

City of Launceston

Proposed Statutory Estimates Year Ending 30 June 2023

The Proposed Statutory Estimates for 2022/23 forecast an Underlying Deficit of \$2.849M. Including externally funded Capital Grants of \$1.621M and the \$3.700M contribution to the Tamar Estuary River Health Action Plan (TERHAP), an Operating Deficit of \$4.928M is forecast.

Like all tiers of Government, City of Launceston finds itself in budget recovery mode after the Covid-19 pandemic. Council approved a Nation leading Community Care and Recovery Package, during April 2020, in response to the Covid-19 pandemic. The package included the provision of rate remissions, rent and fee relief, community grants program and the freezing of all rate increases for 2020/21. Council elected to freeze rates in 2020/21 as part of the \$8.700M Community Care and Recovery Package in response to the Covid-19 pandemic, after an initial proposal to increase rates by 3.9%. This resulted in lost revenue in excess of \$2.200M in the 2020/21 year. This lost revenue compounds annually given it was a true freeze, not an increase and subsequent remission of rates.

Council constantly reviews its Long Term Financial Plan with a view to returning to a small underlying surplus in the medium term.

Council has budgeted for a general rate increase of 3.75% in 2022/2023, in line with Council's Long Term Financial Plan along with 0.75% of growth in the rating base.

The Waste Management Charges will increase by \$22.20 per 85 litre bin, \$22.45 per 140 litre bin, and \$27.55 per 240 litre bin. The increases are mainly due to the collection and management of the Food Organics Garden Organics (FOGO) service now being included in this charge and the rising materials recycling costs as well as the increase in average weight of kerbside waste being collected per bin over the last 12 months.

The large increase in the waste rate can be attributed to a variety of factors, including;

- FOGO collection and management costs now being included. Previously the only cost was a one-off bin purchase fee. Council is unable to absorb the cost of the ongoing service.
- Increasing contractor costs for the kerbside collection and disposal costs associated with waste and recycling. These increases are consistent across the Local Government sector.

Under the new State Government Waste and Resource Recovery Act 2022 a charge of \$20 per tonne must be collected by Council for any waste disposed to Council operated landfill facilities. The average tonnage of waste disposed of per property that receives the kerbside waste service is 0.48 tonne per annum and as a result the Council needs to recover \$9.60 per property to offset this new levy. This new levy will be shown on rates notices as a separate line beneath the State Govt Fire Service Contribution charge and will be called State Govt Waste Levy (Offset) which will equal \$9.60 per property that receives a kerbside waste service in 2022/23.

Fees & Charges have generally increased by 3% and the details are provided in the list of Fees & Charges for 2022/23.

Interest Revenue is expected to increase on recent years in 2022/23, primarily due to the further increases predicted to the Official Cash Rate and resultant investment returns on offer. Council continually monitors investment returns on offer and will continue to utilise Green Deposits for a percentage of Council's cash holdings.

Investment Revenue is forecast to increase on the prior year, under the assumption that the full TasWater dividend will be received in 2022/23 and the commitment by TasWater to repay dividends not paid at the height of the pandemic over the next five years. Council has budgeted a modest dividend from its ownership stake in the Launceston Airport Corporation, an increase from the zero dividend assumption for 2021/22.

Loan interest expense relates to interest free loans received from the State Government. There is a corresponding revenue line which negates this expense, meaning there is no overall net cost to Council.

Net cash generated of \$9.829M is comprised of the forecast underlying deficit of \$2.849M, a \$3.700M contribution to the TERHAP, a substantial Capital Works program of \$16.737M (Council and External funds) and a new interest free borrowing of \$6.000M.

Some significant inclusions in Council's proposed Capital Works program for 2022/23 are;

- Corporate Application Replacement Project (CARP) - \$1,000,000
- Flood Levee Defect Rectification - \$1,000,000
- Town Hall & Annexe Refurbishment - \$500,000
- QVMAG Phenomena Factory Redevelopment - \$800,000
- Princess Theatre and Earl Arts Centre Masterplan - \$500,000
- Rural Resheeting Program - \$500,000
- Road Reseal Program - \$1,270,000
- Road Reconstruction Program - \$2,850,000 (partially grant funded)
- Footpath Reconstruction Program - \$700,000
- Launceston City Heart Design - \$500,000

Statements and Schedules

Operating Statement	2023	2022
	\$'000	\$'000
<u>Revenues (Excluding Capital Revenue)</u>		
Rates and Charges	70,148	66,101
Fire Service Levy	8,785	8,442
Statutory Fees and Fines	4,694	4,476
User Fees	23,034	21,227
Grants and Contributions - Subsidised Loans Interest	278	582
Grants and Contributions - Other	7,371	7,285
Interest Earnings	1,668	500
Investments	3,569	2,724
Bequests and Donations	115	82
Other Income	1,113	1,899
	<u>120,775</u>	<u>113,318</u>
<u>Expenses</u>		
Labour	50,573	48,104
Materials and Services	21,172	23,908
Depreciation	25,043	24,061
Administrative	6,119	5,603
Combined Drainage - TasWater	1,626	1,566
Electricity and Gas	2,872	2,759
Contributions and Events Support	2,996	2,867
Water, Rent and Land Tax	1,717	1,702
Remissions and Abatements	277	613
Fire Commission Levy	8,785	8,442
State Government Waste Levy (Offset)	1,710	-
Interest Expense - Subsidised Loans	278	582
Interest Expense - Other Loans	-	-
Interest Expense - Leases	6	7
Amortised Rehabilitation	50	50
Asset Disposal Loss	400	200
	<u>123,624</u>	<u>120,464</u>
Underlying Operating Surplus (Deficit)	(2,849)	(7,146)
Capital Grants and Interest	1,621	1,775
TERHAP Contribution	(3,700)	-
Operating Surplus (Deficit)	<u>(4,928)</u>	<u>(5,371)</u>

Comparative figures are taken from the previous statutory budget and not updated to reflect budget changes made during the year.

Funds (Cash) Statement	2023	2022
	\$'000	\$'000
<u>Source of Funds</u>		
Net Cash from Operating Activities	20,566	18,941
Loan Proceeds	<u>6,000</u>	<u>6,000</u>
	<u>26,566</u>	<u>24,941</u>
<u>Application of Funds</u>		
Capital Expenditure		
Council Funds	15,116	23,056
Grant Funds	1,621	1,775
Future Works Provision	-	-
	<u>16,737</u>	<u>24,831</u>
Loan Repayments		
Standard Loans	-	-
ALGCP Loans	-	9,000
	<u>16,737</u>	<u>33,831</u>
	<u>9,829</u>	<u>(8,890)</u>

Reconciliation of Net Cash from Operating Activities	2023	2022
	\$'000	\$'000
Underlying Operating Surplus (Deficit)	(2,849)	(7,146)
TERHAP Contribution	(3,700)	-
Asset Disposal Loss	400	200
Capital Grants and Contributions	<u>1,621</u>	<u>1,775</u>
Change in Net Assets from Operations	(4,528)	(5,171)
Reserves Funding Transfers	-	-
Depreciation and Amortisation		
Infrastructure	17,451	16,824
Buildings	3,923	3,510
Plant and Equipment	3,187	3,147
Data Systems	483	546
Amortised Rehabilitation	50	50
Other	-	35
Net Cash from Operating Activities	<u>20,566</u>	<u>18,941</u>

Expenditure Analysis

Labour

Council has an ongoing commitment to workplace health and safety, employee training and professional development which are all included in the overall labour cost. Workers Compensation Insurance is included in labour costs, and has increased in line with industry trends.

Materials and Services

These costs relate to the operation and maintenance of the Council's facilities; they include plant, contractors and materials.

Depreciation

Depreciation is a significant non-cash expense and will continue to be affected by revaluation changes, revised estimates of the asset useful lives and the creation of new Council assets or externally funded projects that create new assets. Given the Council's substantial asset portfolio, depreciation continues to be a significant cost in each operational budget.

As the price of consumables and inputs into Council assets increase, driving up the value of these assets, depreciation is expected to increase in line with these external factors.

Administrative

	2023	2022
	\$'000	\$'000
General Administration	960	944
Advertising and Promotion	262	271
Computer and Communications	545	509
Election Expense and Roll Maintenance	410	30
Expert Advice	698	670
Insurance (Excludes Workers Comp)	1,105	1,032
Maintenance	209	195
Payment Fees and Debt Recovery	404	420
Postage, Printing and Stationery	375	376
Councillors	602	590
Audit Fees	104	104
Vehicles	444	462
	6,118	5,603

General Administration includes a range of expenses including committee costs, bank fees, security services and safety services etc. The other sub-categories are self-explanatory.

TasWater

	2023	2022
	\$'000	\$'000
<u>Combined Drainage</u>		
Operating Cost Contribution	866	991
Capital Contribution Provision	760	575
	1,626	1,566
Tamar Estuary River Health Action Plan Contribution	3,700	-
	5,326	1,566

Contributions have been budgeted for based on advice from TasWater.

Council's contribution to the TERHAP is \$3.700M in 2022/2023 and forms part of an \$11.000M commitment over the next three years. This will be excluded from Council's underlying result.

Electricity and Gas

	2023	2022
	\$'000	\$'000
Utilities Gas	142	151
Utilities Electricity	2,730	2,607
	2,872	2,758

Contributions and Events Support

	2023	2022
	\$'000	\$'000
<u>Regional Cooperation</u>		
Northern Tasmania Development Corp	208	208
Environment & Sustainability	23	-
Tamar Region NRM	132	128
NRM North	65	64
Tourism Northern Tasmania Inc	170	146
	598	546

Internal Service Provision

Launceston Flood Authority	182	182
	182	182

Provision of Services

NTCA	400	342
Business Events Tasmania	50	50
Theatre North	114	110
	564	502

Contributions

L.G.A.T.	76	72
C.B.D. Promotional	564	543
Conference & Business Incentives	31	31
Community & Economic Assistance	221	231
Community Grants	80	80
	972	957

Events Support

Small Signature Event Sponsorship	20	-
Major Event Sponsorship	210	210
Signature Event Sponsorship	225	225
Small Event Sponsorship	109	129
New Years Eve Sponsorship	46	46
Special Event Sponsorship	70	70
	<u>680</u>	<u>680</u>

Total Contributions and Events Support

2,996 2,867

Water, Rent and Land Tax

	2023	2022
	\$'000	\$'000
Water Fixed Charges	710	707
Water Volumetric Charges	362	380
External Rent	65	30
Land Tax	580	585
	<u>1,717</u>	<u>1,702</u>

Remissions and Abatements

	2023	2022
	\$'000	\$'000
Remission Rates	277	500
Remission Sponsorship & Contribution Agreements	-	13
Remission Waste Disposal Fees	-	100
	<u>277</u>	<u>613</u>

Remissions and Abatements are expected to decrease as the community recovery from the Covid-19 pandemic continues. Council still offers flexibility on payment terms and remissions if deemed appropriate and in line with relevant policies.

Council Concessions

	2023	2022
	\$'000	\$'000
Pensioner Concessions		
Garbage Disposal	317	285
Parking, Off Street	128	119
	<u>445</u>	<u>404</u>

The Council provides a range of other concessions through its fee structures.

Debt Levels

In February 2017 Council borrowed \$9.000M with a five year repayment term to fund the CH Smith carpark project under the State Government Accelerated Loan Program. This loan has been repaid in 2021/2022. \$6.000M was borrowed with a five year repayment term in the 2019/2020 financial year for a property purchase under the same loan program.

In 2020/2021 two loans of \$10.000M each with a three year repayment term were borrowed under the Local Government Loan Program as part of the Covid-19 Stimulus Package. This money will be used for both Capital and Operational purposes. Interest on the Accelerated Loan Program and the Local Government Loan Program borrowings are fully subsidised by the State Government.

A \$6.000M borrowing scheduled for the 2021/2022 financial year did not proceed.

Borrowing of \$6.000M is proposed for 2022/2023.

Loan Schedule Extract	Interest (Net) \$000	Borrowing \$000	Repayment \$000	Balance \$000
2016/2017 Actual	253	9,000	2,241	12,126
2017/2018 Actual	137	-	2,357	9,769
2018/2019 Actual	35	-	769	9,000
2019/2020 Actual	-	6,000	-	15,000
2020/2021 Actual	-	20,000	-	35,000
2021/2022 Actual	-	-	9,000	26,000
2022/2023 Proposed	-	6,000	-	32,000

It is expected that any borrowings that are not subsidised would be used to fund projects that produce an economic return and/or generate sufficient revenue to service any loan interest charges.

Capital Works Program

The following table provides an extract from the Capital Works Program for 2022/2023.

Council has budgeted for \$15.116M (of Council funded) capital projects in 2022/2023, which is less than previous years due to a significant backlog of works which has accumulated over several years. Council will seek to address this backlog in 2022/2023 and beyond, while allocating funding for additional projects where necessary and appropriate.

Council seeks to prioritise the renewal and upgrade of existing assets, with 94% of Capital funding being allocated to these projects in 2022/2023.

	2023 \$'000	%
Source of Funds		
Council Funds	15,116	90.31%
Grant Funds	1,621	9.69%
Total Funds	16,737	100.00%
Category		
Renewal and Upgrade	15,638	93.43%
Additions	1,100	6.57%
Total Program	16,737	100.00%

	2023	2022
	\$'000	\$'000
OPERATING and CAPITAL Expenditure Summary		
(Excluding Non-Cash Expenses - Depreciation and Asset Disposal Losses)		
Governance	2,888	2,569
Organisational Support	14,845	13,975
Technical & Logistics Support	2,751	3,294
Cultural Facilities	9,458	8,766
Economic Development & Promotion	6,665	6,754
Other Community Amenities	4,180	3,669
Public Order & Safety	786	796
Health	1,407	1,341
Environmental Protection	425	451
Community Development	1,236	1,245
Planning Approvals	2,417	2,453
Building Control	1,228	1,187
Garbage Collection & Disposal	10,747	14,509
Fire Levy	8,790	8,451
Flood Mitigation	3,347	1,492
Cemetery & Crematoria	1,439	1,559
Recreational Facilities	19,928	24,193
Roads & Traffic	12,922	12,083
Street Lighting	1,129	1,158
Street Cleaning	2,662	2,674
Parking Facilities	3,111	5,124
Stormwater Drainage	5,930	2,659
Interest Expense	278	582
Loan Repayments	-	9,000
Future Works Provision	-	-
	<u>118,568</u>	<u>129,984</u>
Financed by:		
Operating Revenues (Excluding Capital Revenues)	120,775	113,318
Capital Grants and Contributions	<u>1,621</u>	<u>1,775</u>
Total Operating Revenues	122,396	115,093
Prior Year Funding	-	-
Loan Proceeds (Gross)	<u>6,000</u>	<u>6,000</u>
	<u>128,396</u>	<u>121,093</u>
Net Cash Generated (Expended)	<u><u>9,828</u></u>	<u><u>(8,891)</u></u>

Comparative figures are taken from the previous statutory budget and not updated to reflect budget changes made during the year.

	2023	2022
	\$'000	\$'000
OPERATING and CAPITAL Expenditure Detail		
(Excluding Non-Cash Expenses - Depreciation and Asset Disposal Losses)		
Governance	2,888	2,569
Operations Expenditure Other	1,656	1,582
LGAT Contribution	76	72
Election Costs	380	-
Pensioner Concessions-Parking	128	119
Pensioner Concessions-Refuse	317	285
Pensioner Concessions-Waste Levy	62	22
General Rate Remissions	269	489
Capital Expenditure	-	-
Organisational Support	14,845	13,975
Operations Expenditure	13,419	13,300
Capital Expenditure	1,425	675
Technical & Logistics Support	2,751	3,294
Operations Expenditure	1,526	881
Licence Fee Remissions	-	-
Capital Expenditure	1,225	2,413
Cultural Facilities	9,458	8,766
Operations Expenditure Total	7,595	7,284
Capital Expenditure Total	1,863	1,482
Princess Theatre		
Operations Expenditure	386	377
Capital Expenditure	500	225
QVMAG		
Operations Expenditure Other	7,196	6,901
Lease Charge Remissions	-	-
Capital Expenditure Total	1,363	1,257
Auto Museum		
Operations Expenditure Other	13	7
Lease Charge Remissions	-	-
Capital Expenditure	-	-
Economic Development & Promotion	6,665	6,754
Operations Expenditure	6,665	6,634
C.B.D. Rate Remissions	-	-
Capital Expenditure	-	120
Other Community Amenities	4,180	3,669
Operations Expenditure Other	2,676	2,279
Public Toilets (Excl Parks Facilities)	299	300
Lease Charge Remissions	-	-
Capital Expenditure	1,205	1,090

Public Order & Safety	786	796
Operations Expenditure Other	530	541
Pound & RSPCA Funding	256	256
Capital Expenditure	-	-
Health	1,407	1,341
Operations Expenditure Other	1,342	1,274
Immunisations	65	67
Public Health Fee Remissions	-	-
Capital Expenditure	-	-
Environmental Protection	425	451
Operations Expenditure	425	451
Capital Expenditure	-	-
Community Development	1,236	1,245
Operations Expenditure	1,236	1,245
Capital Expenditure	-	-
Planning Approvals	2,417	2,453
Operations Expenditure Other	2,417	2,453
Development Fee Remissions	-	-
Capital Expenditure	-	-
Building Control	1,228	1,187
Operations Expenditure	1,228	1,187
Capital Expenditure	-	-
Garbage Collection & Disposal	10,747	14,509
Garbage Collection	6,674	6,195
Hard Goods Collection	60	60
Garbage Collection Rate Remissions	2	2
Garbage Disposal	3,961	2,202
Lease Charge Remissions	-	-
Capital Expenditure	50	6,050
Fire Levy	8,790	8,451
Operations Expenditure	8,786	8,442
Fire Levy Rate Remissions	5	9
Capital Expenditure	-	-
Flood Mitigation	3,347	1,492
Operations Expenditure	1,422	1,492
Capital Expenditure	1,925	-
Cemetery & Crematoria	1,439	1,559
Operations Expenditure	1,284	1,263
Capital Expenditure	155	296

Recreational Facilities	19,928	24,193
Operations Expenditure Total	18,143	20,103
Capital Expenditure Total	1,785	4,090
Swimming Pools		
Operations Expenditure Other	5,297	5,152
Lease Charge Remissions	-	-
Capital Expenditure	175	120
Community Halls		
Operations Expenditure Other	205	207
Waste Disposal Fee Remissions	-	100
Lease Charge Remissions	-	-
Capital Expenditure	300	-
Albert Hall		
Operations Expenditure Other	200	200
Lease Charge Remissions	-	-
Capital Expenditure	-	-
Sporting Grounds		
Operations Expenditure Other	2,426	4,848
Lease & Sponsorship Charge Remissions	-	13
Capital Expenditure	455	345
Parks & Gardens		
Operations Expenditure Other	10,016	9,583
Lease Charge Remissions	-	-
Capital Expenditure	855	3,625
Roads & Traffic	12,922	12,083
Operations Expenditure Other	2,754	2,511
Roads & Bridges Maintenance	3,198	3,437
Capital Expenditure	6,970	6,135
Street Lighting	1,129	1,158
Operations Expenditure	1,129	1,158
Capital Expenditure	-	-
Street Cleaning	2,662	2,674
Operations Expenditure	2,662	2,674
Capital Expenditure	-	-
Parking Facilities	3,111	5,124
Operations Expenditure Other	2,685	2,879
Park & Ride (Tiger Bus)	342	305
Off-St Parking Fee Remissions	-	-
Capital Expenditure	85	1,940
Stormwater Drainage	5,930	2,659
Operations Expenditure	5,880	2,119
Capital Expenditure	50	540

Interest Expense	278	582
Loan Repayments	-	9,000
Future Works Provision	-	-
	118,568	129,984

Trading & Major Facilities

	2023	2022
	\$'000	\$'000
PARKING FACILITIES		
Income		
Trading & Fee Income	7,423	7,596
Concessions Reinstated	128	119
Other	79	77
	7,630	7,792
Expenses		
Operations	3,164	3,311
Depreciation	652	530
Full Cost Attribution	583	571
	4,399	4,412
Net Income/(Expenses)	3,231	3,380
Capital Expenditure	85	1,940

	2023	2022
	\$'000	\$'000
LAUNCESTON WASTE CENTRE		
Income		
Trading & Fee Income	7,429	6,212
Concessions Reinstated	317	285
	7,746	6,497
Expenses		
Operations	1,196	955
Rehabilitation Interest	50	50
Depreciation	1,558	1,517
Full Cost Attribution	240	234
	3,044	2,756
Net Income/(Expenses)	4,702	3,741
Capital Expenditure	50	6,050

	2023	2022
QUEEN VICTORIA MUSEUM and ART GALLERY	\$'000	\$'000
Income		
Trading & Fee Income	349	372
Grants & Donations	1,807	1,780
	2,156	2,152
Expenses		
Operations	7,196	6,901
Depreciation	863	804
Full Cost Attribution	375	366
	8,434	8,071
Net Income/(Expenses)	(6,278)	(5,919)
Capital Expenditure	1,363	1,257

	2023	2022
LAUNCESTON AQUATIC CENTRE	\$'000	\$'000
Income		
Trading & Fee Income	4,698	4,445
	4,698	4,445
Expenses		
Operations	5,237	5,093
Depreciation	956	893
Full Cost Attribution	172	168
	6,365	6,154
Net Income/(Expenses)	(1,667)	(1,709)
Capital Expenditure	175	120

	2023	2022
YORK PARK and INVERESK PRECINCT	\$'000	\$'000
Income		
Trading & Fee Income	963	2,128
Other	69	68
	1,032	2,196
Expenses		
Operations	1,378	4,190
Remissions & Abatements	-	13
Depreciation	1,423	1,447
Full Cost Attribution	168	164
	2,969	5,814
Net Income/(Expenses)	(1,937)	(3,618)
Capital Expenditure	-	580

	2023	2022
CARR VILLA CEMETERY and CREMATORIA	\$'000	\$'000
Income		
Trading & Fee Income	1,371	1,287
	1,371	1,287
Expenses		
Operations	1,284	1,263
Depreciation	172	156
Full Cost Attribution	74	73
	1,530	1,492
Net Income/(Expenses)	(159)	(205)
Capital Expenditure	155	296

	2023	2022
VISITOR INFORMATION CENTRE	\$'000	\$'000
Income		
Trading & Fee Income	76	88
Grants & Donations	120	120
	196	208
Expenses		
Operations	610	530
Depreciation	3	39
Full Cost Attribution	49	48
	662	617
Net Income/(Expenses)	(466)	(409)
Capital Expenditure	-	-

Valuation and Rating Details

	2023	2022
The Assessed Annual Value (AAV) upon which the Estimates are calculated:	\$'000	\$'000
<i>Based on values from 1st July, 2016</i>	657,290	629,109
<i>Adjusted AAV from 1 July, 2016</i>	880,097	705,489
	Cents/ \$AAV	Cents/ \$AAV
<u>General Rates applied to AAV</u>		
General	5.8975	7.0191
Residential	5.8975	7.0191
Commercial	7.0265	8.1323
Commercial (CBD)	8.0647	9.7341
Industrial	6.5288	8.1377
Primary Production	5.5864	7.8036
Public Service	7.0315	8.1323
Quarry and Mining	5.0871	6.3568
Sport and Recreation	7.0497	8.1323
Vacant (non-use)	5.4642	7.1125
<u>Service Rates on behalf of State Fire Commission</u>		
Urban Fire Levy	1.1670	1.3980
Lilydale Country Fire District Levy	0.3261	0.4202
Rural Fire Levy	0.2987	0.3620
<u>Other Rates Charges</u>	\$	\$
Fixed General Rates	312.80	301.50
Fire Levy Minimum Charge	44.00	42.00
<u>Service Charges</u>	\$	\$
Waste Management - per 85 litre bin	148.30	126.10
Waste Management - per 140 litre bin	191.60	169.15
Waste Management - per 240 litre bin	317.40	289.85
<i>As of the 2016/2017 year the 85 litre bin is no longer available</i>		
<u>Rates and Charges Summary</u>	\$'000	\$'000
General Rate		
Residential	31,740	30,155
Commercial	11,168	10,607
Industrial	3,310	3,165
Public Service	3,255	3,162
Primary Production	1,043	1,000
Quarry and Mining	7	6
Sport and Recreation	275	272
Vacant (non-use)	632	595
General Charge	11,277	10,802
	<u>62,707</u>	<u>59,764</u>

Waste Management Charge	6,561	5,462
CBD Promotional Services	423	543
Budgeted Growth	456	333
	<u>70,147</u>	<u>66,102</u>
Fire Levy	8,785	8,441
Total Rates and Charges	<u>78,932</u>	<u>74,543</u>
<u>Rate Remissions</u>	\$'000	\$'000
General	272	492
Fire General	5	8
Total Rate Remissions	<u>277</u>	<u>500</u>
<u>CBD Promotional Budget</u>	\$'000	\$'000
Income		
City Rates (CBD Differential Component)	423	543
General Rates	141	-
Expenses		
Operations	564	543
Surplus/(Deficit)	<u>-</u>	<u>-</u>

Council is phasing out the CBD Commercial Rate over a four year period, with the balance of the contribution to CityProm being funded from General Rates. 2022/2023 is the first year of this transition, with the amount budgeted from General Rates being 25% of the overall contribution. This will increase to 50% in 2023/2024, and so on.

<u>Variation in General Rate (cents per \$AAV)</u>	Cents/ \$AAV	Cents/ \$AAV
Commercial CBD From Residential	2.1672	2.7150
Commercial CBD From Commercial	1.0382	1.6018
<u>State Fire Commission</u>	\$'000	\$'000
Income		
Fire Levy	8,785	8,441
Interest	22	22
	<u>8,807</u>	<u>8,463</u>
Expenses		
Fire Levy	8,785	8,441
Remissions	5	8
	<u>8,790</u>	<u>8,449</u>
Surplus/(Deficit)	<u>17</u>	<u>14</u>

The Council is required under legislation to collect the fire levy on behalf of the State Fire Commission.