



DEVONPORT
CITY COUNCIL



ANNUAL PLAN
2023/24

BUDGET SUMMARY

The 2023/24 Budget Estimates and Annual Plan is the first by the newly elected Devonport City Council. It builds on the sound financial base established by previous councils and importantly starts to deliver the vision of the new council to continue to strengthen Devonport as a thriving regional city.

With current 'cost of living' pressures, the strong financial position of Council has created the enviable position of being able to minimise rate increases without compromising on the delivery of services to the community or negatively impacting the organisation's long term sustainability.

The budget is based on a general rate increase of 3.9% - approximately half the current rate of inflation. In dollar terms for the average residential property this represents an annual increase of \$62. Along with a \$15 increase to the waste management service charge and the State Government Fire Levy, the increase for the average residential property will be less than \$1.50 per week.

With Devonport undergoing a revaluation during 2021/22, this budget represents the second based on new property values which shifted the rate burden between individual properties. To avoid excessive increases for properties which increased significantly in value, change caps were applied last year to phase in the appropriate rate and Council has again applied these caps.

The capital expenditure budget totals \$13.9 million, ensuring important community infrastructure is maintained, with several significant asset renewal projects including Kelcey Tier redevelopment (\$1.9m) and upgrades at the Waste Transfer Station (\$0.5m) to optimise resource recovery.

Reflecting plans for the next several years, the capital program includes allocations to commence planning and design for a number of new initiatives such as a major redevelopment of the Bluff playground, the beautification of Stewart Street (Rooke to Fenton) and the exciting new development of an indoor multipurpose sports complex for the city. This will be a major focus for Council over the next four years with planning and

design for approvals and engagement with both levels of Government to finalise project funding anticipated in the next 12 months.

From an operating budget perspective, total income for 2023/24 is estimated at \$49.16 million with expenditure of \$46.03 million resulting in a budgeted nett operating surplus of \$3.12 million. With the removal of the non-cash share of profit due to Council's ownership in the Dulverton Regional Waste Management Authority, the estimated surplus reduces to \$0.76 million.

The 2023/24 budget contains no new borrowings with debt repayments to continue as planned reducing total debt to an estimated \$44.6 million by June 2024.

Planning for this year's budget involved the development of a four-year Term Plan to clearly communicate priorities of the newly elected Council. Introducing the Term Plan as part of a reset of Council's Strategic Planning Framework has sharpened the focus, and allowed the simplification of this Annual Plan document to a snapshot of 12 months of priorities. This Annual Plan should be read as a component of the Term Plan. Further detail of Council's budget estimates is available from the website.

WHAT WE DO: OUR ROLE

COUNCIL'S ROLE	DEVONPORT CITY COUNCIL				
PROVIDER	 3 Indoor Sports Venues	 6 Cemeteries	 5 Arts, Cultural & Convention Facilities	 8 Car Parks	 Community Development
	 54Kms Roads & Footpaths	 14 Sports Grounds	 256kms Stormwater Mains	 63 Parks & Reserves	 Waste Management
REGULATOR	 Development & Building Control	 Public Health Functions	 Animal Control		
FACILITATOR	 Economic Development	 Events	 Health & Well Being	 Community Partnership	
ADVOCATE	 Federal and State Funding	 Government Service Provision	 Sustainability Initiatives	 Political Representation	



ANNUAL PLAN ACTIONS AS ALIGNED WITH STRATEGIC PLAN GOALS

GOAL 1

- Facilitate and support the provision of EV charging infrastructure in the city (*Term Plan priority 1.4*).
- Review and update the Corporate Climate Change Adaptation Plan (*Term Plan priority 1.3*).
- Design, tender and commence construction on an improved and upgraded Waste Transfer Station which optimises waste diversion (*Term Plan priority 1.1*).
- Formalise agreement with new site recovery operator and plan for commencement at Waste Transfer Station (*Term Plan priority 1.1*).
- Plan for the go-live of a residential kerbside FOGO collection service including the commencement of a community education program (*Term Plan priority 1.2*).
- Continue to introduce EV cars into Council's fleet (*Term Plan priority 1.4*).

GOAL 2

- Participate and contribute to the review of the Regional Land-Use Strategy (*Term Plan priority 2.6*).
- Improve clarity of Council requirements with a new Strata Plan Policy and Public Open Space Contribution Policy (*Term Plan priority 2.9*).
- Develop a consolidated Communication and Engagement Strategy (*Term Plan priority 2.5*).
- Engage with the State and Federal Governments to facilitate and assist with addressing housing and rental demand within the city (*Term Plan priority 2.9*).
- Review Bike Riding and Pedestrian Strategy (*Term Plan priority 2.8*).
- Review and update Council's Parking Strategy (*Term Plan priority 2.8*).
- Undertake a comprehensive condition assessment of Council's road network (*Term Plan priority 2.8*).
- Commence a community engagement process to identify opportunities and ideas to revitalise the Rooke Street Mall (*Term Plan priority 2.1*).
- Develop a long term maintenance plan for Splash Aquatic Centre, with a focus on the outdoor pool asset (*Term Plan priority 2.8*).
- Develop a Master Plan and concept design for Council owned land in Fenton Way and explore development opportunities (*Term Plan priority 2.3*).
- Launch the LIVING CITY Waterfront Precinct Sound & Light Show (*Term Plan priority 2.5*).

GOAL 3

- Launch and promote the Devonport City Investment Prospectus (*Term Plan priority 3.1*).

- Finalise and launch the feasibility study for the future direction and promotion of Home Hill (*Term Plan priority 3.6*).
- Develop and launch the Devonport Events Strategy (*Term Plan priority 3.2*).
- Commence construction of the Devonport Gateway project including the installation of public art entrance markers (*Term Plan priority 3.3*).
- Develop an Industrial Land Strategy for Devonport (*Term Plan priority 3.1*).

GOAL 4

- Develop, design and obtain Development Application for new indoor sports stadium (*Term Plan priority 4.1*).
- Move Well Devonport - Develop and seek funding for initiatives that increase resident access and participation in active living programs (*Term Plan priority 4.8*).
- Identify and progress priority sports infrastructure projects (*Term Plan priority 4.2*).
- Undertake an internal refurbishment of the parnaple arts centre theatre, including the replacement of existing seating (*Term Plan priority 4.3*).
- Develop concept design for the incorporation of a black box performing arts space in Market Square Pavillion (*Term Plan priority 4.4*).
- Upon advice from the Public Art Committee, commission public art work in Haines Park (*Term Plan priority 4.5*).
- Engage and assist the Indie School in planning for their long term facility requirements within the city (*Term Plan priority 4.6*).
- Facilitate the implementation of the community-led Living Well: Health and Wellbeing Strategy (*Term Plan priority 4.8*).
- Establish partnership with UTAS to support the student-centred Devonport Health Enhancement Clinic (*Term Plan priority 4.7*).

GOAL 5

- Launch and promote the Council Term Plan 2022-26 (*Term Plan priority 5.4*).
- Develop and adopt a new Parking By-Law (*Term Plan priority 5.5*).
- Implement TechnologyOne Customer Request Management (*Term Plan priority 5.2*).
- Continue the implementation and use of TechnologyOne and Smart Cities platforms, with a focus on reporting outcomes (*Term Plan priority 5.2*).

FINANCIAL SUMMARY

FINANCIAL BUDGET AT A GLANCE

The 2023/24 budget incorporates \$59,915,163 in estimated operational and capital expenditure.

Budget Summary

Operational Budget

Revenue	\$49,159,318
Expenditure	(\$46,034,763)
Operating surplus	\$3,124,555

Underlying result **\$2,524,555**

Capital Budget

Asset renewal	\$10,014,400
New / asset upgrade projects	\$3,866,000
Total Capital Budget	\$13,880,400

External Funding

Capital Grants	\$3,464,839
Sale of assets	\$257,000
	\$3,721,839

Key Capital Expenditure Allocations

- \$1.88 million for Kelcey Tier Road reconstruction and safety improvements
- \$1.0 million to replace indoor pool tiles at the Splash Aquatic Centre
- \$1.0 million towards the State vehicle entry project
- \$775,000 for the road resealing program
- \$580,000 to expand the Art Storage Facility
- \$500,000 for the Mersey Bluff access road upgrade
- \$500,000 for the Oldaker St - Sorell St Roundabout
- \$500,000 towards the Waste Transfer Station - resource recovery project

Estimated Borrowings

Council does not intend to increase borrowings in 2023/24.

The following figures show projected loan repayments and balances.

	2022/23 Forecast \$000	2023/24 Budget \$000
Opening balance	\$46,863	\$45,786
Principal repayments	(\$1,077)	(\$1,103)
Closing balance	\$45,786	\$44,683

Full detailed budget reports are available on Council's website.

FINANCIAL SUMMARY

The Estimated Statement of Financial Position reports the projected assets, liabilities and equity of Council, providing information about the resources controlled by Council and other information which is useful for assessing Council's financial position. The commentary provided below relates to the 2023/24 budget.

ESTIMATED STATEMENT OF FINANCIAL POSITION

	2021/22 Actual \$000	2022/23 Budget \$000	2022/23 Forecast \$000	2023/24 Budget \$000
Current Assets				
Cash and cash equivalents	18,945	5,941	21,863	11,801
Receivables	4,348	1,110	4,306	922
Other Assets	416	200	175	175
Available for Sale Assets	897	-	627	-
	24,606	7,251	26,971	12,898
Non-Current Assets				
Receivables	288	286	310	259
Other Assets	-	-	-	-
Investment in TasWater	85,293	82,968	82,968	82,968
Investments in Associates	11,235	13,559	14,740	17,403
Property, plant and equipment	532,599	565,262	561,967	586,077
Right of use assets	727	656	858	805
Capital work in progress	19,096	3,500	8,600	3,500
	649,238	666,231	669,443	691,012
TOTAL ASSETS	673,844	673,482	696,414	703,910
Current Liabilities				
Payables	4,014	3,179	1,000	1,000
Interest bearing liabilities	1,089	1,103	1,103	1,120
Provisions	2,637	2,146	1,400	1,400
Lease liabilities	26	52	57	57
Contract liabilities	1,621	-	600	600
	9,387	6,480	4,160	4,177
Non-Current Liabilities				
Interest bearing liabilities	45,774	44,672	44,672	43,552
Provisions	336	325	325	325
Lease liabilities	710	605	801	748
	46,820	45,602	45,798	44,625
TOTAL LIABILITIES	56,207	52,082	49,958	48,802
NET ASSETS	617,637	621,400	646,456	655,108
Equity				
Asset revaluation reserves	372,319	372,888	389,573	389,573
Other reserves	8,896	6,571	12,401	15,064
Accumulated surplus	236,422	241,941	244,482	250,471
	617,637	621,400	646,456	655,108

Current Assets and Non-Current Assets

Current assets are expected to decrease from forecast by \$14.1 million due to a reduction in cash investments as a result of capital expenditure.

Non Current assets are estimated to increase \$21.6 million mostly as a result of revaluations and investment in capital expenditure.

Current Liabilities and Non-Current Assets

Current Liabilities are not expected to change materially between 2022/23 and 2023/24.

Non Current Liabilities are expected to decrease from forecast by \$1.1 million, due to the repayment of loan principal.

PUBLIC HEALTH OBJECTIVES

Section 71 of the *Local Government Act 1993* requires the Annual Plan to include a summary of the major strategies to achieve the City's public health goals and objectives.

Devonport City Council is committed to high levels of public health protection in accordance with obligations outlined in the *Local Government Act 1993*, *Public Health Act 1997*, *Food Act 2003*, *Burial and Cremation Act 2019*, *Litter Act 2007* and the *Environmental Management and Pollution Control Act 1999* and aims to:

- Provide high-quality and responsive processes for the determination of food premises and other applications for registered premises.
- Undertake inspection and licencing of relevant food & health businesses.
- Promote the education of food handlers and requirements for Food Safety Supervisors.
- Ensure the quality of water used for recreational purposes is monitored.
- Provide a Sharps Disposal Systems to promote the proper disposal of needles and syringes.
- Manage complaints about environmental and public health issues, such as noise, smoke, waste and odour to address breaches of legislation.
- Implement a new burial record system for Mersey Vale Memorial Cemetery.

STRATEGIC PLANNING FRAMEWORK

This Annual Plan is part of Council's Strategic Planning Framework and should be read in conjunction with other documents as outlined below.

