



2023/24 Annual Budget Fact Sheet

Summary of Council's Annual Budget 2023/24

The 2023/24 Annual Budget is a prudent and measured response to current economic and environmental challenges. As a Council, we are committed to facing these challenges with pragmatism and purpose, deploying our resources as effectively and efficiently as possible to ensure that our residents have access to the services, infrastructure, and support they need.

This Budget delivers now, and lays down markers to ensure a healthy, thriving, and sustainable Baw Baw for years to come.

A Healthy, Thriving and Sustainable community and Shire.

The 2023/24 Annual Budget will fund a suite of major initiatives to improve the quality of life for our residents:



A Healthy Community

- Ongoing implementation of the Municipal Public Health and Wellbeing Plan and corresponding Annual Action Plan.
- Development and successful transition to new waste contracts, including community education and support.
- Continued advocacy for external funding to contribute to the Baw Baw Culture and Connection Precinct – Stage One – Library and Learning.
- Assess the existing network of paths, trails, and reserves in Precinct Structure Plans (PSP's) to identify opportunities for connections to growth areas. This project also includes the targeted assessment of street cross-sections in the PSP's and in some cases the potential impact on surrounding vegetation.
- Undertake review of Council's Open Space Strategy and begin the development of the Open Space Landscape Guidelines.



A Thriving Community

- Implement the Economic Development and Visitor Economy Strategy.
- Support the local community economy and vibrancy with the allocation of major events funding.
- Implement Creative Communities Strategy for Baw Baw Shire.
- Advocacy on Baw Baw road transport priorities, including the Drouin Arterial Road Network Planning.
- Continued focus on Shire roads and delivery of Capital programs across Council's Gravel and Sealed Roads, and Road Safety projects.
- Increased resourcing to the Advocacy function to maximise the prospect of gaining external funding for strategic advocacy priorities.
- Increased resourcing to the Tourism and Events function to deliver outcomes included in the Economic Development & Visitor Economy Strategy.
- Advocate for State Government support towards the implementation of the Best Start, Best Life reforms.



A Sustainable Shire

- Implement the Environmental Sustainability Strategy and corresponding two-year Action Plan.
- Identification and assessment of significant trees for the development of a Significant Tree Register.
- Prepare for the introduction of Food Organics and Green Organics (FOGO) collection and investigate options for separate glass collection in Council's kerbside waste services.
- Develop and implement a Carbon Emissions Reduction Plan.
- Develop a Circular Economy Plan for Council consideration and implementation.

Initiatives to enable Council to support a Sustainable, Healthy, and Thriving community and Shire

- Development and delivery of an internal Future Ready Baw Baw program, to meet the future needs of the community. Focused on Information Technology (IT), Services, Workplaces, and People.
- Develop a Depot Strategy to ensure Council can continue to conduct works and deliver services that meet the needs of the community into the future.



An innovative approach to Community Infrastructure delivery.

Ahead of the 2023/24 Annual Budget, Council's Long Term Infrastructure Plan has been reviewed and realigned to mitigate against rising costs, interest rates, severe weather events, and contractor shortages.

We have adopted an innovative '**plan, design, deliver**' approach that will see **\$58.06 million of community infrastructure delivered this financial year** and create a **Community Infrastructure Reserve** to enable future investment in community infrastructure that may include recreation facilities, early years infrastructure and community facilities for the benefit of our residents.



Highlights include:

Plan

- Second sporting oval in Trafalgar

Design

- Major road reconstructions & roundabouts
- Public toilet facilities
- Sporting pavilions at Western Park, Longwarry Recreation Reserve, and Neerim South Rec Reserve

Deliver

- Warragul Leisure Centre Stadium Expansion – \$7.7 million
- Baw Baw Culture and Connection Precinct – Stage One – \$4.4 million (of a total estimated \$30 million)*
- Rokeby – Noojee Trail – \$3.65 million
- Rollo Street Masterplan – \$1.95 million
- Bellbird Park East Pavilion – \$1.57 million
- Baxter Park Pavilion Redevelopment – \$1.44 million

Further, an additional \$1.5 million has been allocated to boost our roads maintenance budget in readiness for the predicted impacts of La Nina so we can accelerate important works for our community.

** subject to grant funding*





Operating Budget

The 2023/24 Annual Budget represents income of \$129.58 million, expenditure of \$101.86 million, resulting in a surplus of \$27.72 million.

The \$27.72 million surplus is then converted into an adjusted underlying result that better reflects Council's level of financial stability. This result excludes grants received for capital purposes which are non-recurrent and capital contributions from others sources. The adjusted underlying result for 2023/24 is a deficit of \$3.78 million.

This deficit reflects a financial position consistent with the current rate capped environment of 3.5 per cent, and the realities of delivering services and infrastructure for a rapidly growing shire population.

Rates and Valuations

The rate increase for 2023/24 is capped at 3.5 per cent in line with the Victorian Government's Fair Go Rates System (FGRS).

Rates are calculated as a percentage of the Capital Improved Value (CIV).

The 3.5 per cent increase applies to the total rates revenue received by Council, not to increases to individual ratepayers. Total revenue from rates and charges for 2023/24 is \$73.85 million (including supplementary valuations and interest on rates and charges).

For context, the cap on rate increases is approximately half the CPI increase (inflation) over the past twelve months. This disparity illustrates just how challenging the current environment is for Councils to deliver services and infrastructure while operating in a rate-capped environment.

For further details please refer to the Rates and Valuations fact sheet.



Fees and Charges

Whether it's at the petrol pump, in the grocery store, on the building site or in the office, inflationary pressures are having a real impact. Council isn't immune to these pressures.

In the current rate-capped environment, amidst surging inflation, rates revenue alone is insufficient to deliver the services and infrastructure that Council is required to deliver.

Regardless, Council has kept our average annual fees and charges adjustments to 6%, below the CPI increase of approximately 6.8%.