



## **Appendix 3b**

### **16.1 Budget 2021/22**

*Public Submissions*

# **Ordinary Meeting of Council**

Wednesday 23 June 2021 at 7:00pm

Via videoconference (Zoom)



## **Public Submissions**

**Draft Revenue and Rating Plan**

**Draft Budget 2021-22**

## Draft Revenue and Rating Plan

No submissions

## Draft Budget 2021-22

No.	Submitter	Summary of Question/Comment (extracts)	Officers' Comments
1	Submitter 1	Beach Signage, particularly Point Lonsdale beaches.	<p>Prime responsibility lies with DEWLP. However, Council has done some preliminary work by obtaining a quotation from Life Saving Victoria to undertake a risk and signage assessment and audit covering the coastal areas of the Borough.</p> <p>Council officers will continue to look for grant opportunities and continue to advocate that DEWLP fund the project.</p> <p>There is an opportunity to reconsider Council funding the project at one of the forecast reviews for the 2021-22 if a grant contribution cannot be secured</p>
2	Submitter 2	As a long term resident and parent I love to see an upgrade on the skate be something for consideration. It is very old and a lot of towns are lucky to getting new concrete for families and teens to skate/ scooter on.	<p>Council has done significant repair work recently to improve the condition of the skate park.</p> <p>It is recommended that this is considered as part of future budget initiatives subject to community consultation and the availability of grant funding.</p>
3	Submitter 3	<p>The GCPRAI welcomes the modest adjustment of the annual fees at Golightly Caravan Park. It should be noted that even with this reduction the Annual fees at Golightly Caravan Park are 45% higher than the equivalent at the Recreation and Vic Park.</p> <p>Given the high fees that are applicable only to Golightly, we request that our licenses should allow the following visitors;</p> <ul style="list-style-type: none"><li>- The owners of a van</li><li>- Any person from the owner's immediate family</li></ul>	<p>Council has made a commitment to undertake a review of the Tourist Park operations in the coming financial year.</p> <p>The issues raised in this submission can be considered and addressed through that process.</p>

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		<ul style="list-style-type: none"> <li>-The above comes with a few strict conditions, such as</li> <li>- The number of people staying in a van at any one time must not exceed the number of people the van can sleep</li> <li>- Queenscliff Tourist Parks must be advised whenever people from within the family group are going to stay at the van.</li> <li>- The existing restrictions about the number of days that the van can be used remain</li> <li>- There is to be no sub-letting</li> </ul>	
4	<b>Submitter 4</b>	<p>Gravel surface sealed on the carpark outside the Uniting Church</p> <ul style="list-style-type: none"> <li>- A uniform look and feel of carparks at the east end of Stokes Street</li> <li>- The gravel car parks are extremely difficult to navigate in wet weather</li> </ul>	<p>Council officers have not identified this as a priority project. However, the area between the road pavement and the kerb and channel on the north side of Stokes Street between Hesse Street and St' Andrews' place could be upgraded potentially under the Local Roads and Community Infrastructure (LRCl) Program, opening in January 2022.</p> <p>The type of upgrade (appropriate surface) would be subject to advice regarding tree protection and long term tree health from a qualified arborist and consideration of urban character.</p> <p>Council will consider the project when finalising the quarter 2 forecast for the 2021-22 financial year.</p>
5	<b>Submitter 5</b>	<p>5.a We firstly note with some concern the lack of involvement of the Governance and Finance Committee in this important budgetary process. This is particularly of concern given a new Council and the adoption of the CERP that has the potential of unknown expenditure and Financial implications. The QCA would request some explanation for the deviation in practice and believe such community contributions would be consistent with S 55 of the LGA.</p>	<p>Based on the input Council has received in the previous Governance and Finance Committee meetings, Councillors and management felt that such questions could have been raised and discussed more appropriately in the budget presentation to the wider community for the benefit of everyone.</p> <p>Council held a budget presentation to the Community and a Q&amp;A session on the 2June 2021, providing equal opportunity for residents and ratepayers to provide feedback on the draft budget their views and ask for more clarity about items within the budget papers.</p>

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			<p>In addition any residents and ratepayers could make a submission on the draft budget t during the budget submission consultation period.</p> <p>Both of these processes align with the objectives of the s.55 of the Local Government Act 2020</p> <p>With respect to Governance, Council presents the draft budget to the Independent Audit and Risk Committee of Council, which comprises of four independent members.</p>
		<p>5.b The QCA are concerned with the funding sources or streams, immediate budgetary and resourcing impacts and future impacts on the budget. The QCA request detailed financial modelling be provided to fully inform the community on its ability to meet expectations resulting from the CERP.</p> <p>The significant and unfunded costs associated with the CERP initiatives, have not yet been revealed, but we would seek advice as to what Council functions will be scaled back or deleted completely, to accommodate these new initiatives, in what is a particularly tight operating budget. Again, some modelling and further financial information is requested to disclose budgetary impacts.</p>	<p>An allocation of \$30,000 is included in the 2021-22 draft budget to develop a CERP implantation plan. A detailed analysis of the financial implications resulting from CERP initiatives will be modelled and detailed as a part of this plan.</p> <p>Council has included the following projects which align to CERP actions in the 2021-22 draft budget. These initiatives are also linked to other ongoing programs of Council and hence have been included in the 2021-22 draft budget, though the development of the CERP implementation plan also to be started during the 2021-22 financial year.</p> <ul style="list-style-type: none"> <li>• \$40,000, development of an active transport strategy for the Borough;</li> <li>• \$10,000, development of a reconciliation plan (First Nations people); and</li> <li>• \$70,000, two electrical vehicle charging stations.</li> </ul>
		<p>5.c A high priority will be to assess the Heat mapping exercise currently being undertaken</p>	<p>The outcomes of this project, when complete, will be considered in future budget processes.</p>
		<p>5.d Strategy to maintain and then increase tree canopy cover in the Borough. This will require strategic tree retention policies and maintenance regimes. This should be a fundamental priority of Council. Retention of a mature tree coverage is an essential character of the Borough</p>	<p>Council has included \$20,000 in the draft budget to develop a vegetation management policy for the Borough. The Policy will address all of the matters raised in the submission. It is noted also that the Queenscliffe Planning Scheme currently contains significant protection for vegetation.</p>

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		<p>and an important unrecognised asset (in a financial sense in the Budget).</p> <p>A Significant Tree register needs to be completed and implemented.</p>	
		<p>5.e The QCA has previously submitted requests a system of undergrounding powerlines in heritage areas to retain canopy cover and as a climate change measure. Financially, such measures may save Powercor clearance costs. Power bundling power lines should be an option also. Key areas may include the Point Lonsdale end of the Cypress Avenue Bellarine Highway. Hobson Street. King Street etc.</p>	<p>No undergrounding of power initiatives are currently proposed. Undergrounding of power is very expensive (e.g the undergrounding of power Hesse St South cost \$240,000 for 210m) and so further investigation is required to identify the community benefit outcomes that would justify this diversion of limited funds from other asset renewal or upgrade.</p>
		<p>5.f In line with the intention of the new LGA to provide greater accountability and transparency the QCA again requests a clear financial separation and disclosure of Council business and Crown Land management.</p>	<p>The Borough is a small coastal town, except for very few assets, all buildings and infrastructure assets including roads, used to provide various services to the community are located or built on crown land.</p> <p>Council is aware of the risk of the dependency on income from caravan parks (all caravan parks are situated on Crown land except for parts of Golightly Park). Council mitigates this risk by ensuring that the current operating model is financially sustainable. There have been numerous discussions between Councillors and Officers about the financial sustainability of Council, and the importance of maintaining revenue sources in particular those operations that are located on Crown Land lead up to the draft budget.</p> <p>The separation between the income from business operations and the expenditure on Crown Land management is set out throughout the Budget papers. For instance the lease income from Crown Land properties is provided at note 4.1.6 of the draft Budget. The surplus generated from tourist parks can be found on page 25 of the draft budget.</p> <p>The total net income from Crown land is spent on maintenance work on Crown land under "Asset Management and Appearance of Public Places" (page 21 of the draft budget) and "Coastal Protection" (page 24 of the draft budget).</p>

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			<p>In summary,</p> <table border="1" data-bbox="1070 167 2004 817"> <thead> <tr> <th data-bbox="1070 167 1798 248"><b>Crown Land management</b></th> <th data-bbox="1798 167 2004 248"><b>2021-22 Budget (in \$)</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="1070 248 1798 292"><b>Net contribution from Crown land</b></td> <td data-bbox="1798 248 2004 292"></td> </tr> <tr> <td data-bbox="1070 292 1798 373">The surplus generated from tourist parks (page 26 of the draft budget) - Note 1</td> <td data-bbox="1798 292 2004 373">807,000</td> </tr> <tr> <td data-bbox="1070 373 1798 494">Lease income from Crown Land properties is given at note 4.1.6 of the draft Budget</td> <td data-bbox="1798 373 2004 494">100,000</td> </tr> <tr> <td data-bbox="1070 494 1798 568"><b>Net contribution from Crown land</b></td> <td data-bbox="1798 494 2004 568"><b>907,000</b></td> </tr> <tr> <td data-bbox="1070 568 1798 611"></td> <td data-bbox="1798 568 2004 611"></td> </tr> <tr> <td data-bbox="1070 611 1798 651"><b>Used to fund services in Crown land</b></td> <td data-bbox="1798 611 2004 651"></td> </tr> <tr> <td data-bbox="1070 651 1798 694">Coastal Protection (page 26 of the draft budget) - Note 2</td> <td data-bbox="1798 651 2004 694">(321,000)</td> </tr> <tr> <td data-bbox="1070 694 1798 775">Asset Management and Appearance of Public Places (page 21 of the draft budget) - Note 3</td> <td data-bbox="1798 694 2004 775">(1,179,000)</td> </tr> <tr> <td data-bbox="1070 775 1798 817"><b>Net deficit funded via rates and operating grant</b></td> <td data-bbox="1798 775 2004 817"><b>(593,000)</b></td> </tr> </tbody> </table> <p data-bbox="1070 858 2031 1066"><u>Note 1- Total projected income from tourist parks for the 2021-22 financial year is \$1,724,000 of which \$345,735 is from the Golightly park. Council's current financial system is not designed to record operating expenses of the Golightly park separately to ascertain the net contribution from the Golightly park. However, if apportioned based on the gross income, a net contribution of \$162,000 can be attributable to the Golightly park.</u></p> <p data-bbox="1070 1109 2031 1212"><u>Note 2- The net result for the Coastal Protection program shown on the draft budget is the net of the lease income from Crown Land properties. It has been grossed up in the above summary as the lease income is shown separately.</u></p> <p data-bbox="1070 1256 2031 1359"><u>Note 3- Includes operating expenses associated with maintaining some Council buildings that are not situated on Crown Land, however, the total cost in the 2021-22 budget is only \$35,000.</u></p>		<b>Crown Land management</b>	<b>2021-22 Budget (in \$)</b>	<b>Net contribution from Crown land</b>		The surplus generated from tourist parks (page 26 of the draft budget) - Note 1	807,000	Lease income from Crown Land properties is given at note 4.1.6 of the draft Budget	100,000	<b>Net contribution from Crown land</b>	<b>907,000</b>			<b>Used to fund services in Crown land</b>		Coastal Protection (page 26 of the draft budget) - Note 2	(321,000)	Asset Management and Appearance of Public Places (page 21 of the draft budget) - Note 3	(1,179,000)	<b>Net deficit funded via rates and operating grant</b>	<b>(593,000)</b>
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			Council will review this matter and determine whether further detailed recording of Crown land management activities, as a part of the implementation of the new corporate system.
		<p>5.g Post COVID lockdowns the QCA asks what savings or efficiencies have been identified by Council in its administration and whether effective cost savings can be delivered. This should not mean a dismantling of high value services such as Aged Care.</p> <p>The QCA note potentially excessive communication and media resources that potentially sell a Council message and a failure to fully grasp community engagement and energies.</p>	<p>Council has negligible non-essential spending in its budget. However, there has been some temporary savings especially in relation to the operational cost of tourist parks. There will not be any ongoing savings resulting from the COVID lockdown.</p> <p>In the current year, Council has done a thorough analysis of its operating expenses. The ongoing operational efficiencies identified as a result of this exercise have been reinvested in the 2021-22 budget as investments for the future to achieve a greater level of operational efficiencies and additional income from tourist parks in the future.</p> <p>The resources budgeted for media and communication are commensurate with the expectations of our community to participate in strategic decision-making. Many more people in our community can have their say on local matters and gain an open and informative insight into the work Council is undertaking because of the recent investment in engagement, including the current community panel process for the Community Vision and the development of the Council Plan.</p> <p>The objective of s.55 of the Local Government Act 2020 will see further investment in community engagement as Council develops the plans and strategies required under the Local Government Act 2020.</p>
		5.h The Heritage Review needs to be completed.	Included in 2021-22 draft budget and the project will be completed in 2021-22.
		5.i The Coastal Management Plan needs to be completed	Included in 2021-22 draft budget and the project will be completed in 2021-22.
		5.j Shortland's Bluff clearing of woody weeds. This can be implemented immediately and grants	It is recommended that these are considered as part of future budget initiatives. However, any new work at Shortland's Bluff is subject to further community consultation.



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		<p>accessed, potentially via Bellarine Catchment Network as previously noted and reported to Council.</p>	
		<p>5.k It is again noted the fine line between rate income and administration costs leaving little discretionary funds.</p>	<p>This small gap is an inherent risk for the Borough of Queenscliffe due to the limited number of the ratepayers and the increasing requirements and statutory responsibilities set out in relevant legislation. 70% of Council's budget is expended providing services required under legislation.</p> <p>Council is well aware of this risk as acknowledged in the 2021-22 draft budget. Decisions that will create additional ongoing operational commitments will be taken only after a very detailed and comprehensive analysis of the financial implications of such decisions.</p>
		<p>5.l The proceeds from Murray Road sale (\$3.5m) need to be clearly separated and managed. This needs to be a transparent asset in the Balance Sheet.</p>	<p>The sales proceeds are kept in a separate reserve account as detailed in the Q3 financial report of Council and details about any movement in the reserve balance will be disclosed under "Other reserves" in the financial statements.</p> <p>Council has recently reviewed and revised its policy, CP039 Discretionary Reserves, which requires any movement in reserve accounts to be separately disclosed in quarterly financial reports.</p> <p>Council will seek community feedback in the future to identify suitable investment opportunities to best use sales proceeds of the Murray Road land. Council intends to invest such money only on projects that will generate additional revenue to the Borough or bring a greater level of operational efficiencies (invest to save).</p>
6	<b>Submitter 6 (late submission)</b>	<p>PLONQ Committee's registration of interest to be considered for project funding for the concept development, brochure design, printing and marketing of two new Websites that will promote the Borough of Queenscliffe's seaside towns of Point Lonsdale and Queenscliff</p> <ul style="list-style-type: none"> <li>— <a href="http://www.queenscliffvictoria.com.au">www.queenscliffvictoria.com.au</a></li> <li>— <a href="http://www.pointlonsdalevictoria.com.au">www.pointlonsdalevictoria.com.au</a></li> </ul> <p>Our region does not have representation on the world wide web stage. We need a high</p>	<p>\$7,000 funding support is requested to cover the cost of website development, marketing and posting content on websites and Instagram. This will also cover Steve Kritopoulos (Kryptonite design), John Begg and Theo Mantalvanos time spent working on this project.</p> <p>After a proper assessment of benefits to the community of this initiative, this will be considered under existing budget allocations. PLonQ Inc will be requested to submit a formal request under the community grant program and the request for funding will be considered along with applications for funding by other community groups.</p>

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		<p>quality website(s) that will portray what the BofQ offers by using the two towns as key focus areas to sell the areas many benefits to locals, regional communities and tourism visitors alike.</p>	
7	<p><b>Submitter 5 (supplementary commentary to first submission, late submission)</b></p>	<p>7.a The QCA have banged the incessant drum on Budget sustainability and proper reporting of Crown and Council businesses</p> <p>7.b Council does not upgrade its own asset Golightly Park preferring Crown land assets is puzzling. Why it doesn't devote improving occupancy here is additionally puzzling</p> <p>Also with regard to the Park income exceeded their prediction yet costs escalated almost 20%. What caused that? How is that explained</p> <p>7.c Why Queenscliff is repeatedly off any tourism 'maps' and 'attractions' indicates either GGBT or Council tourism is not doing its job plugging the</p>	<p>Covered under 5.f above</p> <p>Council will make further capital investments in its caravan parks in line with its Caravan Parks Development Master Plan, and has committed to working with representatives of the Golightly Park long term guests as part of that process.</p> <p>In the 2021-22 budget Council has included funds for a review of the Tourist parks operating model, with a view to improve operational efficiencies and improve occupancy rates.</p> <p>The uncertainty of the COVID environment makes it difficult to predict costs and income.</p> <p>Since caravan parks were closed for 4 months in the 2019-20 financial year, the total operating cost was underestimated. It should be noted that the average operating cost per year pre-Covid has been around \$865,000.</p> <p>There has been an increase in operating cost in 2020-21 due to additional cleaning, putting in place COVID safe plan, etc. However, the increase in operating cost in 2021-22 can largely be attributable to the allocation of \$55,000 in the 2020-21 forecast for various minor upgrade work (e.g. repainting, refurbishing etc.).</p> <p>Overall, a 1.5% reduction in operating expenses is projected for 2021-22 even after including the \$100,000 incremental cost of the new operating model of tourist parks.</p> <p>It is not clear which maps the QCA is referring to.</p>

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		<p>heritage and environmental attractions of the townships. It possibly could indicate that the Ferry tourism does not sustain or foster real effective tourism but rather is a traffic route that then requires high cost infrastructure spends that diminish the look and feel of Queenscliffe. Staggering!!</p> <p>\$30,000 spent on GGBT needs to be seriously questioned and Council examine lower cost exposures free press etc etc. Where is the value add?</p>	<p>Queenscliff and Point Lonsdale appear in many lists of attractions in the region, gaining great value from the small paid team and budget allocated to this function, both internally and through Tourism Greater Geelong and the Bellarine (TGGB).</p> <p>The recent Postcards episode highlighting the attractions of Queenscliff is a good example of the value TGGB can bring to Visitor economy marketing.</p> <p>As was a 3-page RACV Royal Auto feature specifically on Queenscliff at the end of 2019.</p> <p>Other benefits are set out in the report included in the agenda for the Ordinary Council Meeting – May 2021.</p> <p>Council contributes \$20,555 to TGGB. This is a small part of the \$2.2 mil regional investment in TGGB.</p>
		<p>7.d Toilet design plans are not toilet upgrades. A town without a main street toilet is tourism madness. Not having clean and maintained toilets is tourism madness.</p>	<p>Toilets will be available in the main street once the Queenscliffe hub upgrade is complete in November. There are currently 5 toilets open 24 hours within close proximity to Hesse Street.</p> <p>Whilst designs are not toilets upgrades as stated, the design process is a vital opportunity to ensure all relevant stakeholders are consulted, permits are obtained and asset management requirements are considered.</p> <p>The works currently included in the 2021-22 budget are in line with the toilet strategy of the Borough and any proposed works will follow based on budget allocations and availability.</p> <p>Council officers are working with the current toilets cleaning service providers to improve the standard of cleaning and have increased the frequency of auditing. Where toilets require attention in is recommended that residents contact Council's customer service team in order to have the matter rectified as soon as possible. This data assists in ensuring the service provider continues to perform optimally.</p>

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		<p>7.e Council Core Business is unsustainable in trend The key danger in short term is expenditure on admin is outgrowing rate revenue This requires more than 5 minutes to explain but the scenario looks bleak</p> <p>Underlying Deficit -Mixed and contradictory messages for reasons behind deficit. Apparent or other reasons not provided. Lets fill in the gaps.</p> <p>In the Quarterly blame laid at feet of Covid losses at Park yet the draft budget doc states reason is loss of Boat fees (covered largely by the advanced grant!!)</p> <p>This is arguably either a sloppy or contradictory analysis in the Executive statement or simply just a rehash of past Budget papers as per explanation. Ratepayers expect more meaningful clarifications and explanations. COVID presented its share of challenges but Council was not agile in addressing its own expenditure.</p>	<p>The underlying result (operating result) checks Council's ability to continue to provide core services and meet its objectives (in simple terms it checks whether Council has enough ongoing income to meet its day to day operational requirements and to manage asset renewal demands). The underlying result is calculated by adjusting the operating surplus/(deficit) for the year by deducting non-recurrent capital funding (circa operating income minus operating expenses including depreciation).</p> <p>One of the key expectations of this indicator is that it requires Council to spend its operating income on capital renewal and upgrade work, at a minimum, an amount equal to annual depreciation expenses. However, in most instances, Council secure non-recurrent capital grants to manage some of its renewal and upgrade work. This allows Council to spend operating income on non-recurrent operating expenses (e.g. review of the town planning scheme, development of the coastal management plan, development of an active transport strategy, development of an asset management plan, etc.) more than the underlying results allow. Council does not have any intention to spend money on these initiatives every year, as they do not create any ongoing financial commitment. Hence, when assessing the true financial sustainability which is a medium to longer-term measure, such non-recurrent expenses need to be excluded.</p> <p>Further, a reported underlying result is impacted by the timing of operating grants. E.g. 70% of 2020-21 Financial Assistance Grant (FAG) received in advance in 2019-20. As a result of such timing differences, income and corresponding expenses get reported in different financial years.</p> <p>Accounting profits and losses (book profit and losses) of the sale of Council assets, assets write-offs and reclassification of capital expenditure as operating expenditure not meeting the definition of Australian accounting standards, are also impacting the reported underlying result. E.g. approximately \$807,000 accounting profit is projected from the sale of Murray Road land and at the same time, \$543,000 accounting loss is expected due to the demolition of the Historical Museum building for the construction of Qhub. However. These transactions are not having an impact on the ongoing financial sustainability of Council.</p>

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			<p>Council always exclude/adjust for the above transactions before analysing the underlying result to assess the financial sustainability of Council. On this basis, the following adjusted underlying results are explained in the 2020-21 quarter 3 financial report and 2021-22 draft budget.</p> <ol style="list-style-type: none"> <li>1. Forecast 2020-21 : adjusted underling loss of \$302,000</li> <li>2. Projected 2021-22: adjusted underlying surplus of \$44,000</li> <li>3. Projected 2022-23 to 2024-25: adjusted average annual underlying deficit of \$113,000</li> </ol> <p>1. The Quarter 3 report refer to forecasts the end of year position for 2020-21, in this case an underlying deficit, of Council against the expenditure and revenue projections for 2020/21.</p> <p>With respect to the BBV grant, BBV has paid Council \$115,000 annually for the last two years, including 2020-21, as compensation of the loss of boat ramp parking fees. This is why Council has not reported a loss of income from boat ramp parking fees as a reason for projecting an underling deficit for the current year. The 2020-21 deficit can largely be attributed to the income losses from the tourist parks and other fees and charges due to COVID as stated in the quarterly report.</p> <p>2. The underlying position for 2021-22 is the forecast outcome against expenditure and revenue projections in the 2021-22 draft budget. All things being equal, at the end of the 2021-22 financial year Council will meet these projections.</p> <p>BBV has already paid (in advance) another \$115,000 for the 2021-22 financial year, with this grant money and the exclusion of all non-recurrent operational commitments, Council is projecting a breakeven underlying result (small surplus if \$44,000) for the 2021-22 financial year as set out in the draft budget.</p>

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			<p data-bbox="1070 137 1995 201">3. Projections for the following three years, i.e. 2022-23 to 2024-25, Council projects average an annual underlying deficit of \$113,000.</p> <p data-bbox="1117 245 2024 488">As stated in the budget, Council has not included any payment from BBV as compensation for loss of income from boat ramp parking fees in these three years projections as at this point in time BBV has not provided Council with any assurance about continuing with that annual grant payment beyond 2021-22 financial year. However, Council has an opportunity in the coming 12 months to find other operational savings to minimise that potential deficit.</p> <p data-bbox="1117 533 2018 596">Because of this, what appears to be a contradiction is actually two separate matters due to separate reasons.</p> <p data-bbox="1070 676 2007 810">The current operating model of Council is financially sustainable. However, Council is well aware of the potential risk and challenges such as dependency on income from Caravan parks and the impact of the loss of income from boat ramp parking and permit fees.</p> <p data-bbox="1070 855 2007 1098">Council is making investments for the future in the 2021-22 budget to achieve operational efficiencies and additional ongoing income via new initiatives/projects included in the 2021-22 budget (new operating model to manage tourist parks, new corporate system, new organisational structure, etc.). However, detailed cost efficiencies and additional income figures are not possible to estimate until project plans and operational requirements are further developed.</p> <p data-bbox="1070 1142 1995 1315">Council will seek community feedback in the future to identify suitable investment opportunities to best use sales proceeds of the Murray Road land. Council intends to invest such money only on projects that will generate additional revenue to the Borough or bring a greater level of operational efficiencies (invest to save).</p>

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		<p>7.f A staff re organisation should ideally restrain or reduce costs. This has not been the case but imposed a massive hit on ratepayers. Can this be explained?</p> <p>Can councillors seriously question staff costs</p> <p>Sadly Councillors you need to come to grips with expanding Staff costs of \$322,000 plus. This is unsustainable!</p> <p>Rate Capping limits Council rate revenue- our major source of revenue funding an administration already breaking the bank.</p> <p>If we have to keep paying \$300k extra staffing recipe for disaster!</p> <p>When you look at rises in staff costs 9% and a 15% increase in super - a staggering \$322,000 increase in expenses why isn't that blamed for the underlying deficit??</p> <p>Fine income negligible Yet high staff costs</p>	<p>Have provided details under the note "4.1.7 Employee Cost" in the draft budget.</p> <p>Council has budgeted for a 1.5% rate increase. This aligns with the rate cap set by the State Government.</p> <p>In this context it is not clear what QCA means by 'massive hit'.</p> <p>The increase in staff costs have been achieved by finding savings in other parts of the operating budget throughout the organisation.</p> <p>Employee cost for 2020–21 is understated by approximately \$77,000 due to temporary staff vacancies. If there had not been any temporary staff vacancies in 2020–21, the increase in employee cost for 2021–22 would have been \$340,000 (7.5%).</p> <p>It is important to note that two components of the increases are fixed – EBA pay increase and increase in superannuation contributions. This represents \$100,000 of the increase.</p> <p>If we take away the fixed increases \$100,000 from \$340,000, the increase to staff costs, or new staff spending is \$240,000 or 5%. This is made up of:</p> <ul style="list-style-type: none"> <li>• \$98,000, the incremental cost of new organisational structure effective 1 July 2021. Net increase of 1.2 FTE.</li> <li>• \$112,000, new position, full time park manager (1 FTE, 2-year contract), to manage tourist parks under the revamped operating model</li> <li>• \$30,000, additional cost for a 12 month maternity cover;</li> </ul> <p>Out of this \$204,000 will be positions under fixed-term contracts which do not create ongoing operating cost commitments for Council.</p> <p>In summary the increase in recurrent staffing costs, without the fixed increases is \$36,000 or a 0.7% increase in underlying staff costs.</p>

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		<p>7.g No proper Governance and Finance oversight took place</p> <p>7.h Also what were the SH st blow-out expenses?? very unclear in docs Projects that blow more than \$100,000 and funded by or exposed to ratepayer risk is unsustainable and inexcusable. IT is arguably poor project management not to keep to budget and manage cost blow outs.</p> <p>Project Budget controls need to be instituted. Contract revisions Spec details changed adding to costs unsustainable. Wastage is inexcusable when projects should be properly engaged and scoped.</p>	<p>Covered under 5.a above</p> <p>Councils Hesse Street project is not included in the 2021-22 budget as the project was completed in the current financial year. This was a multiyear project that started in the 2019- 20 financial year.</p> <p>The \$94,000 additional BoQ contribution for Hesse Street South project was to cover the replacement of an old asbestos water main, adjustments made to two sewer pits, and additional work in relation to power connection works for three properties with the undergrounding of the power service. These details were included in the Q2 financial report presented to the Council on 17 February 2021. However, the actual cost overrun was \$89,976.</p>
		<p>7.i Debacles of Aged Care and Bike Park (costs \$50-60?k waste)</p>	<p>The Commonwealth has changed funding models for Aged Care. The project to review the provision of the service was required to determine how and if Council would continue to provide the service. Given that Council will not be able to subsidise the service and suppress costs to Clients under the new funding model it was important to investigate if clients would still use the service in the likely scenario that Council would offer less for more.</p> <p>Aged Care is a high priority for Council as demonstrated by the recent decision to continue providing the much loved Commonwealth Home Support Program. The clients of the Aged Care service, and the many community members who worked with Council to consider ongoing provision of the service regard Aged Care as a success story of the Borough and of the consultative process used to consider the service.</p> <p>The bike park project resulted from damage to Council's valuable and environmentally sensitive foreshore areas which were being used for bike</p>



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			riding. Community feedback at the time was that Council needed to provide additional recreational opportunities for children in the Borough. Council will be undertaking further engagement on this project in the 2-21-22 financial year. The topic has been polarising, with significant and divergent views within the community.
		7.j Also the book profit in sale of Murray road around \$900k What will money be used for? Surely the book /monetary profit should have repaired any deficit? This financial windfall should not be seen as a Golden egg.	Covered under 5.l above about the sale of Murray Road land.  As covered in 7.e above, Council excludes the impact of such transactions in assessing the financial sustainability (underlying result) of Council.
		7.k Look at the projects being touted (Community Benefit?) Town Hall focused and the rest are design plans nothing concrete or implementation plan for CERP and 2 bowsers at town hall to recharge	Comments noted.
		7.l Already raised has been the new CERP plan How to be financed? WHAT are the real costs going to be	Covered under 5.b above