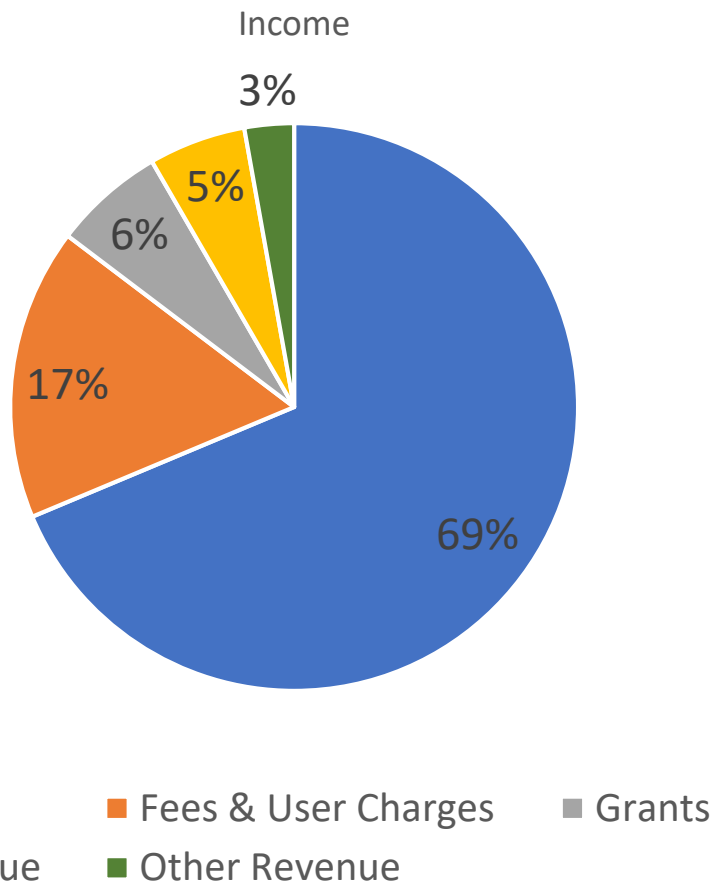
Statement of Comprehensive Income

	2017/18 Actual ,000	2018/19 Budget ,000	2018/19 Forecast ,000	2019/ 20 Budget ,000
Income				
Rates & Service Charges	27,327	27,912	27,947	28,642
Fees & User Charges	6,616	7,028	6,818	6,831
Grants - Operating	3,216	2,299	2,409	2,644
Investment Revenue	2,951	2,186	2,431	2,308
Other Revenue	1,234	1,151	1,218	1,175
Total Income	\$ 41,344	\$ 40,576	\$ 40,823	\$ 41,600
Expenses				
Employee Benefits	11,647	12,002	11,702	12,332
Materials & Services	16,318	16,247	15,941	16,691
Depreciation	8,427	9,140	9,198	9,750
Financial Costs	1,280	1,904	1,784	1,731
Other Expenses	1,042	1,137	1,110	995
Total Expenses	\$ 38,714	\$ 40,430	\$ 39,735	\$ 41,499
Operating Surplus / (Deficit)*	\$ 2,630	\$ 146	\$ 1,088	\$ 101
Underlying Surplus	\$ 1,508	\$ 149	\$ 478	\$ 169

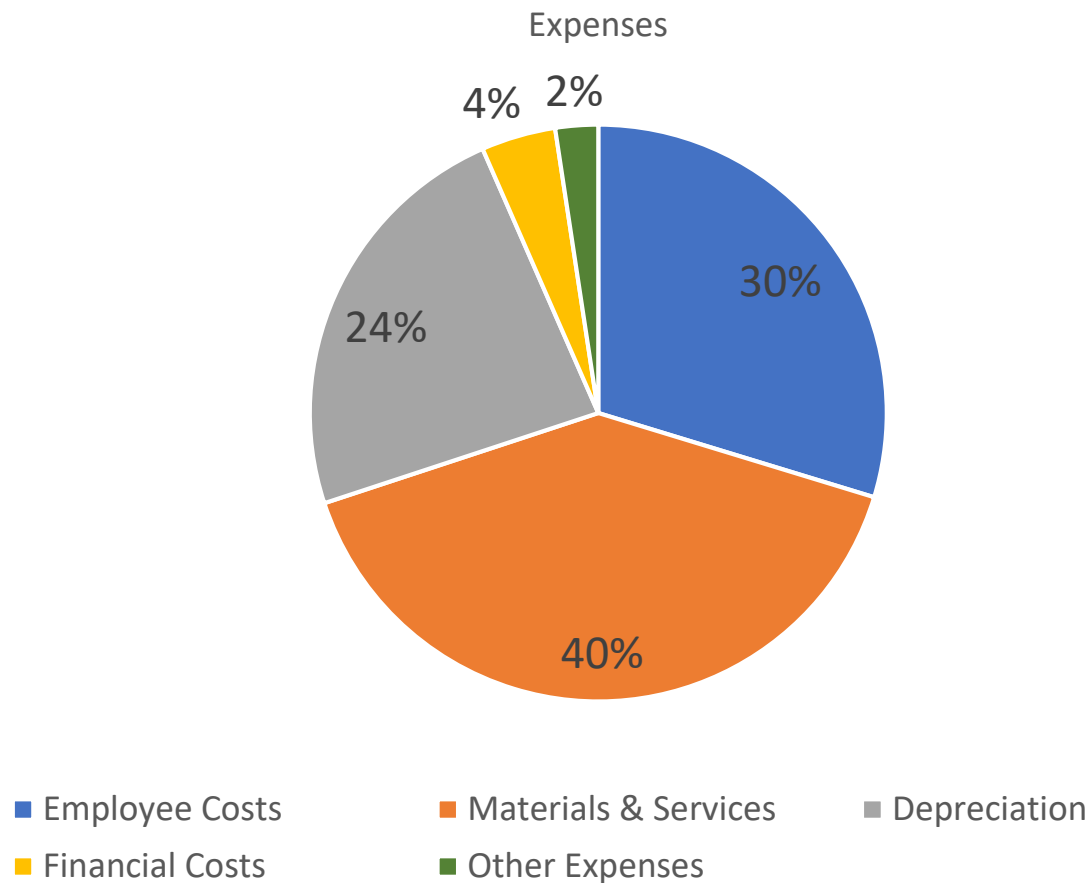
*Excludes impacts of movement in interest rate swaps



Statement of Comprehensive Income



Statement of Comprehensive Expenditure



Long Term Financial Plan



	2017/18 Actual \$M	2018/19 Budget \$M	2018/19 Forecast \$M	2019/20 Budget \$M	2020/21 Plan \$M	2021/22 Plan \$M	2022/23 Plan \$M
Recurrent Revenue	41.34	40.58	40.82	41.60	41.93	42.08	42.16
Recurrent Expenses	38.71	40.43	39.73	41.50	41.65	41.52	41.54
Operating Result	2.63	0.15	1.09	0.10	0.28	0.56	0.62
Underlying Surplus/(Deficit)*	1.51	0.15	0.15	0.17	0.45	0.54	0.59

Capital Expenditure:							
Carry forwards	0.00	15.00	0.00	1.50	0.00	0.00	0.00
Renewal	5.03	6.16	6.00	8.21	10.18	6.65	7.32
New	40.86	5.70	16.15	8.59	9.37	3.84	2.38
Total Capex	45.89	26.86	22.15	18.30	19.55	10.49	9.70
Cash Balance	16.44	15.24	17.83	14.19	12.57	11.82	11.94

* This amount is adjusted for non recurring events and Grants paid in advance



Long Term Financial Plan



	2023/24 Plan \$M	2024/25 Plan \$M	2025/26 Plan \$M	2026/27 Plan \$M	2027/28 Plan \$M	2028/29 Plan \$M
Recurrent Revenue	42.25	42.35	42.44	42.53	42.62	42.72
Recurrent Expenses	41.53	41.51	41.52	41.50	41.48	41.45
Operating Result	0.72	0.84	0.92	1.03	1.14	1.27
Underlying Surplus/(Deficit)*	0.70	0.81	0.89	1.00	1.12	1.24

Capital Expenditure:						
Carry forwards	0	0	0	0	0	0.00
Renewal	7.23	7.94	7.95	7.97	7.98	7.99
New	1.41	1.82	1.82	1.82	1.82	1.82
Total Capex	8.64	9.76	9.77	9.79	9.80	9.81
Cash Balance	13.25	13.57	13.97	14.48	15.12	15.88

* This amount is adjusted for non recurring events and Grants paid in advance



Strategic Plan



Living Lightly on Our Environment

Building a Unique City

Growing a Vibrant Economy

Building Quality of Life

Practicing Excellence in Governance



Council reviewed its Strategic Plan during the 2018/19 financial year with a number of amendments being agreed.



Annual Plan Highlights



Public Open Space & Recreation Projects

Victoria Parade – install additional lighting of pathway
(Aikenhead to Skate Park)

Don Reserve Path Renewal (Aquatic Centre to Best St)

Don River Rail Trail (Don to Tugrah)

Inclusive Playground – Mersey Bluff

Lovett Street Soccer Ground – renovation



Annual Plan Highlights



Stormwater Projects

Oldaker (East) stormwater catchment upgrade

Building & Facilities Projects

Contribution for 'Levelling the Playing Field' Projects

Miandetta Park – new toilet block



Annual Plan Highlights



Transport Projects

Northern Rooke Street renewal

Fenton / Stewart Street intersection improvements

Stewart Street & Victory Avenue – kerb renewal

Berrigan Road / Lyons Ave safety improvements

Lower Madden Street, Victoria Street, Holyman Street & Roberts Court renewals

Winspears Road renewal (Stage 2)

Mersey Bluff Precinct (Stage 2)

Coastal Pathway – Part 1 contribution



Annual Plan Highlights



Sponsored Events

Devonport Jazz

July 2019

Devonport Food & Wine Festival

October 2019

Christmas Promotions

Nov. & Dec. 2019

Christmas Parade

December 2019

Skyfire New Year's Eve

December 2019

Australia Day Civic Event

January 2020

Harmony Day

March 2020



Capital Works



Program Area	Amount \$'000
Public Open Space & Recreation	\$1,322
Transport	\$6,297
Stormwater	\$1,292
Buildings	\$342
Plant & Fleet & Equipment	\$1,541
LIVING CITY	\$6,000
TOTAL CAPITAL PROGRAM 2019/20	\$16,794

Note: Does not include 2018/19 Carried Forward amounts



Capital Projects Include:



Public Space & Recreation	Amount
Coastal Pathway lighting (Aikenhead to Skate Park)	\$150,000
Victoria Parade foreshore erosion	\$75,000
Inclusive Playground – Mersey Bluff (subject to grant of \$54,160)	\$96,000
Don River Trail (Don – Tugrah) (subject to grant of \$70,000)	\$140,000
Mersey Vale Cemetery – signage upgrade	\$30,000
Mersey Vale Cemetery – future ash interment columns	\$35,000
Mary Binks Wetlands – path upgrade	\$35,000
Highfield Park – new path	\$40,000
Lovett Street Soccer Ground renovation	\$182,000



Capital Projects Include



Transport	Amount
Northern Rooke Street renewal	\$1,000,000
Winspears Road renewal (Stage2)	\$250,000
Fenton Street / Stewart Street - safety improvements (grant funded)	\$415,000
Berrigan Road / Lyons Avenue – safety improvements (grant funded)	\$400,000
Holyman Street renewal	\$490,000
Roberts Court renewal	\$250,000
Coastal Pathway Contribution	\$600,000



Capital Projects Include



Stormwater	Amount
Oldaker (East) stormwater catchment upgrade	\$1,000,000

Buildings & Facilities	Amount
Works Depot – covered plant storage shed	\$32,000
‘Levelling the Playing Field’ – contributions	\$150,000
Miandetta Park – new toilet	\$150,000



Capital Projects Include



Plant & Equipment	Amount
Defibrillator – Devonport Rec Centre	\$3,000
IT – TechOne Asset Management Implementation	\$290,000
Aquatic Centre - picnic tables	\$13,000
Art acquisitions	\$10,000
Devonport Recreation Centre – table tennis building air con	\$11,000
Side arm garbage truck replacement (less trade-in) Reviewing electric vehicle +\$200,000	\$360,000

LIVING CITY	Amount
Waterfront Park (Stage 1)	\$6,000,000



Waterfront Park Funding



Estimated Cost of Construction \$15,000,000

	Construction Funding	Government Grant Funding
Carried Forward from 2018/19	2,000,000	
Budget Allocation 2019/20	6,000,000	2,500,000
Budget Allocation 2020/21	7,000,000	7,500,000
Total	\$15,000,000	\$10,000,000

Net Cost to Council

\$5,000,000



Loan Debt Summary



Purpose	Interest 2019/20 \$'000	Loan Debt June 2018 \$'000	Loan Debt June 2019 \$'000	Loan Debt June 2020 \$'000
Surf Club & Formby Road	123	2,099	1,971	1,843
Mersey Bluff Plaza	110	2,487	2,373	2,259
Bass Strait Maritime Centre	89	747	654	561
Aquatic Centre	91	3,190	3,095	3,000
LIVING CITY	1,318	36,636	43,727	42,353
Total	\$ 1,731	\$ 45,159	\$ 51,820	\$ 50,016

Council will review options for paying down debt as loan swap terms mature



Rating Legislative Requirements



“Rates constitute taxation - rather than a fee for a service”
– *Local Government Act 1993* - Section 86A (1)(a)

“Value of rateable land is an indicator of the capacity of the ratepayer to pay rates” – Section 86A (1)(b)

Council must have a Rates and Charges Policy and its rating decisions must align to that policy. Policy is updated annually



Rating Legislative Requirements



S91 (1) A general rate may consist of 2 components:

- (a) one which is based on the value of the rateable land; and
- (b) the other which is a fixed charge

S91 (2) If a council makes a general rate which consists of the 2 components, the fixed charge-

- (a) must apply equally to each rateable land assessment; and
- (b) must be calculated so that the total revenue raised from it does not exceed an amount equal to 50% of the council's general rates for the year



Rating Legislative Requirements



S89A (1) Index Factor

- Every 2 years the Valuer-General provides Index Factors for the AAV component of the valuation
- All categories of properties in Devonport were applied an index factor of 1.10 - effective from 1 July 2019 (apart from primary production land where the factor was 1.20)
- Rates will therefore be calculated using the “Adjusted Assessed Annual Value” AAAV as applied by the Valuer-General
- A Municipal Wide Revaluation is due to be completed during 2020/21 – and will be used for rating from 1 July 2021



Rates to be Applied | 2019 /20



Fixed Charge

All properties irrespective of classification receive a \$300 Fixed Charge

General Rate

All Properties subject to a standard General Rate (currently 11.6215 cents)

Varied for Residential and Primary Industry Properties (approximately 62.2% of the standard General Rate) (currently 7.2271 cents)



Rates to be Applied | 2019 /20



Waste Management

Residential - \$270 per bin

Primary Industry - \$270 per bin (where a service is available)

Commercial / Industrial / etc - \$810 (3 X \$270)

Fire Levy

Permanent / Composite Brigade District*

Volunteer Brigade District*

General Land*

*

All based on a rate determined by State Fire Commission (with a minimum payment of \$41 to apply)



General Rate Income



General Rate	No. of Properties	2018/19	2019/20	Increase \$	Increase %
Residential	10,778	12,925,771	13,110,409	184,638	1.43%
Primary Production	141	389,808	428,096	38,288	9.82%
Commercial	539	3,897,727	3,898,932	1,205	0.03%
Industrial	268	2,117,377	2,118,343	966	0.05%
Vacant Land	589	511,375	527,593	16,218	3.17%
Other	149	1,537,789	1,538,007	218	0.01%
Exempt Properties	328	-	-	-	
Penalty Applied		121,000	121,000	-	
Total	12,792	21,500,847	21,742,380	241,533	1.12%



General Rate Income



Year	% Increase (Average General Rate)	Total General Rates Received '000	Increase from previous year '000
2015 (actual)	0.0%	20,512	
2016 (actual)	0.0%	20,454	(58)
2017 (actual)	0.0%	20,906	452
2018 (actual)	0.0%	20,969	63
2019 (budget)	1.00%	21,380	411
2020 (budget)	1.12%	21,621	241
Over 5 years	% Rate Increase \$AAV = 2.12%	CPI for period = 8.10%	Growth in Rate Revenue = 5.40%



Total Rate Income



Rates	2019 Rates	2020 Rates	Variance	% Change
General Rate	21,379,848	21,621,380	241,533	1.12%
<u>Waste Management</u>				
- Domestic	3,010,489	3,140,640	130,151	4.32%
- Commercial	666,000	728,238	62,238	9.35%
Total Council Rates	25,056,336	25,490,258	433,922	1.73%
Fire Levy	2,789,825	2,933,951	144,126	5.17%
Penalty	121,000	121,000	-	0.00%
Total Rates	\$27,967,161	\$28,545,209	\$578,048	2.07%



Rate Examples



	Residential #1	Residential #2	Residential #3	Commercial #1	Commercial #2	Industrial #1	Primary Production
\$AAV	7,260	12,759	27,500	1,309,330	11,154	829,125	14,400
General Rate 19/20	809.81	1,195.72	2,231.09	147,950.52	1,537.37	92,278.98	1,311.19
General Rate 18/19	800.69	1,179.39	2,196.97	147,947.25	1,537.34	92,271.16	1,210.61
Increase \$	9.12	16.33	34.12	3.27	0.03	7.82	100.58
Increase %	1.14%	1.38%	1.55%	0.00%	0.00%	0.01%	8.31%
Waste Management	270.00	270.00	270.00	7,290.00	302.91	810.00	270.00
Total Council 2019/20	1,079.81	1,465.72	2,501.09	155,240.52	1,840.28	93,088.98	1,581.19
Last Year	1,060.69	1,439.39	2,456.97	154,967.25	1,779.67	93,081.16	1,470.61
Increase \$	19.12	\$ 26.33	\$ 44.12	\$ 273.27	\$ 60.61	\$ 7.82	\$ 110.58
Increase %	1.80%	1.83%	1.80%	0.18%	3.41%	0.01%	7.52%
Fire Levy	103.36	181.54	392.13	18,671.41	159.06	11,822.81	188.23
Total 2019/20	1,183.17	1,647.26	2,893.22	173,911.93	1,999.34	104,911.79	1,769.42
Last Year	1,159.13	1,612.29	2,839.93	172,995.87	1,923.75	104,295.99	1,649.64
Increase \$	\$ 24.04	\$ 34.97	\$ 53.29	\$ 916.06	\$ 75.59	\$ 615.80	\$ 119.78
Increase %	2.07%	2.17%	1.88%	0.53%	3.93%	0.59%	7.26%



Fees & Charges



Parking Fees – no changes

Parking Fines – linked to Penalty Units – will remain \$26

Health Fees – most charges increase by \$5

Dog Registrations – Life Time Registration increases to \$130 – normal annual licence remains the same

Planning Fees – standard fee increases by \$5

Building Fees – most fees remain the same

Plumbing Fees – most fees remain the same



Fees & Charges



Cemetery Fees – standard burial fee for a Devonport resident \$1,800 (increase \$50)

Engineering Fees – increase relating to engineering assessments ie, roadworks & drainage, applicable to major developments

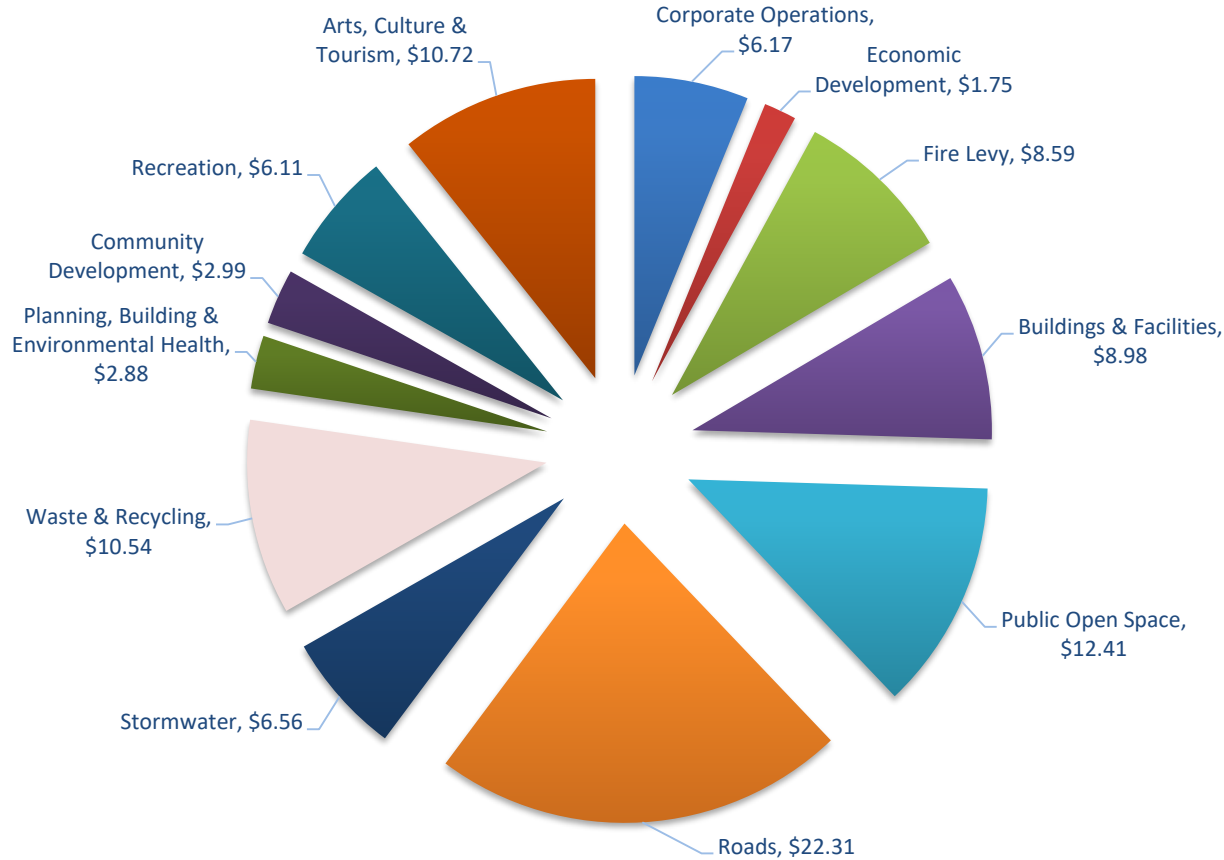
Waste Transfer Station – minimum fee maintained at \$8.00

Recreation Grounds usage – most charges remain the same

paranaple arts centre & convention centre – fee schedule remains the same



For every \$100...





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12 June 2019

Thank you for attending.

We hope this presentation has been of interest to you.