

Dorset Council

2023/24 Budget Estimates



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Overlooking Scottsdale from Mount Stronach

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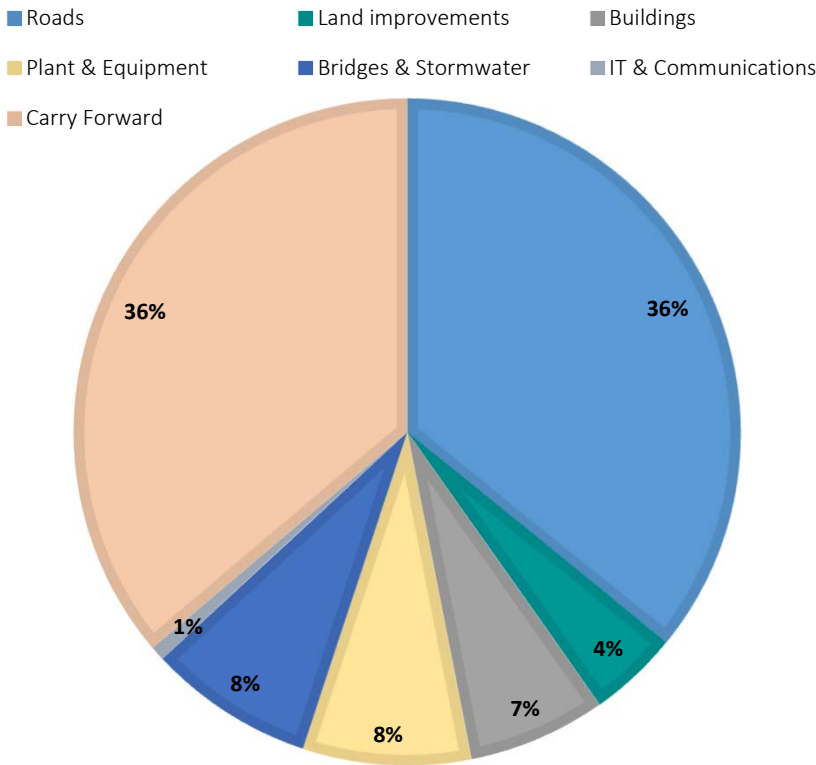
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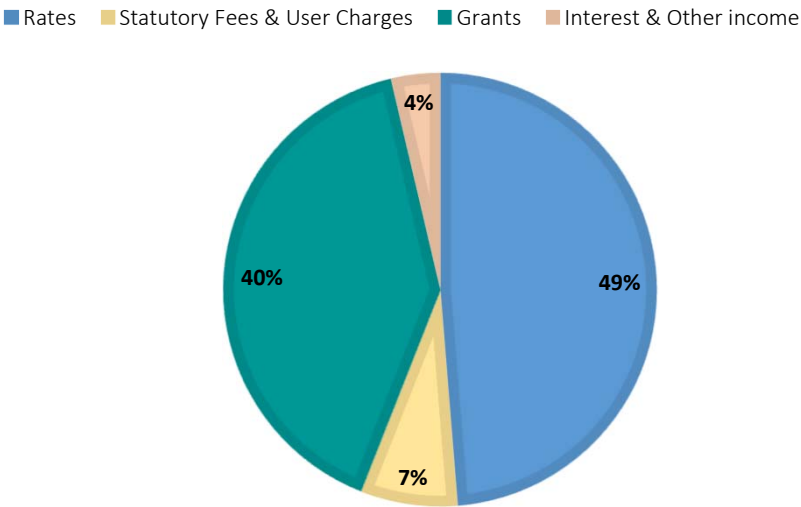


Summary of Budget Estimates

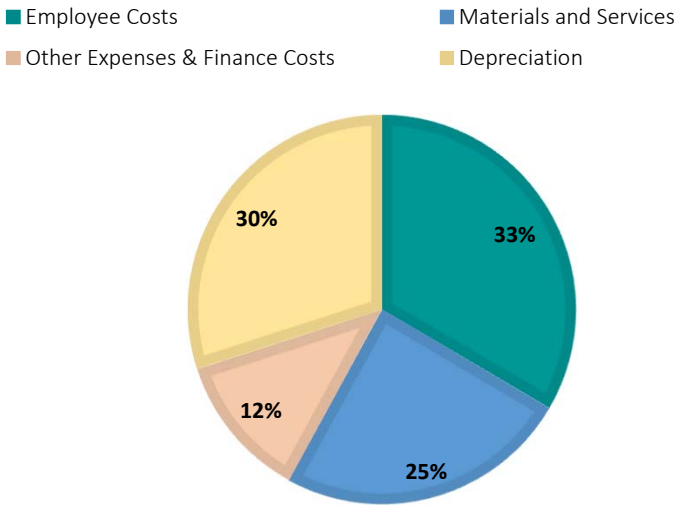
Capital Works Expenditure



Our Budgeted Revenue



Our Budgeted Expenditure



Underlying Surplus

	Note	2023/24 Budget \$'000	2022/23 Forecast \$'000	2022/23 Budget \$'000
Total Operating Income		16,387	15,976	16,342
Expenses (excl depreciation)		11,929	10,386	10,657
Depreciation		5,101	4,745	4,600
Total Expenses		17,030	15,131	15,257
Underlying Surplus/(Deficit) ¹		(643)	845	1,085
Adjusted Underlying Surplus as a % of Underlying Income		(3.9%)	5.3%	6.6%
Less: Adjustment for FA grants	4	181	1,243	(2,842)
Less: Recurrent portion of Roads to Recovery funding	4	-	-	(751)
Statutory Underlying Surplus/(Deficit)		(462)	2,088	(2,508)

Council's operating budget for the 2023/24 financial year estimates an underlying deficit of \$643,000. This represents a decrease of approximately \$1.5 million from forecast actuals for the 2022/23 financial year.

The 2023/24 budget includes several material one-off items, changes in accounting methodology and changes to Blue Derby Mountain Bike Trail operations, which have materially impacted the comparability of budget estimates from previous years. These changes are outlined in further detail within the notes of the 2023/24 budget book.

¹ The underlying surplus/(deficit) differs from the statutory underlying surplus/(deficit) as it includes an adjustment for the prepayment of Financial Assistance Grants and the recurrent portion of Council's Roads to Recovery allocation (comparative only).

Analysis of Budget Estimates

The key drivers for 2023/24 budget estimates are:

Income

- Rates and charges have increased by \$726,000 on forecast actuals as a result of a 6.9% increase to Council's general rate revenue base and the introduction of a varied general rate (cents in the dollar of AAV) for Short-term Accommodation properties within the municipality.
- Operating grants and contributions have increased by \$180,000 on forecast actuals as a result of an increase in Financial Assistance Grants and the inclusion of a contribution expected from the Blue Derby Foundation to assist with the maintenance of the Blue Derby Mountain Bike Trails.
- User charges have decreased by \$67,000 on forecast actuals as a result of removing building inspection and assessment fees from budget estimates and transferring Blue Derby income streams (e.g. sponsorships) to the Blue Derby Foundation.

Council's fees and charges are set in accordance with section 205 of the Local Government Act 1993 and have increased, on average, by 8.11%.

- Other income has decreased by \$444,000 on forecast actuals due to the impact of a number of one-off transactions in the 2022/23 financial year (e.g. insurance reimbursements) that have inflated forecasted results.

Expenditure

- Materials and services have increased by \$839,000 on forecast actuals due to an increased focus on maintenance and operational works in the 2023/24 financial year.
- Employee Costs have increased by \$610,000 on forecast actuals due to the increase to wages as per Council's Enterprise Bargaining Agreement, an increase in workers compensation insurance and the addition of new employment positions for the 2023/24 financial year.
- Depreciation has increased by \$356,000 on forecast actuals as a result of asset revaluations/indexation, revised useful life estimates and the addition of new assets from Council's capital works program.
- Other expenses have increased by \$77,000 due to an additional budget allocation required to assist with the transition of Blue Derby operations to the Blue Derby Foundation, as determined in the Memorandum of Understanding adopted by Council at the March 2023 Council meeting.

Statement of Profit and Loss

	Notes	2023/24 Budget \$'000	2022/23 Forecast \$'000	Variance % Movement	2022/23 Budget \$'000	Budget Variance % Movement
Operating Income						
Rates and Charges	1	9,833	9,107	8.0%	9,232	6.5%
Statutory Fees	2	209	193	8.3%	189	10.6%
User Charges	3	1,256	1,323	(5.1%)	1,464	(14.2%)
Grants and Contributions	4	4,349	4,169	4.3%	4,818	(9.7%)
Interest	5	231	227	1.8%	81	185.2%
Other Income	6	280	724	(61.3%)	325	(13.8%)
Income from Water Corporation	7	229	233	(1.7%)	233	(1.7%)
Total Operating Income		16,387	15,976	2.6%	16,342	0.3%
Capital Income						
Capital Grants	4	3,796	3,159	20.2%	5,172	(26.6%)
Total Capital Income		3,796	3,159	20.2%	5,172	(26.6%)
Expenses						
Employee costs	8	5,698	5,088	12.0%	5,034	13.2%
Materials and services	9	4,177	3,338	25.1%	3,675	13.7%
Finance costs	10	94	77	22.1%	77	22.1%
Other expenses	11	1,960	1,883	4.1%	1,871	4.8%
Depreciation	12	5,101	4,745	7.5%	4,600	10.9%
Total Expenses		17,030	15,131	12.6%	15,257	11.6%
Surplus/(Deficit)		3,153	4,004	(21.3%)	6,257	(49.6%)
Less: Capital Grants	4	(3,796)	(3,159)	(20.2%)	(5,172)	26.6%
Underlying Surplus/(Deficit)		(643)	845	(176.0%)	1,085	(159.3%)
Less: FA grants adjustment	4	181	1,243	(85.4%)	(2,842)	106.4%
Less: Recurrent portion of Roads to Recovery funding	4	-	-	0.0%	(751)	100.0%
Statutory Underlying Surplus/(Deficit)		(462)	2,088	(122.1%)	(2,508)	81.6%

Notes | Income

NOTE 1 | Rates and Charges

	2023/24 Budget \$'000	2022/23 Forecast \$'000	Variance % Movement	2022/23 Budget \$'000	Budget Variance % Movement
General rate	7,620	6,839	11.4%	6,899	10.5%
Waste management	1,822	1,895	(3.9%)	1,964	(7.2%)
Fire service levy	391	373	4.8%	369	6.0%
Total Rates and Charges	9,833	9,107	8.0%	9,232	6.5%

Rates and charges are expected to increase by \$726,000, which is an increase of 8.0% on forecast actuals for the 2022/23 financial year and a 6.5% increase on 2022/23 budget estimates.

Council have considered the following factors when determining the increase for rates and charges:

- Council's Strategic Plan, Financial Management Strategy & Long Term Financial Plan;
- Asset Management Plans and Council's capital renewals program;
- Estimates for recurrent grant funding, such as the Financial Assistance Grants program; and
- Hobart CPI YTD March Quarter (6.9%) / LGAT Council Cost Index 2022/23 (8.1%).

General rate

Income received from general rates is expected to increase by \$781,000, which represents an overall increase of 11.4% on forecast actuals for the 2022/23 financial year and an increase of 10.5% on 2022/23 budget estimates.

Council's general rate revenue base has increased by 6.9% in line with Hobart March quarter CPI. Budget estimates also include an additional \$195,000 expected to be received from applying a differential rate to Short-term Accommodation (STA) properties within the municipality and an additional \$25,000 for supplementary valuations expected in the 2023/24 financial year.

Waste management

Income received from waste management is expected to decrease by \$73,000 which represents a decrease of 3.9% on forecast actuals for the 2022/23 financial year and a decrease of 7.2% on 2022/23 budget estimates. This decrease is a result of removing the varied waste management charge from Council's rating strategy in favour of applying a differential general rate to STAs.

Fire Service Levy

The Fire Service Contribution is set by the State Fire Commission. For the 2023/24 financial year, the minimum charge determined by the State Fire Commission is \$48.00 (2022/23 FY: \$44.00). The total income to be collected on behalf of the State Government is approximately \$391,000.

NOTE 2 | Statutory Fees

	2023/24 Budget \$'000	2022/23 Forecast \$'000	Variance % Movement	2022/23 Budget \$'000	Budget Variance % Movement
Land information certificates	70	67	4.5%	89	(21.3%)
Town planning fees	114	105	8.6%	80	42.5%
Animal control	23	21	9.5%	19	21.1%
Regulatory services	2	-	100.0%	1	100.0%
Total Statutory Fees	209	193	8.3%	189	10.6%

Statutory fees relate to the delivery of Planning and Regulatory services within Council. This includes town planning, land information certificate searches, dog registrations, licences and permits. Budget estimates for the 2023/24 financial year are expected to increase by \$16,000, which represents an increase of 8.3% on forecast actuals for the 2022/23 financial year and a 10.6% increase on 2022/23 budget estimates.

Similar service levels are predicted for the 2023/24 financial year and consequently, town planning and animal control fees are only expected to increase in line with Council's fees and charges (8.1%). Land information certificate fees are set by the Tasmanian State Government and are expected to increase by approximately 4.5%.

NOTE 3 | User Charges

	2023/24 Budget \$'000	2022/23 Forecast \$'000	Variance % Movement	2022/23 Budget \$'000	Budget Variance % Movement
Caravan and camping fees	994	973	2.2%	949	4.7%
Rental and lease income	80	75	6.7%	51	56.9%
Building services	85	123	(30.9%)	129	(34.1%)
Cemetery fees	36	33	9.1%	33	9.1%
Waste disposal fees	40	37	8.1%	49	(18.4%)
Swimming pools	21	19	10.5%	10	110.0%
Other user charges	-	63	(100.0%)	243	(100.0%)
Total User Charges	1,256	1,323	(5.1%)	1,464	(14.2%)

User charges relate mainly to the recovery of service delivery costs through the charging of fees for Council services. These services include cemetery fees, hall hire, caravan parks and entrance to Waste Transfer Stations within the municipality. Fees and charges are set in accordance with section 205 of the *Local Government Act 1993* and have been increased, on average, by 8.1% in the 2023/24 financial year.

Council are expecting income received from user charges to decrease by \$67,000 in the 2023/24 financial year. This represents a decrease of 5.1% on forecast actuals for the 2022/23 financial year and a decrease of 14.2% on 2022/23 budget estimates.

Building services

Income expected from the provision of building services has decreased by \$38,000 on forecast actuals for the 2022/23 year as a result of being unable to provide building inspection and assessment services in 2023/24 (2022/23 forecast actuals: \$43,000; 2022/23 budget allocation: \$46,000).

Caravan and camping fees

Income expected from caravan and camping fees has increased by \$21,000 on forecast actuals for the 2022/23 financial year. Budget estimates for caravan and camping fees received from the Bridport Seaside Caravan Park have increased by 10.0% (in line with the increase in Council's fees and charges) and an additional budget allocation for camping fees has been added for Branhholm Park. Income from camping and shower fees at Derby Park has been removed from 2023/24 estimates as this will be transferred to the Blue Derby Foundation (2022/23 forecast actuals: \$63,000; 2022/23 budget allocation: \$30,000).

Other user charges

The budget allocation for other user charges has reduced to nil as a result of the transfer of Blue Derby sponsorships and accommodation booking platform commissions to the Blue Derby Foundation in the 2023/24 financial year.

NOTE 4 | Grants and Contributions

	2023/24 Budget \$'000	2022/23 Forecast \$'000	Variance % Movement	2022/23 Budget \$'000	Budget Variance % Movement
Federally funded	7,761	6,293	23.3%	7,442	4.3%
State funded	255	975	(73.8%)	2,495	(89.8%)
Other	-	27	(100.0%)	15	(100.0%)
Contributions	129	33	290.9%	38	239.5%
Total Grants and Contributions	8,145	7,328	11.1%	9,990	(18.5%)

Council expect income received from grants and contribution to increase by \$817,000 in the 2023/24 financial year. This represents an increase of 11.1% on forecast actuals for the 2022/23 financial year and a decrease of 18.5% on 2022/23 budget estimates. Expected grants and contributions for the 2023/24 financial year are made up of \$4.35 million in operating grants and \$3.80 million in capital grants.

Government grants include all monies received from the Australian and Tasmanian Governments for the purpose of funding Council services and specific capital projects. Capital grants are budgeted based on the expected completion percentage for each project. For e.g. if 80% of a capital project is expected to be completed during the financial year, 80% of the grant funding allocated to the project is included in the budget estimates.

Please note Roads to Recovery funding has previously been budgeted as operating grant income as it was deemed to be recurrent in nature. This funding is now primarily used to assist Council fund capital infrastructure works and will be budgeted as capital grant income from the 2023/24 financial year onwards.

NOTE 4 | Grants and Contributions (cont.)

<i>Operating grants and contributions</i>	2023/24 Budget \$'000	2022/23 Forecast \$'000	Variance % Movement	2022/23 Budget \$'000	Budget Variance % Movement
Financial Assistance Grants	4,085	3,908	4.5%	3,787	7.9%
Heavy Vehicle Motor Tax	140	140	0.0%	140	0.0%
DerbyFest MTB Event	-	-	0.0%	50	(100.0%)
Roads to Recovery	-	-	0.0%	751	(100.0%)
Scottsdale and Derby Structure Plans	-	50	(100.0%)	50	(100.0%)
Healthy Tasmania Community Program	-	20	(100.0%)	-	0.0%
Australia Day Event funding	-	19	(100.0%)	-	0.0%
MTB Trails - Break O'Day Council	29	27	7.4%	27	7.4%
MTB Trails - Blue Derby Foundation	90	-	100.0%	-	100.0%
Contributions - Other	-	4	(100.0%)	-	0.0%
Donations received	5	1	400.0%	12	(58.3%)
Total Operating Grants and Contributions	4,349	4,169	4.3%	4,818	(9.7%)

Operating grants are expected to increase by \$180,000 in the 2023/24 financial year. This represents a increase of 4.3% on forecast actuals for the 2022/23 financial year and a decrease of 9.7% on 2022/23 budget estimates.

Financial Assistance Grants (FA Grants)

For the 2023/24 financial year, Council have budgeted FA Grants on an accrual basis. Based on information received from the State Grants Commission, 100% of this funding will be received as a prepayment in late June 2023, however, Council will now also assume that a similar prepayment will occur in late 2023/24. The annual allocation has been indexed by 11.2%, as indicated in the Federal Budget Papers (excluding any adjustment payments received for the previous financial year that are included in forecast actuals for 2022/23).

MTB Trails - Blue Derby Foundation

The Blue Derby Foundation expect to contribute \$90,000 to assist Council with the maintenance of the Blue Derby Mountain Bike Trails at the end of the 2023/24 financial year. To assist with the transition of Blue Derby operations to the Foundation, Council will also make a payment of \$125,000 at the beginning of the financial year, as outlined in the Memorandum of Understanding adopted by Council at the March 2023 Council meeting. Please see other expenses (note 11) for further information on this payment.

NOTE 4 | Grants and Contributions (cont.)

	2023/24 Budget \$'000	2022/23 Forecast \$'000	Variance % Movement	2022/23 Budget \$'000	Budget Variance % Movement
<i>Capital grants and contributions</i>					
Derby MTB Trail - Green Flow	-	25	(100.0%)	157	(100.0%)
Victoria Street Redevelopment	70	1,236	(94.3%)	1,306	(94.6%)
Cascade Dam Road Safety Improvements	40	323	(87.6%)	364	(89.0%)
Bridge 1617 - Duncraggen Road	51	137	(62.8%)	178	(71.3%)
Bridge 1515 - Maurice Road	39	139	(71.9%)	188	(79.3%)
Scottsdale Railway Station Restoration	100	-	100.0%	100	0.0%
Bridport CWA Carpark Extension	13	117	(88.9%)	130	(90.0%)
Derby Trail Head Redevelopment	17	362	(95.3%)	400	(95.8%)
Old Waterhouse Road Safety Improvements	465	-	100.0%	465	0.0%
Gillespies Road Upgrade, Nabowla	600	-	100.0%	-	100.0%
Australian Mountain Bike Museum (Derby)	-	-	0.0%	220	(100.0%)
Rail Trail - Scottsdale to Lilydale	294	-	100.0%	1,470	(80.0%)
Derby Park Playground	-	50	(100.0%)	50	(100.0%)
Northeast Park Jump Park	70	10	600.0%	40	75.0%
Bridport Multi Function Centre - New Deck	80	-	100.0%	80	0.0%
Golconda Road Pavement Renewals	488	-	100.0%	-	100.0%
Bridge 1508 - Garibaldi Road	56	-	100.0%	-	100.0%
Derby MTB Trail - Rusty Crusty	79	-	100.0%	-	100.0%
BSCP - Upgrade amenities at Eastmans Beach	198	-	100.0%	-	100.0%
Derby Town Hall - Roof Upgrade	95	-	100.0%	-	100.0%
TAS Community Fund: BFC Amenities Upgrade	-	9	(100.0%)	9	(100.0%)
Alfred Street, Scottsdale - New Kerb and	131	-	100.0%	-	100.0%
South Street, Bridport - Kerb renewal	154	-	100.0%	-	100.0%
BFC Ball Retrieval Safety Net	-	-	0.0%	15	(100.0%)
Derby MTB Trails - Relics Bridge	5	-	100.0%	-	100.0%
Roads to Recovery	751	751	0.0%	-	100.0%
Total Capital Grants and Contributions	3,796	3,159	20.2%	5,172	(26.6%)

NOTE 5 | Interest

	2023/24 Budget \$'000	2022/23 Forecast \$'000	Variance % Movement	2022/23 Budget \$'000	Budget Variance % Movement
Interest income	210	208	1.0%	60	250.0%
Interest on rates	21	19	10.5%	21	0.0%
Total Interest	231	227	1.8%	81	185.2%

Interest income is expected to increase by \$4,000 in the 2023/24 financial year, which represents an increase of 1.8% on forecast actuals for the 2022/23 financial year and an increase of 185.2% on 2022/23 budget estimates.

NOTE 6 | Other Income

	2023/24 Budget \$'000	2022/23 Forecast \$'000	Variance % Movement	2022/23 Budget \$'000	Budget Variance % Movement
Reimbursements	131	197	(33.5%)	122	7.4%
Private works	10	13	(23.1%)	10	0.0%
Tourism income	14	25	(44.0%)	28	(50.0%)
Sundry income	125	489	(74.4%)	165	(24.2%)
Total Other Income	280	724	(61.3%)	325	(13.8%)

Other income is received from a variety of sources including retail sales at the Scottsdale Visitor Information Centre and Aquatic Centre, reimbursements from external parties and income from the sale of scrap metal from Waste Transfer Stations within the Municipality.

Other income is expected to decrease by \$444,000 in the 2023/24 financial year, which represents a decrease of 61.3% on forecast actuals for the 2022/23 financial year and a decrease of 13.8% on 2022/23 budget estimates.

NOTE 6 | Other Income (cont.)

Tourism income

Income expected from tourism has decreased by \$11,000 on forecast actuals for the 2023/24 financial year as a result of the transfer of Blue Derby merchandise income to the Blue Derby Foundation (2022/23 forecast actuals: \$13,000; 2022/23 budget: \$20,000).

Sundry income

Sundry income has decreased by \$364,000 on forecast actuals for 2022/23 due to the impact of a number of one-off transactions which occurred during the 2022/23 financial year that have inflated forecast results. These transactions include:

- \$80,000 in income received for accommodation to be reimbursed to providers listed with the Blue Derby accommodation booking platform. The responsibility for this platform will transfer to the Blue Derby Foundation in the 2023/24 financial year;
- \$285,000 in income received for reimbursement of insurance claims;
- A once-off fuel tax credit adjustment of \$28,000.
- Traineeship/apprenticeship incentive payments that Council do not traditionally include in budget estimates.

NOTE 7 | Income from Water Corporation

	2023/24 Budget \$'000	2022/23 Forecast \$'000	Variance % Movement	2022/23 Budget \$'000	Budget Variance % Movement
Dividends	229	233	(1.7%)	233	(1.7%)
Total Income from Water Corporation	229	233	(1.7%)	233	(1.7%)

In the 2023/24 financial year, TasWater are expected to pay both ordinary and special dividends to owners. The receipt of these payments is subject to TasWater's underlying financial performance during the 2023/24 financial year.

Based on information from Schedule 2 of TasWater's Constitution, it is estimated that dividends for the 2023/24 financial year will total \$229,000 and Council's ownership share at 30 June 2024 will be 0.95%. This represents a decrease of 1.7% on forecast actuals and the budget allocation for the 2022/23 financial year.

Notes | Expenses

NOTE 8 | Employee Costs

	2023/24 Budget \$'000	2022/23 Forecast \$'000	Variance % Movement	2022/23 Budget \$'000	Budget Variance % Movement
Wages and salaries	6,063	5,410	12.1%	5,621	7.9%
Superannuation	659	625	5.4%	590	11.7%
Payroll tax	302	282	7.1%	270	11.9%
Workers compensation	160	279	(42.7%)	96	66.7%
Fringe benefits tax	30	32	(6.3%)	33	(9.1%)
Less amounts capitalised	(1,516)	(1,540)	(1.6%)	(1,576)	(3.8%)
Total Employee Costs	5,698	5,088	12.0%	5,034	13.2%

Employee costs are expected to increase by \$610,000 in the 2023/24 financial year, which is an increase of 12.0% on forecast actuals for the 2022/23 financial year and a 13.2% increase on 2022/23 budget estimates. The key drivers of this increase include:

- Estimated increase of 5.5% to wages as per Council's Enterprise Bargaining Agreement;
- Legislated 0.5% increase to the Superannuation Guarantee Contribution (SGC);
- 53% increase in workers compensation insurance (2022/23 forecast actuals: \$104,440; 2022/23 budget allocation: \$95,600), based on information provided from Council's insurers; and
- New employment positions, staff movements and reclassifications of existing Council employees.

NOTE 9 | Materials and Services

	2023/24 Budget \$'000	2022/23 Forecast \$'000	Variance % Movement	2022/23 Budget \$'000	Budget Variance % Movement
Materials	609	407	49.6%	549	10.9%
Utilities	503	470	7.0%	497	1.2%
Plant, machinery and equipment	511	460	11.1%	495	3.2%
Office administration	65	59	10.2%	59	10.2%
Contracts	1,790	1,465	22.2%	1,573	13.8%
Professional services	461	249	85.1%	275	67.6%
Management contracts	238	228	4.4%	227	4.8%
Total Material and Services	4,177	3,338	25.1%	3,675	13.7%

Materials and services are expected to increase by \$839,000 in the 2023/24 financial year, which represents an increase of 25.1% on forecast actuals for the 2022/23 financial year and a 13.7% increase on 2022/23 budget estimates. This increase is primarily due to Council's increased focus on maintenance and operational projects in the 2023/24 financial year.

Notable town maintenance and construction (including Blue Derby MTB trails) projects to be completed in 2023/24 include:

- Maintenance of the Blue Tier Mountain Bike Trail - \$234,000;
- Additional maintenance of Scottsdale, Bridport and Winnaleah Recreation Grounds - \$59,500;
- Additional maintenance at the Bridport Seaside Caravan Park including tree maintenance, camp kitchen upgrades and power upgrade investigation - \$54,000;
- Additional maintenance for the Branhholm swimming pool and the Scottsdale Aquatic Centre - \$20,000; and
- Additional maintenance for playgrounds, gardens and walking tracks within the municipality - \$57,500.

Additional material budget inclusions under professional services include:

- \$190,000 for valuation services required for the full municipal revaluation;
- \$80,000 for consultants required to assist with the Urban Residential Growth Strategies for Scottsdale and Bridport and the Scottsdale Industrial Zone plan; and
- \$30,000 for consultants required to assist with the preparation of the Derby Master Plan.

NOTE 10 | Finance Costs

	2023/24 Budget \$'000	2022/23 Forecast \$'000	Variance % Movement	2022/23 Budget \$'000	Budget Variance % Movement
Interest Payable	94	77	22.1%	77	22.1%
Total Finance Costs	94	77	22.1%	77	22.1%

Finance costs are expected to increase by \$17,000 in the 2023/24 financial year, due to additional borrowings expected to be drawn down. This represents an increase of 22.1% on forecast actuals and budget estimates for the 2022/23 financial year.

NOTE 11 | Other Expenses

	2023/24 Budget \$'000	2022/23 Forecast \$'000	Variance % Movement	2022/23 Budget \$'000	Budget Variance % Movement
State levies, licences and taxes	586	560	4.6%	539	8.7%
Insurance	194	187	3.7%	190	2.1%
Councillor allowances	180	174	3.4%	178	1.1%
Commissions	8	8	0.0%	2	300.0%
IT maintenance	161	126	27.8%	127	26.8%
Communications	87	80	8.8%	85	2.4%
Subscriptions and memberships	67	63	6.3%	69	(2.9%)
Professional development	42	28	50.0%	34	23.5%
Cost of goods sold	45	36	25.0%	51	(11.8%)
Election expenses	3	53	(94.3%)	40	(92.5%)
Community grants and donations	177	132	34.1%	110	60.9%
Advertising	46	41	12.2%	32	43.8%
Marketing	-	38	(100.0%)	15	(100.0%)
External audit fees	50	33	51.5%	45	11.1%
Internal audit fees	20	-	100.0%	-	100.0%
Bank fees and charges	31	34	(8.8%)	32	(3.1%)
Postage	22	18	22.2%	22	0.0%
Lease payments	11	20	(45.0%)	32	(65.6%)
Blue Derby Foundation contribution	125	-	100.0%	-	100.0%
Other expenses	105	252	(58.3%)	268	(60.8%)
Total Other Expenses	1,960	1,883	4.1%	1,871	4.8%

NOTE 11 | Other Expenses (cont.)

Total other expenses are expected to increase by \$77,000 in the 2023/24 financial year, which represents an increase of 4.1% on forecast actuals for the 2022/23 financial year and an increase of 4.8% on 2022/23 budget estimates.

This increase is primarily due to the additional budget allocation of \$125,000 required to assist with the transition of Blue Derby operations to the Blue Derby Foundation, as determined in the Memorandum of Understanding adopted by Council at the March 2023 Council meeting. The Blue Derby Foundation expect to contribute \$90,000 back to Council at the end of the 2023/24 financial year (see note 4), therefore, the net impact to the overall result for the 2023/24 financial year is expected to be \$35,000 (excluding trail maintenance costs).

Other expense inclusions

The following items are included in the \$105,000 of other expenses above:

- Caravan Park management bonus payment;
- Freight and delivery charges; and
- Sundry expenses (e.g. parking, website hosting costs, meeting costs, catering).

Community grants and donation details

Every year Council provides funding and resources to members of the Dorset community for educational development and projects, programs or events that will improve the wellbeing of the people living in Dorset.

Council has included the following community funding in this year's expenditure budget:

- Scholarships for Dorset residents enrolled in all levels of education, including:
 - University scholarship awarded to one recipient each year with a value of \$3,000 per year for up to 3 years;
 - Agri Business Scholarship valued at \$2,500;
 - Apprenticeship/Traineeship Scholarship valued at \$1,000; and
 - High School Student Scholarships for five recipients valued at \$500 each.
- \$55,000 for Matching Funding Grants, Small Grants and Discretionary Grants with up to \$25,000 from funds received from the Re-Use Centre at the Scottsdale Waste Transfer Station.

NOTE 11 | Other Expenses (cont.)

- Mayor's discretionary fund of \$10,000.
- Dorset Bright Futures Program contribution of \$20,000.
- Sponsorship funding for various Community Events including:
 - Scallop Fiesta \$3,000;
 - Rail Trail Run & Ride \$2,000;
 - Bridport Splash \$4,000;
 - Tomahawk Easter Family Fun Day \$500;
 - Mannalargenna Day \$2,500;
 - Ringarooma Show \$2,000;
 - Rotary Christmas Parade \$500;
 - Bridport End of Summer Party \$2,000;
 - Mental Health Week - Family Fun Day \$1,000;
 - North East Arts & Craft Festival \$3,000;
 - Meatstock Event \$5,000; and
 - Discretionary Fund \$10,000.

NOTE 12 | Depreciation

	2023/24 Budget \$'000	2022/23 Forecast \$'000	Variance % Movement	2022/23 Budget \$'000	Budget Variance % Movement
Roads	2,666	2,419	10.2%	2,343	13.8%
Bridges	556	525	5.9%	480	15.8%
Plant, machinery and equipment	676	586	15.4%	584	15.8%
Buildings	407	384	6.0%	377	8.0%
Stormwater	224	220	1.8%	290	(22.8%)
Land improvements	430	478	(10.0%)	390	10.3%
Computer and technology	130	121	7.4%	135	(3.7%)
Fixtures, fittings and furniture	12	12	0.0%	4	200.0%
Total Depreciation	5,101	4,745	7.5%	4,600	10.9%

Council's depreciation expenditure is expected to increase by \$356,000 in the 2023/24 financial year. This represents an increase of 7.5% on forecast actuals for the 2022/23 financial year and a 10.9% increase on the 2022/23 budget estimates.

This increase is a result of a review of current asset values and replacement costs which shows Council will be required to index infrastructure assets such as roads, stormwater and buildings at levels higher than CPI at 30 June 2023.

Borrowings

Council are proposing to draw down new borrowings of \$0.5 million during the 2023/24 financial year.

The below table details Council's original loan amount, however, note as at 30 June 2024 due to loan repayments, the balance is expected to total \$3.8 million.

	2023/24 Budget \$'000	2022/23 Budget \$'000
Local Government Loan Program	3,200	3,200
Other borrowings	2,500	2,000
Total Borrowings	5,700	5,200



Ringarooma Valley, Ringarooma

Calculation of Rates and Charges

Rating Structure

Council has a rating structure consisting of three components. This structure complies with the Act and comprises the following components:

1. General rate - a rate calculated as a rate in the dollar applied to the Assessed Annual Value (AAV) of the rateable property, with a minimum amount payable;
2. Waste management and waste collection - a service charge in respect of prescribed services where provided; and
3. Fire Levy - rate based on AAV charged to recover amounts payable for the fire levy, with a fixed minimum amount. The fire levy is recovered on behalf of the State Government.

General Rate

It is recommended that the general rate revenue base increase by 6.9% in line with Hobart March quarter CPI. The general rate cents in the dollar of AAV will be 5.6170 for the 2023/24 financial year (2022/23: 5.2432 cents in the dollar of AAV).

It is further recommended that Council introduces a varied general rate (cents in the dollar of AAV) of 11.234 cents for Short-term Accommodation (STA) properties in the municipality. It is considered that this is a more equitable rating mechanism than the Varied Waste Management Charge, which is recommended to be discontinued in 2023/24.

Waste Management

The standard waste management charge (per property) will increase by \$19.00 to \$139.00 for the 2023/24 financial year (2022/23: \$120.00).

Recommended Rates and Charges

The following rates and charges are recommended for the 2023/24 financial year:

	2023/24 \$	2022/23 \$
General Rate		
General rate cents in the dollar of AAV	5.6170	5.2432
General Rate Minimum Charge	450.00	320.00

	2023/24 \$	2022/23 \$
Varied general rate cents in the dollar of AAV: Commercial properties, Derby	-	10.4863
Varied general rate cents in the dollar of AAV: STA properties	11.2340	-
Waste Management		
Standard Waste Management Charge (per property)	139.00	120.00
Varied Waste Management Charge		
- Derby, Branhholm and Winnaleah	-	3,020.00
- Scottsdale, Tomahawk, and Bridport	-	1,920.00
Kerbside Garbage Collection		
Small (80 Litre) MGB	136.00	127.00
Medium (120 Litre) MGB	160.00	149.00
Large (240 Litre) MGB	311.00	290.00
Kerbside Recycling Service	152.00	142.00
Fire Service Levy		
Scottsdale and Bridport Volunteer Brigade Districts	0.2889	0.2966
General Land District	0.2712	0.2591
Fire Service Levy Minimum Charge	48.00	44.00

Instalment Payments of Rates and Charges

It is recommended that Council maintain the four instalments in 2023/24 and continue to charge daily interest on any outstanding amounts.

The following table indicates the instalment dates for the 2023/24 financial year.

	Due Date	Date Interest Applied
Instalment 1	30 September 2023	15 October 2023
Instalment 2	30 November 2023	15 December 2023
Instalment 3	31 January 2024	15 February 2024
Instalment 4	31 March 2024	15 April 2024

Dorset Council

2023/24 Capital Expenditure Budget



Resheeting works on Ten Mile Track, Springfield

2023/24 Capital Expenditure Budget | Summary

A Capital Works Program totalling \$10.3 million is recommended. The 2022/23 capital budget was \$12.1 million (including budget variations), however \$3.7 million of this budget is expected to be carried forward into the 2023/24 financial year.

Total Capital Expenditure Budget

	Renewal \$'000	New & Upgrade \$'000	Total Budget \$'000
Bridges	254	255	509
Roads	2,754	954	3,708
Stormwater	242	78	320
Buildings	433	258	691
Land Improvements	162	290	452
Plant and Equipment	733	113	846
IT and Communications	70	3	73
Carry Forward Projects	717	3,025	3,742
Total	5,365	4,976	10,341

Funding the Budget

	Total Budget \$'000	External Funding \$'000	Council Funding \$'000
Bridges	509	56	453
Roads	3,708	1,459	2,249
Stormwater	320	-	320
Buildings	691	325	366
Land Improvements	452	124	328
Plant and Equipment	846	185	661
IT and Communications	73	-	73
Carry Forward Projects	3,742	2,283	1,459
Total	10,341	4,432	5,909

2023/24 Capital Expenditure Budget | Highlights

Roads

Council's total capital expenditure for roads amounts to \$3,708,000.

Key projects include:

- Annual resheeting and reseal program - Subject to Tender;
- Gillespies Road Upgrade, Nabowla - \$655,000; and
- Golconda Road pavement renewal from Denison River - \$546,000.

Plant and Equipment

Council's total capital expenditure for plant and equipment amounts to \$846,000. Major purchases include:

- Sidearm Slasher - \$93,000;
- Dual Cab Truck (Bridport Town Maintenance) - \$83,000; and
- Two way radio system - \$50,000.

Land Improvements

Council's total capital expenditure for land improvements amounts to \$452,000. Key projects include:

- Blue Derby Mountain Bike Trails: Rusty Crusty Bridge and Trail rebuild - \$105,000; and
- Northeast Park Mountain Bike Trail (incl. carry forward) - Subject to Tender.

Buildings

Council's total capital expenditure for buildings amounts to \$691,000. Key projects include:

- Renew amenities at Eastmans Beach (Bridport Seaside Caravan Park) - Subject to Tender; and
- Re-roof Derby Town Hall - Subject to Tender.

Bridges and Stormwater

Council's total capital expenditure for bridges and stormwater amounts to \$829,000. Key projects include:

- Upgrade Bridge 1572 Haas Rd/Frenches Creek - Subject to Tender;
- Bridge 1508 renewal, Garibaldi Rd - \$75,000; and
- Upgrade stormwater pipe line South St, Bridport - Subject to Tender.

IT and Communications

Council's total capital expenditure for IT and communications amounts to \$73,000. Key projects and purchases include:

- Computer and Laptop replacements - \$40,000; and
- Renew tape unit and back-up tapes - \$20,000.

Carry forward projects:

Council's total carry forward amounts to \$3,742,000. Key projects to be completed include:

- Rail Trail - \$1,500,000;
- Old Waterhouse Road safety improvements and upgrade - \$581,000;
- Carisbrook Lane intersection and underpass works - \$210,000;
- Works on Maurice Road Bridge (1515) and Duncraggen Road Bridge (1617) - Subject to Tender; and
- Scottsdale Railway Station restoration - \$100,000.