

# Draft Annual Budget 2023/24

## Information Sheet

May 2023



Council's Draft Budget 2023/24 is proposing that general rates and the municipal charge will increase by 3.5% over the 2022/23 base rates and municipal charge. This is in accordance with the rate cap set by the Minister for Local Government in December 2022. It is below the current level of inflation.

The budget strikes a balance between rate revenue, the long-term financial sustainability of the organisation, and continuing to provide a wide range of services to the community.

The community is encouraged to review the draft budget and provide feedback by **Wednesday 31 May 2023 at 12pm.**

Feedback can be made online via the Have Your Say section of Council's website [eastgippsland.vic.gov.au](http://eastgippsland.vic.gov.au) or mailed to CEO, Corporate Centre, 273 Main Street, Bairnsdale 3875. The budget document is also available at all of Council's Customer Service Centres.

### Fees and charges

Council fees and charges are proposed to be increased on average by 3.5% except for waste fees and charges, which are proposed to increase between 7% to 8%.

### Waste levy

The Draft Budget proposes to increase the waste levy from \$37 to \$51 on all rateable properties that receive a municipal charge.

The levy increase is a direct response to the increase in the Victorian Government's landfill levy that is imposed on Council's landfills, together with other compliance cost increases.

The waste levy will mean costs imposed by the Victorian Government will be spread out equitably between ratepayers.

Single farming enterprises will only receive one waste levy charge.

We will continue to provide free recycling services at our landfills and transfer stations. The cost of disposing of mattresses is again significantly discounted as part of the Draft Budget 2023/24.

These services reflect Council's commitment to supporting recycling and the circular economy. Waste is classed as a user-pays system and there are various costs imposed on Council through compliance and levies that Council cannot control.

### Green waste charge

Council incurs a significant cost for the collection and processing of green waste. Commencing September 2023, the Draft Budget proposes the introduction of a green waste charge at transfer stations of \$12 per cubic metre (or approximately one standard 6x4 trailer load) to offset some of these costs.

A free green waste period is proposed to be provided throughout November to assist in preparing for the fire season.

A green waste coupon will be provided with rate notices, allowing disposal of up to 1.5 cubic metres of green waste at transfer stations at no cost.

For more information regarding proposed changes to waste and recycling fees, please visit: Waste Disposal Fees ([eastgippsland.vic.gov.au](http://eastgippsland.vic.gov.au)).

### Delivering services to the community

Each year, Council determines the level of funding required to continue to provide services, programs and building projects that our community needs.

# Draft Annual Budget 2023/24

## Information Sheet

May 2023



Rates and charges revenue provides over half of the funding to deliver these services.

Council rates are set within the constraints of the Victorian Government rate cap.

### How are rates calculated?

Rates are based on the Capital Improved Value (CIV) of each property calculated by the rate in the dollar (set each year by Council) together with a fixed component being the Municipal Charge.

A different rate in the dollar is applied to different property classes; the Draft Budget 2023/24 proposes the following differential rate percentages:

- Residential: 100%
- Commercial/industrial: 140%
- Farm: 80%

Each year, Council reviews the Revenue and Rating Plan, which guides the rating component of the budget.

### Average rate change by property class

- Residential: 4.12% increase
- Commercial/industrial: 2.46% increase
- Farm: 0.18% increase
- Average for all properties: 3.5% increase

The above increases include both general rates and the municipal charge.

Council does not control the valuation process through which the CIV is determined.

- Property valuations are conducted annually by the Valuer-General Victoria.
- The CIV refers to the value of the land plus improvements, which include dwellings, other buildings, fences, landscaping and other aspects.
- The CIV of each property is used to determine the share of the total rates and charges.

- Municipal valuations are influenced significantly by property sales data. Council must use the valuations certified by the Valuer-General Victoria in the rate calculation process.
- Property valuations are shown on the annual valuation and rate notice. Ratepayers may object to their valuation, if they believe it is not correct, provided they do so within two months of the date of issue of the rate notice.

Of the \$49m generated by general rates (excluding waste charges and municipal charge), \$38.02m is from residential, \$5.55m from commercial/ industrial and \$5.85m from farm properties.

### Average property valuation changes 2023/24:

- Residential: 18.02% increase
- Commercial/industrial: 15.9% increase
- Farm: 13.17% increase
- Average for all properties: 17.1% increase

### Municipal charge and 'rate in the dollar'

There are two components to your rates and charges, one being a variable amount based on the property CIV and a fixed component being the municipal charge.

- 38% of farming properties are exempt from the municipal charge as they are part of a single farming enterprise.
- Council proposes that the municipal charge be \$245.30 for 2023/24. The municipal charge together with the proposed rate in the dollar variable component will raise total rates and charges income of \$57.26m in 2023/24 in compliance with the rate cap of 3.5%.

# Draft Annual Budget 2023/24

## Information Sheet

May 2023



### Rate waiver for fire-impacted properties

It is proposed that the rate waiver will continue for 2023/24 for properties where the main dwelling was destroyed or deemed uninhabitable as a result of the 2019-20 bushfires.

### Operating surplus

The estimated operating surplus for 2023/24 is \$37.08m, however, it is important to note that when non-recurring capital income is considered the underlying operating result is a deficit of \$12.6m (Refer to Council's Draft Budget 2023/24 for further information).

Council received grant funding in previous financial years for bushfire recovery and support programs and projects of which an estimated \$8.2m will not be spent until 2023/24. This has impacted on the underlying operating result.

### \$105.25 million capital works program

The draft budget proposes a capital works program of \$105.25m – the largest in the shire's history – which has a strong focus on the renewal of infrastructure and several new initiatives.

Significant government funding of \$49.79m towards these capital works is expected.

Of the \$105.25m program, \$56.2m is new capital projects in 2023/24, funding by government grants and other contributions (\$26m) and council cash (\$30.2m). The remainder is carried over from the previous financial years. Many projects are delivered over multiple years.

### Capital Projects include

Bullock Island Masterplan implementation	\$0.75m
WORLD Sporting Precinct Stage 1	\$8.65m
Bullock Island Bridge and associated works	\$0.75m
Omeo Mountain Bike Trails	\$5.55m
Slip Road Maritime Precinct	\$4.79m
Upgrade Bairnsdale Resource Centre	\$2.7m
Bemm River Footpath Connections	\$1.04m
Orbost Forest Park upgrade	\$1.5m
Jemmy's Point - Stage 2	\$1.5m
Streetscapes: Bruthen, Buchan and Mallacoota	\$2.9m
Bairnsdale Aerodrome runway extension and lighting upgrade	\$5.17m
Bairnsdale Aerodrome rehabilitation of taxiway and hanger apron	\$2.19m
AJ Freeman Female-friendly Changerooms	\$1.46m
Cann River off-street parking	\$1.06m
Renewal and upgrades of technology	\$5m
Renewal and upgrades of roads	\$17.09m

# Draft Annual Budget 2023/24

## Information Sheet

May 2023



### How to provide Draft Budget feedback

A copy of the Draft Budget 2023/24 is available from our website [www.eastgippsland.vic.gov.au](http://www.eastgippsland.vic.gov.au).

Feedback can be made through our website at **'Have Your Say'**

A copy of the Draft Budget is also available to view at our customer service centres in Bairnsdale (Corporate Centre), Lakes Entrance, Mallacoota, Omeo, Orbost and Paynesville, along with a feedback form should you wish to provide feedback.