



Break O'Day
COUNCIL

Budget Estimates 2023-2024



Version 1 – Adopted June 2023

from the **mountains** to the **sea** | www.bodc.tas.gov.au



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Introduction – Budget 2023 - 2024

The significant impacts of the 2020/2021 pandemic support measures combined with the flood events of 2022 and associated repair works that continue to be undertaken to affected infrastructure have impacted the long term financial position of Council. This combined with an increase in the CPI for March 2023 of 6.9% has once again presented Council with a challenging budget environment for the 2023/2024 financial year. Programs, activities and services were again scrutinised in detail and opportunities for savings are factored into the budget to ease pressure on the rating requirement. These savings are balanced against the need to provide services, programs and initiatives to the Break O'Day community across a wide range of activity areas.

The larger than anticipated increase in CPI has placed significant pressure on the underlying cost base of Council's operations, with materials, contract services and other costs all having increased as a consequence. This is resulting in tendered project works being materially more expensive than budgeted expectations. The Enterprise Agreement applying to Council staff includes an increase to salary and wages that is linked to the National Wage Review. As employee costs are the largest expense category of Council, this too has a significant impact on the Budget Estimates.

The proposed increase of rate revenue across all land use classes combined of 8% is above the March Consumer Price Index for Hobart (6.9%), while being substantially in line with the annual movement in the most recent LGAT Council Cost Index of 8.11% (LG Index). The Local Government Association of Tasmania releases the LG Index each year as it is believed this measure better reflects the cost increases associated with the delivery of local government services.

Given the cost of living and inflationary pressures now evident in the community and economy more broadly, Council has employed a restrained and consider approach to revenue generation, operational expenditure and capital works for the year ahead. The budget seeks to gradually return Council to a sustainable financial position, albeit projecting a small but manageable deficit in the year ahead.

1. Rates Resolution

In accordance with the provisions of the Local Government Act 1993 (as amended) and the Fire Services Act 1979 the Council makes the following Rates and Charges for land within the Council's municipal area for period 1 July 2023 to 30 June 2024.

Definitions Used in this Resolution

- (a) "AAV" means the assessed annual value (AAV) for the land determined by the Valuer-General under the Valuation of Land Act 2001 and adjusted under the Act;
- (b) "land" means a parcel of land which is shown as being separately valued in the valuation list pursuant to the provisions of the Valuation of Land Act 2001;
- (c) "commercial" means land that is shown as commercial (C), in the list of valuations prepared by the Valuer-General pursuant to the provisions of the Valuation of Land Act 2001;
- (d) "industrial" means land that is shown as industrial (I), in the list of valuations prepared by the Valuer-General pursuant to the provisions of the Valuation of Land Act 2001;
- (e) "primary production" means land that is shown as primary production (L), in the list of valuations prepared by the Valuer-General pursuant to the provisions of the Valuation of Land Act 2001;
- (f) "vacant land" means land that is shown as vacant land (V), in the list of valuations prepared by the Valuer-General pursuant to the provisions of the Valuation of Land Act 2001;
- (g) "tenement" means any land in relation to which the Valuer-General has separately determined assessed annual values having regard to occupation or construction of the land or improvement or structural alterations made in it;
- (h) "multiple dwelling" means a dwelling containing more than one separately occupied tenement where that dwelling does not have a separate title
- (i) "the Act" means the Local Government Act 1993
- (j) Terms used in this resolution have the same meaning as given to them in Part 9 if the Act unless it is inconsistent with the context of this resolution

1. GENERAL RATE

1.1 Pursuant to Section 90, of the Act Council hereby makes a General Rate of 6.73 cents in the dollar of AAV for all rateable land (excluding land which is exempt pursuant to the provisions of section 87 of the Act) within the municipal area subject to a minimum amount payable of \$650.

1.2 Pursuant to Section 107(1) of the Act, Council declares that the general rate is varied within the municipal area and within different parts of the municipal area according to the following factors :

- (a) For all land within the municipality which is used or predominantly used for commercial purposes, the General Rate is varied to 8.4578 cents in the dollar of AAV;
- (b) For land within the municipality which is used or predominantly used for industrial purposes, the General Rate is varied to 8.4578 cents in the dollar of AAV;
- (c) For land within the municipality which is used or predominantly used for commercial purposes and non-use land (i.e. vacant commercial) the General Rate is varied to 8.4578 cents in the dollar of AAV;
- (d) For land within the municipality which is used or predominantly used for quarry purposes, the General Rate is varied to 8.4578 cents in the dollar of AAV;

- (e) For land within the municipality which is used or predominantly used for public purposes, the General Rate is varied to 8.4578 cents in the dollar of AAV;
- (f) For land within the municipality which is used or predominantly used for primary production purposes, the General Rate is varied to 6.07 cents in the dollar of AAV;
- (g) For land within the municipality which is used or predominantly used for primary production - forestry purposes, the General Rate is varied to 12.065 cents in the dollar of AAV;

1.3 Pursuant to Section 107(1) and 107(2A) of the Act, Council hereby varies the minimum General Rate of \$650 to \$750 per rateable land as follows:

- (a) For land within the municipality which is used or predominantly used for residential purposes and non-use land (i.e. vacant residential) and is within the following locations:

Akaroa, Ansons Bay, Beaumaris, Binalong Bay, Chain of Lagoons, Douglas River, Falmouth, Fingal, Four Mile Creek, Scamander, Seymour, St Helens, St Marys, Stieglitz, and Upper Scamander.

2. SERVICE RATES AND CHARGES

2.1 In accordance with the provisions of Section 93 and 94 of the Act, Council makes:

- (a) A Waste Infrastructure charge of \$240.00 for all rateable tenements within the municipal area comprising waste disposal areas, waste transfer stations and related waste management facilities;
- (b) Waste Collection Charge
 - i. A collection charge of \$110.00 per bin for all land that has available a recycling waste collection services from Council; and
 - ii. A collection charge of \$106.00 per bin for all land that has available a 140L waste collection services from Council; and
 - iii. A collection charge of \$175.00 per bin for land that has available a 240L waste collection service from Council.
- (c) Extra collection charges beyond those stipulated in 2.1(a) & (b) are to be arranged directly with the Council.

2.2 Pursuant to Section 97(3) of the Act, varies the service charges for waste management within the municipality as follows:

- (a) Where land is within a collection area but is vacant and not utilised for any purpose the collection charge in 3.1 (b), (c) and (d) is varied to nil if a bin is not provided or required.
- (b) Where land is used or predominantly used for sporting or recreational purposes and is a jetty, boatshed, boat ramp or slipway, the service charges in 3.1 (b), (c) and (d) is varied to nil if bin is not provide or required.

3. FIRE SERVICE RATE

- 3.1 Pursuant to Section 93 and Section 93A of the Act, Council makes the following fire protection service rates for the purpose of collecting a fire service contribution from all rateable land in the municipal area sufficient to pay the contribution that Council is required to make pursuant to the notice received by Council from the State Fire Commission given accordance with Section 81B of the *Fire Service Act 1979* for the 2023-2024 financial year as follows:

District	Rate
Urban Volunteer Brigade Rating Districts	0.3548 cents in the dollar of AAV
General Land	cents in the dollar of AAV

- 3.2 Pursuant to Section 93(3) of the Act and Section 81C(6) of the *Fire Service Act 1979*, the minimum fire service contribution payable in respect of the fire service contribution is the amount of \$48.00.

4. PAYMENT OF RATES AND CHARGES

- 4.1 Pursuant to Section 124 of the Act, for the period commencing 1 July 2023 and ending 30 June 2024 all rates and charges payable to Council shall be payable by four (4) instalments in accordance with the following payment schedule:
- (a) The first instalment must be made on or before the 31st of August 2023;
 - (b) The second instalment must be made on or before the 30th of November 2023;
 - (c) The third instalment must be made on or before the 28th of February 2024;
 - (d) The fourth and final instalment must be made on or before the 30th of April 2024.
5. Pursuant to Section 130 of the Act, Council will provide a discount of 2% of the total current rates and charges specified in a rates notice applying to all the rates and charges for the financial year 2023-2024 and any arrears if they are paid in full on or before 31st August 2023.
6. In accordance with the provisions of Section 124 (5) of the Act if a ratepayer fails to pay any instalment within 21 days of the date on which the instalment is due, the ratepayer is liable to pay the full amount of the unpaid rates and charges.
7. Pursuant to Section 128 (2) of the Act, if any rate or instalment is not paid on or before the due date then:
- i. There is payable a penalty of 6% of the unpaid due instalment; and
 - ii. If any rates and charges or instalment of the rates and charges are not paid on or before the date they fall due, then daily interest being 9.85% for the financial year 2023-2023 charged monthly is payable from the date they fell due to the date of payment.

John Brown
General Manager

2. Profit and Loss Statement

Account	2023 Annual Budget	Forecast 2023	Budget 2024 Estimates
Trading Income			
Rates	10,840,244	10,887,813	11,845,314
User Fees	1,399,726	1,464,990	1,399,779
Operating Grants	2,423,090	2,999,654	3,897,036
Interest & Investment Income	563,369	735,467	816,457
Contributions	20,000	57,550	0
Other Revenue	32,000	131,100	88,549
Total Trading Income	15,278,429	16,276,575	18,047,135
Gross Profit	15,278,429	16,276,575	18,047,135
Capital Grants			
Grants - Commonwealth Capital	2,994,381	1,091,957	3,106,489
Grants - Roads to Recovery	647,000	647,000	647,000
Grants - State Capital	500,000	76,424	985,000
Total Capital Grants	4,141,381	1,815,381	4,738,489
Other Non Operating Income			
Net Gain/Loss on Disposal of Assets	120,000	62,716	120,000
Total Other Non Operating Income	120,000	62,716	120,000
Total Non Operating Revenue	4,261,381	1,878,097	4,858,489
Operating Expenses			
Employee Costs	5,839,111	5,452,800	6,114,090
Materials & Services	6,128,348	6,194,093	7,051,237
Interest Expense	271,341	265,707	247,910
Depreciation	3,918,626	4,240,280	4,632,561
Other Expenses	246,584	321,238	269,008
Total Operating Expenses	16,404,010	16,474,117	18,314,805
Operating Net Profit	(1,125,581)	(197,543)	(267,669)
Net Profit (Including Non Operating Revenue)	3,135,800	1,680,554	4,590,820

3. Budgeted Cash Flow Statement

Account	2021/2022	Forecast 2023	Budget 2024 Estimates
Operating Activities			
Receipts from customers	1,352,000	1,396,280	1,356,219
Receipts from rates	10,203,000	10,887,813	11,845,314
Receipts from Operational Grants	4,316,000	2,857,683	3,897,036
Contributions	97,000	57,550	0
Interest received	118,000	270,467	351,457
Dividends received	466,000	465,000	465,000
Payments to employees	(5,354,000)	(5,444,820)	(6,031,626)
Payments to suppliers	(7,471,000)	(6,259,677)	(6,973,237)
Finance Costs	(303,000)	(265,707)	(247,910)
Cash receipts from other operating activities	730,000	131,100	88,549
Cash payments from other operating activities	0	(321,238)	(269,008)
Net Cash Flows from Operating Activities	4,154,000	3,774,452	4,481,795
Investing Activities			
Payment for property, plant and equipment	(4,737,000)	(5,758,366)	(8,339,356)
Capital Grants received	3,500,000	1,477,821	4,738,489
Proceeds from sale of property, plant and equipment	217,000	70,000	150,000
Net Cash Flows from Investing Activities	(1,020,000)	(4,210,545)	(3,450,867)
Financing Activities			
Proceeds of trust funds and deposits	24,000	0	0
Repayment of loans	(1,882,000)	(389,024)	(406,544)
Repayment of lease liabilities	(11,000)	(11,000)	(5,934)
Net Cash Flows from Financing Activities	(1,869,000)	(400,024)	(412,478)
Net Cash Flows	1,265,000	(836,117)	618,450
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period	10,548,436	11,813,436	10,977,319
Net change in cash for period	1,265,000	(836,117)	618,450
Cash and cash equivalents at end of period	11,813,436	10,977,319	11,595,769

4. Budget Balance Sheet

Account	Forecast 2023	Budget 2024 Estimates
Assets		
Current Assets		
Cash & Cash Equivalents	10,977,319	11,595,769
Trade & Other Receivables	726,000	769,560
Inventory	200,000	212,000
Total Current Assets	11,903,319	12,577,329
Non-current Assets		
Property, Plant & Equipment	201,495,213	225,351,529
Right of Use Asset	10,524	4,210
Intangible Assets	46,147	20,917
Investment in Water Corporation	36,231,284	39,854,412
Other Investments	30,000	30,000
Total Non-current Assets	237,813,168	265,261,069
Total Assets	249,716,487	277,838,398
Liabilities		
Current Liabilities		
Trade & Other Payables	1,100,000	1,166,000
Contract Liabilities	0	0
Lease Liability	10,524	4,210
Interest Bearing Loans & Borrowings	406,544	424,868
Provisions	849,589	898,440
Trust Funds and Deposits	653,164	653,164
Total Current Liabilities	3,019,821	3,146,683
Non-current Liabilities		
Lease Liabilities	7,210	3,000
Interest Bearing Loans & Borrowings	5,460,277	5,035,409
Provisions	584,568	618,181
Total Non-current Liabilities	6,052,055	5,656,590
Total Liabilities	9,071,877	8,803,273
Net Assets	240,644,610	269,035,125
Equity		
Accumulated Surplus	42,730,285	47,321,104
Reserves	197,914,325	221,714,021
Total Equity	240,644,610	269,035,125

5. Capital Budget Summary

	2024	Grant Funded	Council Funded	New	Renewal
Plant & Equipment	877,148		877,148		877,148
Furniture & IT	81,400		81,400	47,000	34,400
Buildings	1,582,809	1,350,000	232,809	1,410,000	172,809
Parks, Reserves & Other	1,410,250	905,767	504,483	1,410,250	0
Roads					
Roads - Streetscapes	225,000	130,000	95,000	80,000	145,000
Roads - Footpaths	85,803	47,303	38,500	8,500	77,303
Roads - Kerb & Channel	-	-	-	-	-
Roads - Resheeting	565,111	99,176	465,935	-	565,111
Roads - Reseals	544,487	116,399	428,087	-	544,487
Roads - Construction, Digouts & Other	2,045,039	1,664,844	380,195	313,008	1,732,031
Totals Roads & Footpaths	3,465,440	2,057,722	1,407,717	401,508	3,063,932
Bridges	559,499	-	559,499	-	559,499
Stormwater	308,527	-	308,527	260,521	48,006
Waste Management	54,283		54,283	14,283	40,000
Total Capital Works	8,339,356	4,313,489	4,025,866	3,543,562	4,795,794

6. Capital Works Budget

Project Details	Estimated Carried Forward @ 30/06/2023	New Budget Items 2023/2024	Estimated Carry Forward + Budget 2024	Comments
Plant & Equipment				
Vehicle Management Tracking System				Defer due to budget pressures
Replace 1358 H66ZW - Kia Sportage - Building Surveying	40,000		40,000	
Small Plant - VARIOUS		40,000	40,000	
Replace 1050 - Crown LPG Forklift		25,000	25,000	
Replace 1061 - John Deere 570B Grader		350,000	350,000	
Replace 1223 - Hitachi EX75UR-3 Excavator		150,000	150,000	
Replace 1291 - Toro Mower		40,000	40,000	
Replace 1329 - Toro Groundmaster 7200		30,000	30,000	
Replace 1340 - Ferris IS3200 61" Mower		30,000	30,000	
Replace 1360 - Dmax 4x4 Crew Cab		45,000	45,000	
Replace 1361 - Kia Sportage H40ZN - Corporate Services		40,000	40,000	
Replace 1363 - Toro Groundmaster 360		40,000	40,000	
Replace 1364 - Ferris IS3200Z Mower		30,000	30,000	
Replace 1379 - Toro G3 Z-Master 48"		17,148	17,148	
Total Plant & Equipment	40,000	837,148	877,148	
Furniture & IT				
Desktop replacements 2022/23		14,400	14,400	
Firewall		14,000	14,000	
Livestream Equipment		8,000	8,000	
Server Replacement		20,000	20,000	
Phone system		25,000	25,000	
Total Furniture & IT	-	81,400	81,400	
Buildings				
Fingal Community Shed (Old Tas Hotel)	350,000		350,000	BSBR Grant - need to carry forward all remaining budget
St Marys Indoor Recreation Facility	1,000,000		1,000,000	BSBR Grant - need to carry forward all remaining budget
Portland Hall Upgrades	6,288	3,712	10,000	Audio visual equipment to be purchased and installed
Scamander Sports Complex	50,000		50,000	CFWD from 21/22: Solar Panel & Kitchen upgrades - Contribution from Scamander Sports Complex \$20k
St Marys Hall Upgrades			-	Subject to grant funding
Stadium repaint of floors and replace damaged equipment	95,074		95,074	Works planned for completion in November 2023 - Insurance Job
Council Chambers additions and improvements	47,735	10,000	57,735	Continuation of Building improvements, Painting outside, front counter alterations, Heat pumps
Falmouth Community Centre - New Toilet, Demolish Old, Internal Alterations			-	Defer works to 24/25
Pyengana Recreation Ground Improvements			-	Defer works to 24/25
Binalong Bay - Village Green BBQ Replacements			-	Defer works to 24/25
Memorial Park Toilet Block Replacement			-	Defer works to 24/25 - design work only
Service Tasmania		20,000	20,000	Replace Carpet & Repaint
Total Buildings	1,549,097	33,712	1,582,809	
Parks, Reserves & Other				
Special Project - Land Use Review Projects			-	Refer Council workshop report & Annual Plan Items
Special Project - St Helens Wharf Foreshore Master Plan	50,000		50,000	Carry forward
Special Project - Feasibility Study Aquatic Centre & Hydrotherapy Pool	40,000	50,000	90,000	Carry Forward
Special Project - Tas Police Project		200,000	200,000	Allocation for utilities
Special Project - Parking Strategy St Helens and St Marys		20,000	20,000	
Special Project - Scamander Coastal Hazards Project	30,000	70,865	100,865	Total quantum of \$100,865 for 2023/2024 comprises the following amounts: Council contribution = \$40,865 and Grant receipts = \$60,000
Fingal Youth Playground/recreation hub	345,767		345,767	BSBR Grant
Pump Tracks	500,000		500,000	State Gov't Grant
Playground equipment replacement program	64,261		64,261	Other sites - individual equipment pieces
Dog exercise area St Helens Improvements	7,803		7,803	Dog park user consultation to occur prior to install of equipment

St Marys Dog Park	6,554		6,554	Community engagement to be undertaken prior to install - need to establish new site.
Cornwall Soldiers Park - Track upgrade and SW works	20,000		20,000	
St Marys Cemetery Master Plan - Columbarium Wall & garden		5,000	5,000	Works commencing May 2023
St Helens Cemetery Master Plan improvements			-	Defer to 24/25 \$50,000
Totals Parks, Reserves & Other	1,064,385	345,665	1,410,250	
Roads - Streetscapes				
LRCIP Phase 4 - Cecilia St/ Georges Bay Esp Junction		130,000	130,000	LRCIP - Phase 4 Nominated project
Cecilia Street/Georges Bay Esplanade junction		30,000	30,000	Land acquisition needed for junction upgrade
Cecilia St - Northern End		15,000	15,000	Streetscape design
Quail St Parking Bay	50,000	-	50,000	Defer to 24/25? \$50,000
Total Streetscapes	50,000	175,000	225,000	
Roads - Footpaths				
Main St Mathinna (Wilson St to Community Hall)	8,500		8,500	CFWD Works
Parkside Foreshore Footpath	30,000		30,000	Minor shared pathway works between Lions Park and Talbot St Jetty and pathway signs
Grant Street Pathway, Falmouth		47,303	47,303	LRCIP-Phase 3 Project fully funded at \$47,303
Total Footpaths	38,500	47,303	85,803	
Roads - Kerb & Channel				
Penelope St St Helens			-	100lm new K&C required to address local flooding issue and includes bus pull over area pavement treatment.
Total Kerb & Channel	-	-	-	
Roads - Resheeting				
999 - Victoria St Part C	1,400		1,400	
998 - Victoria St Part C	360		360	
997 - Victoria St Part C	2,100		2,100	
2138 - Franks St Fingal	3,795		3,795	
1024 - Franks St Fingal	3,400		3,400	
1081 - Sorell St	6,700		6,700	
1053 - Louisa St	2,800		2,800	
Fingal Streets	6,500		6,500	
Canhams Road		39,250	39,250	
Evercreech Road		64,160	64,160	
Mathinna Plains Road		96,250	96,250	
North Ansons Road		253,732	253,732	
Macquarie Street		12,558	12,558	
Champ St, Seymour		13,650	13,650	
Davis Gully Road		38,800	38,800	
Lyne Court		19,656	19,656	
Total Resheeting	27,055	638,056	665,111	
Roads - Reseals				
St Marys - Story Street Esk Main Road to Groom Street	55,084		55,084	Subject to State Growth resealing Story St
794-Boronia St		6,730	6,730	Reseal
556-Football Entry Rd		2,293	2,293	Reseal
1036-Talbot St West CW		5,328	5,328	Reseal
1035-Talbot St West CW		4,688	4,688	Reseal
1004-Victoria St Part A		4,870	4,870	Reseal
516-Charlotte Crt		29,250	29,250	Reseal
521-Four Mile Creek Rd		18,206	18,206	Reseal
544-Mangana Rd		30,108	30,108	Reseal
307-Mangana Rd		39,597	39,597	Reseal
306-Mangana Rd		10,051	10,051	Reseal
305-Mangana Rd		33,069	33,069	Reseal
536-Chapman St		3,574	3,574	Reseal
523-Fonthill St		4,071	4,071	Reseal
514-High St Mathinna		12,127	12,127	Reseal
513-High St Mathinna		9,531	9,531	Reseal
531-High St Mathinna		9,611	9,611	Reseal
530-High St Mathinna		8,849	8,849	Reseal
529-High St Mathinna		13,280	13,280	Reseal
528-High St Mathinna		3,366	3,366	Reseal
526-High St Mathinna		2,872	2,872	Reseal
538-Wilson St		4,011	4,011	Reseal
194-Mathinna Rd		14,942	14,942	Reseal
572-Cherrywood Dve		5,420	5,420	Reseal
543-Scamander Ave		18,121	18,121	Reseal
565-Silver St		7,978	7,978	Reseal
923-Ansons Bay Rd (Priory Rd)		53,861	53,861	Reseal
432-Circassian St		11,935	11,935	Reseal

439-Depot Rd		5,036	5,036	Reseal
485-Netball Rd		6,525	6,525	Reseal
484-Netball Rd		4,887	4,887	Reseal
589-St Helens Point Rd		31,993	31,993	Reseal
588-St Helens Point Rd		23,223	23,223	Reseal
Quail Street - off traffic lane resealing	50,000		50,000	Subject to State Growth resealing central carriageway traffic lanes
Totals Reseals	105,084	439,403	544,487	
Roads - Construction, Digouts & Other				
Aerodrome ring road - Erosion mitigation		30,000	30,000	
Digouts and road edge remediation to be allocated	25,000	250,000	275,000	Multiple failures on sealed road network
218 - Mathina Plains Road	185,000		185,000	CFWD - Pavement Renewal and Sealing - Stage 3 works
Medeas St/Circassian St intersection upgrade	195	200,000	200,195	\$200,000 Black Spot funding received (Feb 2023)
LRCI Phase 3 North Ansons Bay Sealing	139,000		139,000	LRCIP-Phase 3 Project
Road Network - Sign Replacement		25,000	25,000	
LRCI Program - Phase 4 Projects		890,844	890,844	Phase 4 funding total is \$1,020,844 in two parts. Part A = \$847,408, Part B = \$373,438. \$130,000 of total funds has been allocated to the Cecilia St/ Georges Bay Espl Junction Upgrade leaving \$890,844 Funding to be expended by 30 June 2025.
Flood damage remediation works		300,000	300,000	From October 22 Floods
Totals - Roads Construction, Digouts & Other	349,195	1,695,844	2,045,039	
Totals Roads & Footpaths	569,834	2,895,606	3,465,440	
Bridges				
B2293 - Cecilia St	216,499	5,000	221,499	CFWD TO 23/24
B7027 - Mathina Plains Road	30,000	30,000	60,000	CFWD TO 23/24
B1243 - Binns Road		28,600	28,600	Renew Timber Deck and Runners
B1245 - Clellands Road		29,400	29,400	Renew Timber Deck and Runners
B1675 - Lower Germantown Road		220,000	220,000	Replace bridge in concrete or culvert
Total Bridges	246,499	313,000	559,499	
Stormwater				
Minor stormwater Jobs		58,000	58,000	
Osprey Drive	9,006		9,006	Design only
Falmouth Street	10,000		10,000	Design only
Penelope Street	113,521		113,521	Stormwater Main - frontage of caravan park
Victoria Street, Fingal		108,000	108,000	New stormwater line - Design & Construct
Aulichs Lane, St Marys		10,000	10,000	New stormwater line - Design & Approvals
Total Stormwater	132,527	176,000	308,527	
Waste Management				
Scamander WTS - Waste Paint Container Station	14,283		14,283	
Scamander WTS - Replace sump pit & pump		20,000	20,000	
Scamander WTS - Waste Compactor		20,000	20,000	Develop specifications for replacement compactor.
Total Waste Management	14,283	40,000	54,283	
Total Capital	3,616,625	4,722,731	8,339,356	

7. Community Services

Core Activities

Community Development Department consists of a Manager Community Services, Community Services Program Officer and a Mental Health and Wellbeing Coordinator who are responsible for the leadership and management of the following programs:

- Community Activities
- Employment Programs
- Area Promotion
- SES Operations
- Community Development
- Community Lifestyle
- Youth Health

2023 - 2024 Programs and Initiatives

Community Services	
Community Grants	30,000
Youth Services	8,000
Misc Donations & Events	7,500
School Prizes	1,000

Community Event Funding	
Seniors Day	3,000
Australia Day Event	5,000
Swimcart	1,000
St Helens Athletic Carnival	2,500
Carols by Candlelight	1,600
Australia Day Event (including Woodchopping)	15,000
Fingal Valley Coal Festival	2,000
Pyengana Endurance Ride -	500
St Helens Game Fishing Comp	2,000
Wellbeing Festival	3,500
Marketing Valley Tourism	2,500
Volunteer Week	2,500
Bay of Fires Art Prize	10,000
Bay of Fires Winter Arts Market	4,000
St Marys Community Car & Bike Show	2,000
East Coast Masters Golf Tournament	2,500
International Disability Day Event	1,000
Mental Health Week	500
Barn Dance	2,000
Suicide Prevention	1,000
Pyengana Easter Carnival	1,000
Mannalargenna Day	2,500

Council Sponsorship	
Funding for BEC Directory	2,000
St Helens Marine Rescue	3,000
Business Enterprise Centre (BEC)	28,000
Welcome to Town Christmas Signs	1,000

Emergency Services Operational Costs	
SES Operations	18,500
Emergency Planning/Management	6,000

Learner Driver Program	Grant Funding / Council
Wellbeing Project	Grant Funding / Council

8. Rates and Charges Policy



POLICY NO LG40 RATES AND CHARGES POLICY

DEPARTMENT:	Corporate Services
RESPONSIBLE OFFICER:	Manager Corporate Services
LINK TO STRATEGIC PLAN:	Maintain financial viability and accountability in budgeting and administration.
STATUTORY AUTHORITY:	Local Government Act 1993, Valuation of Land Act 2001
OBJECTIVE:	The purpose of this policy is to outline Council's approach towards rating its community and to ensure compliance with the requirements of Section 86 of the Local Government Act 1993 (the Act).
POLICY INFORMATION:	Adopted 25 June 2012 – Minute No 06/12.11.7.147 Amended 19 January 2015 – Minute No 01/15.11.7.011 Amended 15 April 2019 – Minute No 04/19.12.6.76 Amended 17 April 2023 – Minute No. 04/23.13.6.80

POLICY

1. LEGISLATIVE REQUIREMENTS

Part 9 of the Local Government Act 1993 provides councils with the legislative power to raise rates and charges.

To provide services Council must consider the method by which it raises this revenue. Amendments to the Local Government Act in December 2011 have clarified that rates are a form of taxation.

2. SCOPE

This policy covers:

- (a) Rating Strategy;
- (b) General Rates;
- (c) Valuations;
- (d) Service Rates and Charges;
- (e) Payment Options;
- (f) Objections to Rates Notices;
- (g) Rebates and Remissions;
- (h) Sale of Property if Rates Remain Unpaid; and
- (i) Supplementary Valuations

3. POLICY

Rating Strategy

Council ensures it only raises the revenue it needs and does so in the most efficient and equitable manner possible. Council must balance its service levels with the needs and expectations of the community and set appropriate levels of tax to adequately fulfil its role and responsibilities.

Council seeks to achieve equity across generations by ensuring that rates are set at a level that ensures each generation pays its way with respect to recurrent expenses being met from recurrent revenue (the full cost of the service it consumes).

Council will operate efficiently and maintain costs at a level relative to the services that it provides.

The following factors influence the level of rates and charges:

- Distribution and level of Commonwealth and State funding;
- Socio-economic profile of the area (capacity to pay);
- User-pays policies;
- Level and range of services including the level of regional responsibility; and
- Current economic environment.

In determining its rates each year Council considers the current economic climate and capacity to pay for services and where practicable minimise any increase in rates and charges by managing costs where possible throughout the annual budget deliberation process.

The aim of rates and charges decisions-making is to spread the burden fairly across the community with those that have the greatest capacity to pay paying more than those with a lesser capacity to pay by utilising the rating options available to Council within the Local Government Act 1993 Part 9.

When considering how the rate burden will be distributed, Council must balance capacity to pay with the benefit principle acknowledging there are some groups of the community that have more access to and benefit from specific services.

Valuations

The Office of the Valuer-General (VG) provides the statutory valuations to Council on a cyclical basis (usually each six (6) years). Council was last subject to a municipal wide revaluation with an effective date of 1 July 2018. (*Valuation of Land Act 2001, Part 4*)

Under the Act, Council is mandatorily required to use these valuations provided to it in setting its rates each year. Council has no role in determining the valuation of properties and all ratepayers are able to dispute their valuation directly with the Valuer-General's Office.

Council is also provided with adjustment factors for the various classes of property in the municipal area by the Valuer-General each two years. Council is required to consider the adjustment factors in determining the rates and charges.



General rates and valuation basis

Council has three choices under the Act, *Part 9, Division 1, and Section 89A* for determining its rate charges:

- Land Value;
- Capital Value; and
- Assessed Annual Value (AAV).

Council have chosen to rate using the AAV (Assessed Annual Value), or the value of the rental potential of the property, as the valuation basis. Council has adopted this valuation basis as it considers this method of valuation to be the best available to Council as prescribed in the Act, therefore the fairest method of distributing the rate responsibly across all property owners.

The AAV represents an independent assessment of the rental value of a property or a 4 per cent minimum of the capital value (whichever is the greater).

Council has determined that a minimum rate is to apply each year to ensure that all customers contribute towards the provision of basic services as a reasonable level.

The method Council uses to calculate the cent in the dollar for the general rate is the total revenue required from the general rate, divided by the total combined AAV of all rateable properties in the municipality.

Minimum General Rate

A minimum general rate provides a mechanism by which lower valued properties pay not less than a minimum amount, and it can only apply if there has been no fixed charge applied. The minimum rate must not apply to more than 35% of properties.

Council will apply a minimum general rate in accordance with *Part 9 Division 2 General Rates, Section 90* of the Act at an appropriate level to recognise that each rateable property should bear a reasonable proportion of the total rates burden each year to enable Council to deliver appropriate services and infrastructure as determined in the Annual Plan and Budget.

The minimum rate should reflect that the cost of services needs to be spread equitably across all properties. Vacant land or lots with minimal build infrastructure are expected to contribute a reasonable proportion of rate revenue even when the AAV on these properties may be at a minimal level.

Council supports rating mechanisms that will stimulate residential development and allocate reasonable costs to property owners who choose to own but not develop vacant land.

Service Rates and Charges

In addition to the general rate, Council may charge for other services under the benefit principle, in accordance with *Part 9, Division 3, Sections 93 and 94* of the Act.



Stormwater

A Stormwater Service Charge covers maintenance & upgrade of connections, drainage, and storm water removal systems including from roads and funds programs to improve municipal storm water removal systems.

It may also cover flood mitigation works. A Stormwater Service Charge should fully recover the cost of service delivery.

Council will explore the introduction of a stormwater service charge in the time ahead to support the delivery of upgraded services in urban areas.

Waste Management

Council provides an urban waste collection service and domestic recycling service. Levies apply for the Waste Collection and Recycling Collection based upon cost recovery of each function.

A charge per property for Infrastructure Services is applied to cover the operational expenditure of the service as well as an allowance for capital renewals.

Fire Service Levy

Council is required by the provisions of the Fire Services Act 1979 to collect the Fire Service levy on behalf of the Tasmanian Fire Service. The value of this levy is determined by the Tasmanian Fire Service and is not influenced by the Council. This rate is set in accordance with the provisions of *Part 9, Division 93, Section 93* of the Act.

State Waste Landfill Levy

Council charges a State Waste Landfill Levy to recover the cost of the landfill levy imposed on Council under the *Waste & Resource Recovery Act 2022*.

Payment Options

Payment options are determined by the Council each year as part of the budget process.

Rates are levied in early July each year and Council and are payable by four equal instalments. The due date for instalments being:

- 1st Instalment – 31 August
- 2nd Instalment – 31 October
- 3rd Instalment – 31 January
- 4th Instalment – 30 April

A discount for early payment may be granted if payment is received in full by 31 August.



Penalty and Interest

Council will apply penalty and interest charges in accordance with *Part 9, Division 9*, and *Section 128* of the Act where any rates and charges are not paid on or before the date on which the rates or instalments fall due.

Objections to Rate Notices

Property owners have the ability to object to the statutory valuation provided by the Valuer General. *Valuation of Land Act 2001, Part 5 - Notices and objections*. This is administered by the Valuation Department

Council will consider any objections to rate notices in accordance with *Part 9, Division 9, Section 123* of the *Local Government Act 1993*.

Rebates and Remissions

Any individual application for a rebate and/or remission from payment of rates is to be provided to Council in writing.

Council will annually consider whether to provide any rebate or remission to not-for-profit community organisations where they own or are responsible for the payment of rates. Any not-for-profit organisation that wishes to be considered for either a rebate or remission is required to make a formal application for Council to consider.

In addition to exemption and/or remission provided in relation to the General Rate, Council will offer Churches a remission of 50% of the applicable service rates

A pensioner remission is available to property owners, through Council by meeting the State Government criteria for eligibility. Council provides the property owner with the remission, and a claim is sought from the State Government. This is generally available to pension, health care and DVA card holders.

Ratepayers can apply for remission of Interest and Penalty charges upon written application to the General Manager for consideration

A remission for private land within the Break O'Day municipality that is subject of conversation covenants can apply for rate relief.

Sale of Property if Rates Remain Unpaid

Under *Part 9, Division 11 Section 137 of the Act*, Council may sell any property where the rates have been in arrears for three or more years. Council is required to:

- Notify the owner of the land of its intention to sell the land;
- Provide the owner with details of the outstanding amounts; and

- Advise the owner of its intention to sell the land if payment of the outstanding amount is not received within 90 days. Except in extraordinary circumstances, Council will enforce the sale of land for arrears of rates.

Supplementary Valuations

In certain circumstances, valuations must be determined between general revaluations. These are known as supplementary valuations and are required when the circumstances of a property changes which affects the property's value.

Some circumstances that may trigger a supplementary valuation are as follows:

- Construction of a new building(s) on the land;
- Extension to or renovation of existing building(s);
- Subdivision or consolidation of the land;
- Demolition of a building(s) on the land;
- Other improvements to the land such as out buildings, swimming pools etc;
- Change in the land's usage;
- Realignment of the property's boundary; and
- A property becomes rateable.

When any of the above situations arise, a supplementary valuation will be undertaken by the Valuer General. The supplementary valuations will bring the valuation of the property in line with the general valuation of other properties in the municipality. Values are assessed at the same date of the general valuation currently in use.

Where the Valuer-General has undertaken a supplementary valuation, the ratepayer will be issued with a supplementary rate notice. The notice will show the new adjusted valuations for the property and will include any adjustments to the rates and charges affected by the supplementary valuation for the current financial year.

Rates and charges adjustments of less than \$50 will not result in a supplementary rates and charges notice for the current financial year.

4. MONITORING AND REVIEW

Council will review and amend this Policy in compliance with Section 86B of the Act, including by the end of each successive 4 year period, or earlier in the event of major changes to legislation or related policies, procedures or if deemed necessary by the General Manager.

5. RELATED DOCUMENTS

- Council's Strategic Plan
- Council's Long Term Financial Plan
- The Annual Plan & Budget for that Financial Year
- Rating Exemption and Remission Policy (LG11)
- Rates Hardship Policy (LG54)
- Conservation Covenant Support Policy (EP03)

9. Plain English Guide to Council's Financial Report

The Break O'Day Council is committed to accountability. Council's financial reports are prepared in accordance with the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the Local Government Act 1993, and as such, use terminology and conventions that may not be familiar to some readers.

This Plain English Guide has been developed to assist readers understand and analyse our financial reports.

What is contained in the Financial Report?

The financial report contains four (4) major disclosures, collectively known as the Financial Statements.

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Cash Flow Statement

These key documents provide an overview of the transactions that occurred during the year and a summary of the financial status of Council at the end of the year.

Comprehensive Income Statement

The Comprehensive Income Statement shows the sources of revenue earned and the operating (or day-to-day) expenses incurred during the financial year. Capital asset purchases are not included in the Statement of Financial Performance because assets have a life greater than 12 months. Instead, there is an item for "Depreciation". This value is the value of assets used up during the year. This arrangement ensures that the cost of an asset is matched to the period in which it is used rather than just the period in which it was purchased.

Balance Sheet

The Balance Sheet is a snap shot of the financial situation at 30 June. It shows in total value what the Council owns as Assets and what it owes as Liabilities. The bottom line of this Statement is Net Assets. This is the net worth of Council, built up over many years.

The assets and liabilities are separated into Current and Non-Current categories. Current means those assets or liabilities that will fall due in the next 12 months.

The items included in the Balance Sheet are:

Current Assets

- Cash and cash equivalents – Cash held in a bank, on hand as petty cash or cash register floats and bank bills or term deposits that mature within the next 12 months.
- Trade and other receivables – Monies owed to Council by ratepayers and others who have been invoiced or bills sent.
- Accrued income – Income that has been earned but not received by the 30 June such as interest.

- Prepayments – This represents payments made during the reporting year for services either in part or in full that will be delivered in a future reporting period.
- Inventories – Frequently used goods and materials purchased in advance to minimize delays in undertaking works.
- Non-current assets classified as held for sale – Represents non-current assets such as land that are ready for sale and a decision has been made to sell within the next 12 months.

Non-Current Assets

- Trade and other receivables – Monies owed to Council by ratepayers and others that are not due for payment within the next 12 months.
- Financial assets – Bank bills and term deposits that have been invested for periods longer than 12 months that also will not mature within the next 12 months.
- Investments in associates – The value of Council's equity.
- Property infrastructure, plant & equipment, land, buildings, roads, vehicles, equipment, etc. which have been built up by Council over many years.

Current and Non-Current Liabilities

- Trade and other payables – People and businesses to whom Council owes money.
- Trust funds and deposits – Money held on behalf of other people or business that will be refunded at some point in the future.
- Provisions – The accrued value of Long Service Leave and Annual Leave.
- Interest bearing loans and borrowings – The outstanding balance Council owes on Bank loans. Current interest bearing loans and borrowings represent the amount to be repaid in the financial year.

Net Assets and Total Equity

These terms describe the worth that the Council has built up over many years. Net Assets is the difference between all the assets and all the liabilities. Total Equity is the term used to describe the components of Net Assets. These components are:

- Accumulated surplus – The value of all net assets, other than those directly below, which has been accumulated over time.
- Asset revaluation reserve – The difference between the previously recorded value of assets and their current valuation.
- Statutory reserves – Funds that have restrictions placed on their use and are not readily available for use by Council.
- Discretionary reserves – Funds that Council has set aside for a specific purpose.

A reduction in total equity means that the overall value of the Municipality has fallen. There can be many reasons for this. However, it usually means that the level of new capital investment has not kept pace with depreciation. This is not unusual in the short term because of the cyclical nature of asset replacement. However, in the longer term and in the absence of a conscious decision to downsize, a reduction in total equity can be of concern.

Statement of Changes in Equity

Over the course of the year the values which make up Total Equity can change. This Statement shows the values of changes and how these changes arose.

The most important value to consider is the movement in the Accumulated Surplus. Movements arise from a reduction in the value of Council's major asset groups or an increase in liabilities.

Cash Flow Statement

The Cash Flow Statement summarises cash payments and cash received over the year. The values in this Statement may differ from those shown in the Income Statement because the Income Statement is prepared on an accrual accounting basis ie taking into account payments due but not made and money due but not received.

Council's cash arises from, and is used in, three (3) main areas:

Cash Flows from Operating Activities:

Receipts

All cash received arising from the general operations of Council. It includes rates, general trading sales and debtors, grants and interest earnings. Cash from the sale of assets for loan funds is not included.

Payments

All cash paid by Council from its bank account to staff, creditors and other persons. It does not include the costs associated with the creation or purchase of assets.

Cash Flows from Investing Activities:

The accounting term Investing Activities relates to the purchase and sale of assets such as land, buildings, plant and other long-term revenue producing assets.

Cash Flows from Financing Activities:

This is where the receipt and repayment of borrowed funds is recorded.

The bottom line of the Statement of Cash Flows is the Cash at the End of Financial Year. This shows the cash position of Council to meet its debts and other liabilities.