



SPECIAL COUNCIL MEETING AGENDA

TUESDAY 9 JULY 2024

Council Chambers, Triabunna

ACKNOWLEDGEMENT OF COUNTRY

The Glamorgan Spring Bay Council acknowledges the Traditional Owners of our region and recognises their continuing connection to land, waters and culture. We pay our respects to their Elders past and present.

NOTICE OF MEETING

Notice is hereby given that the Mayor has called a Special Meeting of the Glamorgan Spring Bay Council to be held at the Triabunna Council Offices on Tuesday 9 July 2024, commencing at 12:00 pm.

QUALIFIED PERSON CERTIFICATION

I hereby certify that, in accordance with section 65 of the *Local Government Act 1993*, any advice, information and recommendations contained in the reports related to this Agenda have been prepared by persons who have the qualifications or experience necessary to give such advice, information and recommendations.

Dated this Thursday 4 July 2024



Alex Woodward
ACTING GENERAL MANAGER

IMPORTANT INFORMATION

- As determined by Glamorgan Spring Bay Council in April 2017, all Ordinary and Special Meetings of Council are to be audio/visually recorded and streamed live.
- A recording of the meeting will be available via the link on the Glamorgan Spring Bay Council website following the meeting.

In accordance with the *Local Government Act 1993* and Regulation 33, these video/audio files will be retained by Council for at least 6 months and made available for viewing live, as well as online within 5 days of the scheduled meeting. The written minutes of a meeting, once confirmed, prevail over the video/audio recording of the meeting.

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1 OPENING OF MEETING

The Mayor to welcome Councillors and staff and declare the meeting open at [time].

1.1 Present

1.2 Apologies and Leave of Absence

1.3 In Attendance

1.4 Declaration of Interest or Conflict

The Mayor requests Elected Members to indicate whether they have:

- 1. any interest (personally or via a close associate) as defined in s.49 of the Local Government Act 1993; or*
- 2. any conflict as described in Council's Code of Conduct for Councillors, in any item included in the Agenda.*

2 OFFICERS' REPORT REQUIRING A DECISION

2.1 Budget Estimates 2024/25

Author: Director Corporate & Community (Elysse Blain)

Responsible Officer: General Manager (Greg Ingham)

ATTACHMENTS

1. Glamorgan Spring Bay Council Budget 2024-25 Financial Statements [2.1.1 - 3 pages]
2. Glamorgan Spring Bay Council Budget 2024-25 Loans [2.1.2 - 1 page]
3. Glamorgan Spring Bay Council Budget 2024-25 Capital [2.1.3 - 2 pages]
4. Audit Panel 2024 25 Budget Comments [2.1.4 - 1 page]

PURPOSE

To recommend that Council adopts the 2024/25 Budget under the *Local Government Act 1993*.

BACKGROUND/OVERVIEW

The 2024/25 budget has been produced following another year of significant cost pressures on the economy, on the community and on Council's budget. This includes higher inflationary pressures on goods and services, particularly waste management, building and construction sector cost (which comprises the majority of Council's expenditure), as well as employment cost pressures.

This 2024/25 budget is year four of Councils' Long Term Financial Management Plan, created following the State Government Performance Improvement Directive mandate in 2020. This directive required the establishment of standard governance activities and reporting as required in the *Local Government Act 1993* (Tas). The prudent governance processes have seen continued improvements to the measures of financial health and sustainability of Council operations. Sound financial management over the last three years is demonstrated through the improved preservation of community assets and provision of community services, that continues to achieve long term target measures and annual objectives particular to asset maintenance and long term business sustainability.

Consistent with the Long Term Financial Management Plan, and despite costs exceeding expectations in this current year, the proposed 2024/25 Budget has been set to continue current levels of service. This budget focuses on maintaining a balance between the continued provision of core services for the community, with the limited resources at our disposal.

Impacts from 2023/24 business activity including higher than expected costs and limited availability of external services particularly trades, combined with State Government issued permit delays and waiting on required reports. This created unexpected delays to scheduled works in 2023/24 which has in turn eased the tight cash position that was expected. Recognition of these changes has allowed for Council to pass on some relief in rates charges for 2024/25 to the community by setting a general rate income increase of \$0.6M (6%). This

equates to \$0.15M (1.5%) lower than the Long Term Financial Management Plan recommendation.

The 2024/25 Budget is particularly sensitive to large financial impacts and is developed closely with an associated 10 year financial forecast to ensure short term decisions are manageable in the medium and long term.

The key components of the budget 2024/25 are outlined below.

Asset Renewal

This 2024/25 Budget again responds to the Asset Management Plan requirements, asset revaluations as required by the Tasmanian Audit Office and market forces for contracted works and other moving external costs.

Maintaining community assets continues to be the largest cost for Council. Councils' new asset management practices identified asset renewal was not adequately funded for at least 10 previous years, however Council is now working to attend to this backlog in the new budget. The community should start to see incremental works to improve the condition of the footpaths, roads, stormwater and bridges. The 2024/25 Budget has continued to fund renewal expenditure at 100%, a measure expected to prevent further deterioration of condition.

Through grant funding for upgrades, there is an accompanying allocation of funding assigned to begin addressing the nominal \$10 million backlog of works. This is supplemented with the capacity to raise funding from as many sources as possible other than Rates, and includes co-contributions, with a goal to not leave this burden to future generations. Further, Council continues to pursue the unequitable allocation of untied Federal Assisted Grants funding that is provided to the Glamorgan Spring Bay community.

The asset management processes now in place, continues to identify infrastructure assets that have not previously been recorded. Having no record of them does not enable Council to plan for their replacement or carry out timely maintenance and is a hidden cost to the future community when they fail. These assets are now included in Councils long-term planning requirements. While it means additional depreciation allocation, it also means timely repair and spending a small amount now to save a larger expense tomorrow.

Capital Works

The 2024/25 Budget for Capital Works is \$8.7 million including \$5.2 million from external sources. This total includes \$4.0 million for renewal works and \$2.2 million for new works. A listing of the Capital Works program is outlined in the Budget. The 2024/25 Budget for Capital works includes carry over works that were not completed in 2023/24 year of \$2.5 million due to delays in access to subcontractors and designers. These delays also hold up receipt of funding as grant monies are tied to completion of works.

Key Financial Measures of the 2024/25 Budget

Financial Measures	2024/25 Budget \$M
Operating Income	18.2
Operating Expenditure (excl depreciation)	14.1
Depreciation Expense	3.7
Underlying Operating Surplus	0.3
Total Comprehensive Result*	6.7
Capital expenditure	8.7

* including capital grants and other income.

Impacts of the proposed tight budget for 2024/25 include the underlying financial result (excluding capital grants) of a net surplus of \$0.342 million, down from \$1.531 million from 2023/24 budget. A small marina loan due in June 2025 will be extended instead of repaid.

Council's cash and cash equivalent balance continues to recover from unacceptable low amounts in recent years. The unexpected delays in infrastructure projects in 2023/24 has seen a carry forward value of \$2.5 million earmarked for Capital works into 2024/25, coupled with contract liability amounts from capital grants unspent, will see an increase to the cash balance that will correct over the coming 2 years. Council will continue to follow the Tasmanian Audit Office guidance for appropriate holding of unrestricted cash.

Audit Panel Comments on 2024/25 Budget

The Glamorgan Spring Bay Council Audit Panel were presented with the proposed 2024/25 budget following their meeting on 11 June 2024 with strong support for asset maintenance renewal set to 100% per year and close management of cash reserves in line with recommendations set by the Office of the Auditor General.

STRATEGIC PLAN REFERENCE

Key Foundations

1. Our Governance and Finance

This means

Best practice governance, risk, and financial management.

STATUTORY IMPLICATIONS

Section 82 of the Local Government Act 1993 requires the General Manager to prepare estimates of Council's revenue and expenditure for each financial year.

Section 82

(2) Estimates are to contain details of the following:

- (a) the estimated revenue of the council;*
- (b) the estimated expenditure of the council;*
- (c) the estimated borrowings by the council;*
- (d) the estimated capital works of the council;*
- (e) any other detail required by the Minister.*

(3) Estimates for a financial year must –

- (a) be adopted by the council, with or without alteration, by absolute majority; and
 (b) be adopted before 31 August in that financial year; and
 (c) not be adopted more than one month before the start of that financial year.

BUDGET IMPLICATIONS

The 2024/25 Budget is outlined in the following statements:

- 2024/25 Budget Profit and loss, Balance Sheet and Cash Flow
- 2024/25 Budget Capital Works
- 2024/25 Budget Loan Borrowings

The Budget is developed with reference to:

- Community Consultation
- The International Infrastructure Financial Management Manual 2020
- Institute Of Public Works Engineering Australia, Practice Note 6, 2012, Long-Term Financial Planning
- Australian Accounting Standards Board (AASB) Standards
- Glamorgan Spring Bay Financial Reserves Policy 2020
- Glamorgan Spring Bay Long Term Financial Management Plan 2021

RISK CONSIDERATION/S

Risk	Consequence	Likelihood	Rating	Risk Mitigation Treatment
Adopt the recommendation	Minor	Unlikely	Moderate	Regular reviews of the budget are updated through the year and reported to Council.
Economic changes result in estimates that are not materially accurate, providing opportunity to revise estimates during the year.				
There may be some members of the community who do not support the proposed recommendations which could result in negative publicity for Council.	Moderate	Possible	High	Explain the rationale as to the reasons for the recommendations and ensure that adequate information is provided to the community.
Do not adopt the recommendation	Major	Likely	Extreme	Immediately workshop a revised budget following guidance on what requires amendment for consideration at the next Council Meeting.
An alternative Annual Budget would need to be developed and endorsed within a limited time, resulting in delayed implementation of issuing of rates for 2024/25 and financial uncertainty for the Council and community.				

Ongoing substantial budget deficits leading to depleted cash reserves and lack of investment into asset maintenance leads to a loss of financial sustainability and recoverability.	Catastrophic	Likely	Extreme	Immediately workshop a revised budget for consideration at the next Council Meeting.
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OFFICER'S COMMENTS

Council is facing significant cost pressures from rising cost of goods and services during the past 12 months. Such cost increases incurred are well above the city consumer price index measure and are more closely represented by the construction industry indexes of 6-8% increases.

The priorities within this budget has been developed after extensive consultation with elected members and the community, and is designed to deliver as effective and efficient services as possible within the budget constraints imposed.

This budget does not include any recruitment of new expertise. Our regional location continues to make it exceptionally difficult to attract and retain skilled staff and this is taken into account in the preparation of the Budget. Recent changes to existing and new legislation such as Child and Youth Protection, the advent of the Psychosocial Work Health and Safety category, changes to the Fair Work Act, Heavy Vehicle Chain of Responsibility requirements and Climate Change Adaptation, creates demands for new expertise. These all place additional demands on existing staff to deliver the expanding obligations that accompany every service delivery and the management of a large workforce. Continuation of such trends without additional recruitment will put at risk retaining existing staff. Staff turnover is an ongoing risk and cost with average recruitment time for staff at approximately 6 months.

It is noted that there was specific community consultation throughout the year on the current financial position of Council and proposed Budget seeking feedback from the community at the pop-up community consultation sessions held in each the major towns, and a Community Survey. This assisted to inform Council of expenditure priorities and has been factored into the development of the Budget.

Council continues to align with contemporary practice benchmarks and at the same time is achieving satisfactory reports from audits by external parties.

OFFICER'S RECOMMENDATION

That Council approves the 2024/25 Budget estimates consisting of Profit and Loss Statement, Statement of Financial Position, Cash Flow Statement, Capital Works Detail and Loan Summary as shown in this agenda item.

Profit and Loss

Glamorgan Spring Bay Council

Budget 2024-25

Account	Actual 2022/2023	Budget 2023/24	Forecast 2023/2024	Budget 2024/2025
Trading Income				
Rate Revenue	11,281,279	12,954,680	13,044,999	13,871,977
Statutory Charges	743,366	691,966	693,882	691,966
User Charges	833,036	980,945	939,895	1,026,136
Grants Operating	2,416,298	1,863,715	2,031,506	1,467,656
Interest & Investment Revenue	700,484	611,200	931,961	632,400
Contributions	678,518	185,000	0	0
Other Revenue	4,217,267	1,825,339	1,613,261	534,442
Total Trading Income	20,870,248	19,112,845	19,255,504	18,224,577
Gross Profit	20,870,248	19,112,845	19,255,504	18,224,577
Capital Grants				
Grants C'wealth Capital Other	1,314,149	632,443	1,851,149	2,662,443
Grants C'wealth Capital Roads to Recovery	491,545	31,510	63,020	497,000
Grants State Capital - Other	169,015	757,500	49,366	2,626,623
Total Capital Grants	1,974,708	1,421,453	1,963,535	5,786,066
Other Income				
Net Gain (Loss) on Disposal of Assets	(219,938)	0	161,686	201,200
Contributions	0	0	740,734	330,000
Prosser Principle Loan Repayment	0	0	102,609	111,893
Total Other Income	(219,938)	0	1,005,029	643,093
Operating Expenses				
Employee Costs	5,309,456	5,703,597	4,803,833	5,496,854
Materials & Services	8,302,080	8,038,130	7,320,757	8,263,328
Depreciation	3,316,787	3,430,539	3,481,556	3,712,951
Interest	216,667	189,543	154,824	170,757
Other Expenses	225,482	219,284	195,039	237,852
Total Operating Expenses	17,370,472	17,581,093	15,956,008	17,881,742
Underlying operating result (excl Capital & Other income)	3,499,775	1,531,752	3,299,496	342,834
Total Comprehensive Result (incl Capital Income)	5,254,545	2,953,205	6,268,060	6,771,993

Statement of Cash Flows

Glamorgan Spring Bay Council
Budget 2024-25

Account	Actual 30 Jun 2023	Budget 30 June 2024	Forecast 30 June 2024	Budget 30 June 2025
Operating Activities				
Receipts from customers	15,702,337	14,577,636	16,028,498	16,007,162
Payments to suppliers and employees	(14,391,345)	(14,200,554)	(13,896,227)	(15,098,658)
Receipts from operating grants	2,264,209	1,863,715	2,031,506	1,467,656
Dividends received	496,800	496,800	496,800	414,000
Interest received	204,024	114,400	435,161	218,400
Cash receipts from other operating activities	554,104	2,007,873	2,313,261	1,334,442
Net Cash Flows from Operating Activities	4,830,129	4,859,871	7,408,999	4,343,002
Investing Activities				
Proceeds from sale of property, plant and equipment	519,954	300,000	161,686	627,000
Payment for property, plant and equipment	(3,117,366)	(8,054,384)	(5,590,838)	(8,763,004)
Receipts from capital grants	1,125,695	1,421,453	1,243,302	6,506,299
Other cash items from investing activities	0	0	0	0
Net Cash Flows from Investing Activities	(1,471,717)	(6,332,931)	(4,185,849)	(1,629,705)
Financing Activities				
Trust funds & deposits	(9,909)	0	(31,665)	(24,402)
Net Proceeds/(Repayment) of Loans	(257,290)	(1,688,197)	(1,767,270)	(271,566)
Other cash items from financing activities	0	0	0	0
Net Cash Flows from Financing Activities	0	(1,688,197)	(1,798,935)	(295,968)
Net Cash Flows	3,358,412	(3,161,257)	1,424,215	2,417,330
Cash and Cash Equivalents				
Cash and cash equivalents at beginning of period	4,188,352	6,984,225	7,546,764	8,970,979
Cash and cash equivalents at end of period	7,546,764	3,822,968	8,970,979	11,388,309
Net change in cash for period	3,358,412	(3,161,257)	1,424,215	2,417,330

2024/25 Budget

Statement of Financial Position

Glamorgan Spring Bay Council
Budget 2024-2025

Account	Actual 30 Jun 2023	Budget 30 June 2024	Forecast 30 June 2024	Budget 30 June 2025
Assets				
Current Assets				
Cash & Cash Equivalents	7,378,375	3,822,968	8,970,979	11,388,309
Trade & Other Receivables	1,197,729	688,640	691,350	716,159
Other Assets	29,750	20,400	20,400	0
Total Current Assets	8,605,854	4,532,009	9,682,729	12,104,468
Non-current Assets				
Trade & Other Receivables	0	0	0	0
Investment in Water Corporation	32,180,959	31,282,379	32,180,959	32,180,959
Property, Infrastructure, Plant & Equipment	169,937,559	159,053,798	170,831,054	175,881,107
Total Non-current Assets	202,118,518	190,336,177	203,012,013	208,062,066
Total Assets	210,724,372	194,868,185	212,694,742	220,166,534
Liabilities				
Current Liabilities				
Trade & Other Payables	468,081	1,200,000	600,000	600,000
Trust Funds & Deposits	406,067	342,000	374,402	350,000
Provisions	795,335	800,000	845,335	929,869
Contract Liabilities	788,036	0	720,233	-
Interest bearing Loans & Borrowings	2,077,666	182,063	315,210	388,797
Total Current Liabilities	4,535,184	2,524,063	2,855,180	2,268,666
Non-current Liabilities				
Provisions	103,327	110,000	153,327	168,660
Interest Bearing Loans & Borrowings	5,509,214	5,276,135	5,504,396	5,159,243
Total Non-current Liabilities	5,612,541	5,386,135	5,657,723	5,327,902
Total Liabilities	10,147,725	7,910,198	8,512,903	7,596,568
Net Assets	200,576,647	186,957,987	204,181,839	212,569,966
Equity				
Current Year Earnings	5,254,545	2,953,205	6,268,060	7,080,993
Retained Earnings	89,904,865	97,974,694	91,755,809	99,310,003
Equity - Asset Revaluation Reserve	104,218,014	84,672,844	104,218,014	104,218,014
Equity - Restricted Reserves	1,199,222	1,357,244	1,939,956	1,960,956
Total Equity	200,576,647	186,957,987	204,181,839	212,569,966

2024/25 Budget

Budget Loan Summary

Glamorgan Spring Bay Council
For the year ended 30 June 2025

Purpose	Loan Amount	Maturity Date	Opening Balance 1/07/2024	New Borrowings	Principal Repayment	Interest Repayment	Closing Balance 30/06/2025
Triabunna Marina	\$ 500,000	12-Apr-28	\$ 254,987		\$ 60,019	\$ 9,580	\$ 194,968
Triabunna Marina	\$ 200,000	18-Jun-33	\$ 118,282	\$ 113,342	\$ 118,282	\$ 5,790	\$ 113,342
Triabunna Marina	\$ 500,000	20-May-34	\$ 310,392		\$ 24,546	\$ 15,368	\$ 285,846
Triabunna Marina	\$ 1,500,000	24-May-26	\$ 1,013,961		\$ 70,168	\$ 32,786	\$ 943,793
PPRWS	\$ 3,000,000	29-Apr-49	\$ 2,672,978		\$ 71,742	\$ 83,371	\$ 2,601,236
PPRWS	\$ 1,600,000	13-Jan-50	\$ 1,449,006		\$ 40,151	\$ 35,975	\$ 1,408,855
			\$ 5,819,606	\$ 113,342	\$ 384,908	\$ 182,870	\$ 5,548,040

Capital Works DetailGlamorgan Spring Bay Council
Budget 2024-25

Dept	Capital Item	Carry Fwd Funds @ 30.6.24	Renewal Works	New Works	Budget 2024/25	Council Funded	External Funded	External Funding Source
Roads, Footpaths, Kerbs								
	Footpath and disability compliance renewal	-			-	-		
	Kerb & Channel Renewal		-		-	-		
	Design 2023-24	-			-			
	Road accessibility (Black Summer)	30,000			30,000	-	30,000	Black summer bushfire recovery
	Storm Damage Projects 2022	160,051			160,051	- 27,449	187,500	Emergency management fund
	Resheet Program		100,000		100,000	100,000	-	
	Pavement Renewal Program		400,000		400,000	400,000		
	Reseal Program		600,000		600,000	103,000	497,000	Roads to recovery
	Triabunna Tomorrow Streetscapes		400,000	175,000	575,000	-	575,000	State Government MOU
	Bicheno Urban Design Streetscape			100,000	100,000	-	100,000	State Government MOU
	Swanwick Footpath 130 m kerb and road repair stage 2			60,000	60,000	20,000	40,000	State Vulnerable road user program Round 1
	Kerb & Channel			50,000	50,000			
	Design allocation			75,000	75,000	75,000		
	Contingency		40,000		40,000	40,000		
Total Roads, Footpaths, Kerbs		190,051	1,540,000	460,000	2,190,051	760,551	1,429,500	
Bridges, Culverts								
	Bridge - 17 Acre Creek Bridge Wielangta Rd		400,000		400,000	80,000	320,000	Subject to Federal grant approval Bridge renewal Program
	Bridge - 24 Ferndale Rd		150,000		150,000	150,000		
	Unemployed Gully / Brockley Rd Bridge		70,000		70,000	70,000		
Total Bridges, Culverts		-	620,000	-	620,000	300,000	320,000	
Parks, Reserves, Walking Tracks, Cemeteries								
	Bicheno Triangle	492,300			492,300	-	492,300	Community Development Grant Cwth
	Bicheno Gulch	698,390			698,390	-	698,390	Community Development Grant Cwth
	Coles Bay Foreshore	49,008			49,008	-	49,008	Community Development Grant Cwth
	Walking/Cycling strategy	20,000			20,000		20,000	Department of Health State
	Playground Bicheno Lions Park		20,000	80,000	100,000	100,000		
	Playground Renewals		100,000		100,000	100,000		
	Orford Foreshore Masterplan		100,000	118,400	218,400	218,400		Contribution POS
	Orford Transfer Station Fencing		10,000		10,000	10,000		
	Our Park Precinct Plan			10,000	10,000	10,000		
	Bicheno Skate Park Carpark			90,000	90,000	90,000		
Total Parks, Reserves, Walking Tracks, Cemeteries		1,259,698	230,000	298,400	1,788,098	528,400	1,259,698	
Stormwater & Drainage								
	49 Rheban Rd design to West Shelley Bch Nautilus Detention Basin	35,000		165,000	200,000	200,000		
	Holkham Court	11,558		35,000	46,558	46,558		Contribution Stormwater
	Pit and Pipe Renewal Program	20,559	100,000		120,559	120,559		
	System Upgrade		20,000	20,237	40,237	40,237		
	Taswater infiltration Program			50,000	50,000	50,000		
	SQID program			30,000	30,000	30,000		Contribution Stormwater
Total Stormwater & Drainage		67,117	120,000	300,237	487,354	487,354	-	

Capital Works DetailGlamorgan Spring Bay Council
Budget 2024-25

Dept	Capital Item	Carry Fwd Funds @ 30.6.24	Renewal Works	New Works	Budget 2024/25	Council Funded	External Funded	External Funding Source
Building								
	Heli-pad Swansea Emergency Services	103,245			103,245	0	103,245	Black summer bushfire recovery
	Coles Bay Hall Annexe	593,132			593,132	163,132	430,000	Community Infrastructure Round 3 & Tas Community Fund
	Public Amenities	100,000		350,000	450,000	100,000	350,000	State Government MOU
	Bicheno Skate Park Toilet			106,000	106,000	26,000	80,000	State Government MOU
	Toilet Raspins Beach OFMP		300,000	115,000	415,000	15,000	400,000	Contribution POS
	Bicheno Surf Club and Toilet upgrade		150,000	100,000	250,000	100,000	150,000	State community Grant
	Triabunna Rec Ground			100,000	100,000	100,000		
	Black water Bicheno relocation		10,000		10,000	10,000		
Total Building		796,377	460,000	771,000	2,027,377	514,132	1,513,245	
Marine Infrastructure								
	Saltworks Toilet	100,000			100,000	-	100,000	Community Infrastructure Round 3
	Saltworks Boat Ramp Upgrade	99,123			99,123	-	99,123	State Grant MAST
Total Marine Infrastructure		199,123	-	-	199,123	-	199,123	
Sewerage								
	Swanwick Waste System Pump Upgrade		15,000	-	15,000	15,000		
Total Sewerage		-	15,000	-	15,000	15,000	-	
Plant Equipment & Other								
	IT Computer equipment		30,000		30,000	30,000		
	CRM Software implementation costs		-	13,000	13,000	13,000		
	Office Equipment		10,000		10,000	10,000		
	Waste Chipper			250,000	250,000	125,000	125,000	Emergency Management State subject to grant approval.
	Waste Bulk Skip Bins			100,000	100,000	100,000		
	Emulsion Trailer			43,000	43,000	43,000		
	Grader (low hrs)		420,000		420,000	420,000	-	
	Mower replace 2017 Mower JDeere Coles Bay		30,000		30,000	30,000		
	Small plant & Equipment		15,000		15,000	15,000		
	Truck 16t tipper replace 2008 Hino16t A85NU Swansea		190,000		190,000	190,000		
	Truck 7.5t tipper w crane replace 2010 Hino 7t B79TI Bicheno		105,000		105,000	105,000		
	Ute Dual Cab 4wd replace Ute BT50 H92ME		50,000		50,000	50,000		
	Ute extra Cab 2wd replace Ute Dmax H40SF		45,000		45,000	45,000		
	Wagon replace MUX I42CX Works		45,000		45,000	45,000		
	Wagon replace MUX I62BW Plumbing		45,000		45,000	45,000		
	Wagon replace Ute Dmax J30LP P&D		45,000		45,000	45,000		
Total Plant Equipment & Other		-	1,030,000	406,000	1,436,000	1,311,000	125,000	
Total Capital Works		2,512,367	4,015,000	2,235,637	8,763,004	3,916,438	4,846,566	

Glamorgan Spring Bay Council Audit Panel Consideration of 2024/25 Budget Preparation Material

A copy of the information provided to Councillors on 11 June 2024 as part of the 2024/25 Budget preparation process was supplied to Audit Panel members on 14 June 2024, subsequent to the Audit Panel meeting.

The Panel makes the following observations following out-of-session consideration of this material:

- The Panel commends Glamorgan Spring Bay Council on the thorough presentation and consideration of issues in formulating its Budget
- The assumptions underlying the Budget preparation process are well articulated and reasoned
- It is noted that the draft Budget is predicated on a 'status quo' position in terms of services and activities provided
- The Panel commends the Council in maintaining funding of asset renewal at 100 per cent, as well as some allocation to address asset renewal backlog
- The draft budget provides for a small underlying surplus and provides for required payments (principal and interest) on outstanding loans
- The Panel also commends the Council on its strategy to increase unrestricted cash reserves, now above the minimum recommended level set by the Office of the Auditor-General
- It is noted that a rate increase proposed in the draft Budget is below that set out in the long-term financial forecasts from last year (7.5 per cent). The enhanced financial position of the Council has resulted in a draft Budget for 2024/25 where this is possible, but also needs to be considered in light of its impact on future year forecasts.
- The Panel acknowledges that the Council, in setting its annual rate, is working to establish a balance between funds required for prudent financial management and to deliver necessary services with the community's capacity to pay
- It also notes that the Office of the Valuer-General's revaluation of properties in the LGA during the year, will result in considerable variations for individual ratepayers unrelated to action by the Council.

2.2 Rates Resolution 2024/25

Author: Director Planning & Development (Alex Woodward)

Responsible Officer: General Manager (Greg Ingham)

ATTACHMENT/S

Nil

PURPOSE

To recommend that Council adopts the 2024 / 2025 Rates and Charges Resolution under the *Local Government Act 1993* and the *Fire Service Act 1979*.

RATES RESOLUTION 2024-2025

1 GENERAL RATE

1.1 GENERAL RATE

Pursuant to Section 90 and 91 of the *Local Government Act 1993* (here referred to as the “**Act**”), Council makes the following general rate for **all rateable land** (excluding land which is exempt pursuant to the provisions of Section 87) within the municipal area of Glamorgan Spring Bay for the period commencing 1 July 2024 and ending 30 June 2025; which consists of:

- (a) a General Rate of 4.8480 cents in the dollar of the assessed annual value (here referred to as “**AAV**”); and
- (b) a fixed charge of \$420

1.2 Pursuant to Section 107(1)(a) and (b) of the Act, by reason of use or predominant use of the land or non-use of the land, namely:

- (a) For land within the municipality which is used or predominantly **used for residential purposes**.
- (b) For land within the municipality which is used or predominantly **used for sport and recreation purposes**.

Council declares by absolute majority that component (a) of the general rate in clause is varied by decreasing it by 0.808 cents in the dollar to 4.04 cents in the dollar of the AAV of the land.

1.3 Pursuant to Section 107(1)(a) and (b) of the Act, by reason of use or predominant use of the land or non-use of the land, namely:

- (a) For land within the municipality which is **zoned for residential purposes** but which is not used for residential purposes (i.e. vacant residential).

Council declares by absolute majority that component (a) of the general rate in clause is varied by decreasing it by 0.404 cents in the dollar to 4.444 cents in the dollar of the AAV of the land.

1.4 Pursuant to Section 107(1)(a) and (b) of the Act, by reason of use or predominant use of the land or non-use of the land, namely:

- (a) For land within the municipality which is used or predominantly **used for commercial purposes.**
- (b) For land within the municipality which is used or predominantly **used for industrial purposes.**
- (c) For land within the municipality which is **zoned for commercial purposes** but which is not used for commercial purposes (i.e. vacant commercial).

Council declares by absolute majority that component (a) of the general rate in clause is varied by increasing it by 3.952 cents in the dollar to 8.80 cents in the dollar of the AAV of the land.

2 SERVICE RATES AND CHARGES

2.1 WASTE MANAGEMENT SERVICE CHARGE

Pursuant to Section 94 of the Act, the Council makes the following service charges for waste management for rateable land within the municipal area of Glamorgan Spring Bay for the period commencing 1 July 2024 and ending 30 June 2025, namely:

- (a) A general waste management charge of \$176.00 for all rateable land; and
- (b) A charge of \$185.00 for all land that receives a residential waste collection service provided by Council; and
- (c) A charge of \$411.00 for all land that receives a commercial waste collection service provided by Council.

2.2 STATE FIRE COMMISSION RATE

- (a) Pursuant to sections 93 and Section 93A of the Act, Council makes the following fire protection service rates in respect of the fire service contributions it must collect under the Fire Service Act 1979 for the period commencing 1 July 2024 and ending on 30 June 2025, as follows:

Rural Rate 0.20704 cents in the dollar of AAV Urban Rate 0.22190 cents in the dollar of AAV

- (b) Pursuant to Section 93(3) of the Act, Council sets a minimum fire service contribution payable in respect of this service rate of \$49.00.

2.3 SWANWICK WASTEWATER SYSTEM CHARGE

Pursuant to Section 100 of the Local Government Act 1993, by absolute majority, makes the following charge for the Swanwick Wastewater System for properties serviced by the system in Swanwick for the period commencing 1st July 2024 and ending 30th June 2025, namely:

- (a) A charge of \$584.60 for all properties serviced by the Swanwick wastewater treatment system managed by council.

3 SEPARATE LAND

For the purposes of these resolutions the rates and charges shall apply to each parcel of land, including land referred to as Tenancies, which is shown as being separately valued in the valuation list prepared under the Valuation of Land Act 2001.

4 ADJUSTED VALUES

For the purposes of each of these resolutions any reference to assessed annual value or AAV includes a reference to that value as adjusted pursuant to Section 89 and 89A of the Act.

5 PAYMENT OF RATES AND CHARGES

Pursuant to Section 124 of the Act, for the period commencing 1 July 2024 and ending 30 June 2025, Council:

- (a) Decides that all rates and charges payable to Council shall be payable by four (4) instalments which must be of approximately equal amounts.
- (b) Determines that the dates by which instalments are to be paid shall be as follows:
 - (i) The first instalment must be made on or before the 30th of August 2024;
 - (ii) The second instalment must be made on or before the 29th of November 2024;
 - (iii) The third instalment must be made on or before the 28th of February 2025; and
 - (iv) The fourth instalment must be made on or before the 30th of April 2025.
- (c) If a ratepayer fails to pay any instalment within 21 days from the date on which it is due, the ratepayer must pay the full amount owing.

6 PENALTY AND INTEREST

Pursuant to Section 128 of the Act, if any rate or instalment is not paid on or before the date it falls due, there is payable a daily interest charge of 0.027784% (10.141% per annum) in respect of the unpaid rate or instalment for the period during which it is unpaid.

7 WORDS AND EXPRESSIONS

Words and expression used in this resolution and in the Local Government Act 1993 or the Fire Services Act 1979 have in these resolutions the same respective meanings as they have in those Acts.

- (a) “the act” means the Local Government Act 1993 (TAS).
- (b) “land” means land as defined in Section 86 of the Act.
- (c) “rateable land” is the land referred to in Section 87(1) of the Act.
- (d) “Tenancies” 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.

STRATEGIC PLAN REFERENCE

Key Foundations

1. Our Governance and Finance

This means

Realistic budgets with income and expenditure monitored closely.

STATUTORY IMPLICATIONS

Part 9 of the Local Government Act 1993 outlines the requirements in relation to rates. This proposal is in line with these requirements.

BUDGET IMPLICATIONS

The Rates Resolution presented has been modelled to provide a sufficient level of funding for the 2024/25 financial year budget.

RISK CONSIDERATION/S

Risk	Likelihood	Consequence	Rating	Risk Mitigation Treatment
Adopt the recommendation There may be some members of the community who do not support the proposed recommendations which could result in negative publicity for Council.	Possible	Minor	Moderate	Explain the rationale as to the reasons for the recommendations and ensure that adequate information is provided to the community.
Do not adopt the recommendation Not adopting could place Council in breach of various sections of the <i>Local Government Act 1993</i> and the <i>Local Regulations Act 2015</i>	Possible	Moderate	High	A revised Rates Resolution will require workshopping to obtain direction from Council on what requires amendment with re-presenting at the next available Council Meeting.

OFFICER'S COMMENTS

For the setting of Rates, Council is required to comply with the principles set out in S.86A(1) of the Local Government Act:

- a) *Rates constitute taxation for the purposes of local government, rather than a fee for service;*
- b) *The value of ratable land is an indicator of the capacity of the ratepayer in respect of that land to pay rates.*

For 2024/25 income requirements, Council evaluated several alternative estimates for operational and capital expenditure to determine flexibility on the income from rates. With consideration for cost of living pressures some residents may be facing, most of the elected members, had a preference to produce a lean budget, to set the lowest amount of rate income possible. This has resulted in a \$0.6M (6%) increase in income from general rates, a change from the Long Term Financial Management Plan forecast rate increase for 2024/25 of 7.5%.

Income in the 2024/25 budget includes:

- Total income \$18.2 million, decrease of \$1.4 million from 2023/24 budget.
- Total rates income \$13.8 million, increase of \$0.9 million.
 - General rate income \$11.2 million, increase of \$0.6 million, 6%.
 - Waste income \$2.2 million, increase of \$0.25 million, 11%.
 - Fire levy \$0.45 million, no increase.

The increase in waste costs has been applied to all ratable properties and will increase by \$18 to \$176. Waste collection charges for bins will increase by \$19 to \$185 for residential properties and by \$36 to \$411 for commercial properties.

There is no proposed change to the Medical Levy, however it will no longer be collected separately and has been absorbed into the general rate. This responds to the change from a service Council previously delivered in-house, to one now provided by a not-for-profit contractual arrangement.

Land Revaluations and Rates Cents per Dollar

Periodically, the Tasmanian Office of the Valuer General revalues properties within municipalities. This process occurred within the last financial year with notices recently sent to property owners. Across the Council area, property valuations have moved significantly but not equally within each of the land use groups. This means that properties within each land use group will see their rates value adjust disproportionately relative to other properties in the same group, up or down on previous years depending on where the rate of cents in the dollar is struck.

To minimise the impact as much as possible, Council has raised the fixed component of general rates income from \$330 to \$420 per property. The cents in the dollar in every land use group has been reviewed for 2024/25 and all have decreased. The proposed Rates Resolution 2024-2025 includes the following:

Land Use Group	C/\$AAV 2023/24	C/\$AAV 2024/25
Commercial	11.50	8.800
Vacant Commercial	11.50	8.800
Industrial	11.50	8.800
Primary Production	5.74	4.848
Sport and Recreation	5.74	4.040
Residential	5.74	4.040
Vacant Residential	6.68	4.444

OFFICER'S RECOMMENDATION

That in accordance with the provisions of the Local Government Act 1993, Council adopts the 2024-2025 Rates and Charges Resolution as shown in this agenda item for rateable land within Council's municipal area for the period 1 July 2024 to 30 June 2025

3 CLOSE

The Mayor to declare the meeting closed at [time].

CONFIRMED as a true and correct record.

Date: **Mayor Cheryl Arnol**