

LODDON SHIRE COUNCIL

BUDGET FOR YEAR ENDED 30 JUNE 2023



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MAYOR INTRODUCTION

The Councillors and I are pleased to present the 2022/23 Budget to the community. Due to the timing of the adoption of the new Council Plan, this budget is the first with our Council Plan 2021-25 vision of "Loddon will be a resilient, sustainable and prosperous community of communities" and focuses on the four key themes in that Council Plan:

- A sustainable built and natural environment
- A growing and vibrant community
- A diverse and expanding economy
- A supported and accessible community.

The Council Plan 2021-25 (Year 1), sets out Council's strategic plan to deliver our vision over the full term of the Council. As it is still early in the current Council term, the focus over the next year will be on the planning and design activities required to deliver the new commitments and on maintaining existing services.

The budget details the resources required over the next year to fund a large range of services Council provides to the community. It also includes details of proposed capital expenditure allocations to improve and renew our Shire's road infrastructure, buildings and other operational assets.

As Councillors, it is our job to listen to community opinions and understand your priorities. During and following the Council elections in 2020 we have consistently heard that Council's services are valued by the community, and that Council also needs to be financially responsible. In response, Council has continued an organisation wide approach to identifying savings and organisational improvements that provide increased value for money to ratepayers.

The budget includes a rate increase of 1.75 per cent. This is in line with the Fair Go Rates System which has capped rate increases by Victorian Councils. Council has also identified a number of significant cost and revenue impacts during the budget process which it has had to take into consideration. These include:

- the changes in financial support provided by the Victorian Government within the aged services area
- the demand for services from the community
- Council's desire to continue to support Community Planning to drive strategic outcomes from a community level.

Some of the highlights contained in the 2022/23 Budget include:

- full funding of Council's ongoing commitment of community planning of \$750K
- an increased commitment to investment in information technology
- strong investment in local road and related infrastructure maintenance
- \$400K allocation for works associated with the Building Asset Management Plan
- continued support for the aged services and early years programs
- capital expenditure program of \$7.34 million
- no loan repayments with Council remaining debt free
- continuation of a strong cash position.

This budget was developed through a rigorous process of consultation and review and Council endorses it as financially responsible. I encourage the community to read through this document, in conjunction with the Council Plan 2021-25.

Cr. Daniel Straub
Mayor

CEO INTRODUCTION

Council has prepared a budget for 2022/23 which continues its alignment to the vision in the Council Plan 2021-25. It seeks to maintain and improve services and infrastructure as well as deliver projects and services that are valued by our community, and do this within rate increase limits mandated by the State Government.

1 Key things we are funding

- ongoing delivery of services to the Loddon community
- continued investment in capital projects (\$7.34M). This includes roads (\$3.36M); urban and road drainage (\$0.35M); footpaths (\$0.43M) and recreational, leisure and community facilities (\$0.5M).

2 Rates and charges increase

- the average rate rise will be 1.75% in line with the order by the Minister for Local Government on 29 December 2021 under the Fair Go Rates System
- since 2018/19, each year is a revaluation year, therefore, valuations will be as per the General Revaluation dated 1 January 2022, undertaken by valuers appointed by the Valuer General
- the waste service charges will increase by 10.0% per collection item, which offsets increases in the cost of kerbside waste and recycling disposal along with new licencing requirements.

3 Other influences

- the Commonwealth Government has bought forward payment of 75% of the estimated 2022/23 Financial Assistance Grant allocated to all Victorian Councils. For Loddon this amount is \$7.40M.

4 Key statistics

Total revenue is \$21.65 million (2021/22 \$41.30 million)

Total operating expenditure is \$36.99 million (2021/22 \$38.71 million)

Cash result is \$0.60 million surplus (\$4.63 million surplus in 2021/22)

(Refer Capital Expenditure Statement in Appendix A)

Note: This is the net funding result after considering the funding requirements to meet reserve transfers.

Capital works program of \$7.34 million (\$23.06 million in 2021/22) funded by:

\$2.44 million from Council operations

\$2.18 million from reserves

No borrowings

\$0.33 million from asset sales

\$2.39 million from external grants.

I am pleased to present this Budget to the Loddon community and recommend that it be read in conjunction with other key documents including the Financial Plan, Revenue and Rating Plan and the Schedule of Fees and Charges.

Lincoln Fitzgerald

Chief Executive Officer

ECONOMIC ASSUMPTIONS

	Notes	Forecast Actual	Budget	Projections			Trend +/-
		2021/22	2022/23	2023/24	2024/25	2025/26	
Rate cap increase	1	1.50%	1.75%	1.95%	2.15%	2.25%	O
Population growth		0.00%	0.20%	0.20%	0.20%	0.20%	O
Investment interest rate		0.75%	Based on available cash				+
Borrowing interest rate		N/A	N/A	N/A	N/A	N/A	O
Consumer Price Index	2	0.70%	1.50%	1.50%	1.75%	1.75%	O
User fees	3	1.50%	1.75%	1.95%	2.15%	2.25%	O
Grants - recurrent		2.00%	2.00%	2.00%	2.00%	2.00%	O
Grants - non-recurrent		0.00%	0.00%	0.00%	0.00%	0.00%	O
Contributions		0.00%	0.00%	0.00%	0.00%	0.00%	O
Proceeds from sale of assets		Nil	Nil	Nil	Nil	Nil	O
Finance costs		0.70%	1.50%	1.50%	1.75%	1.75%	O
Other revenue		0.70%	1.50%	1.50%	1.75%	1.75%	O
Employee costs	4	3.00%	2.00%	2.00%	2.00%	2.25%	O
Contractors and materials		0.70%	1.50%	1.50%	1.75%	1.75%	O
Utilities	5	5.00%	3.00%	3.00%	3.00%	3.00%	O
Bad and doubtful debts		0.00%	0.00%	0.00%	0.00%	0.00%	O
Depreciation		2.50%	2.00%	2.00%	2.00%	2.00%	O
Other expenses		0.70%	1.50%	1.50%	1.75%	1.75%	O

Notes to assumptions

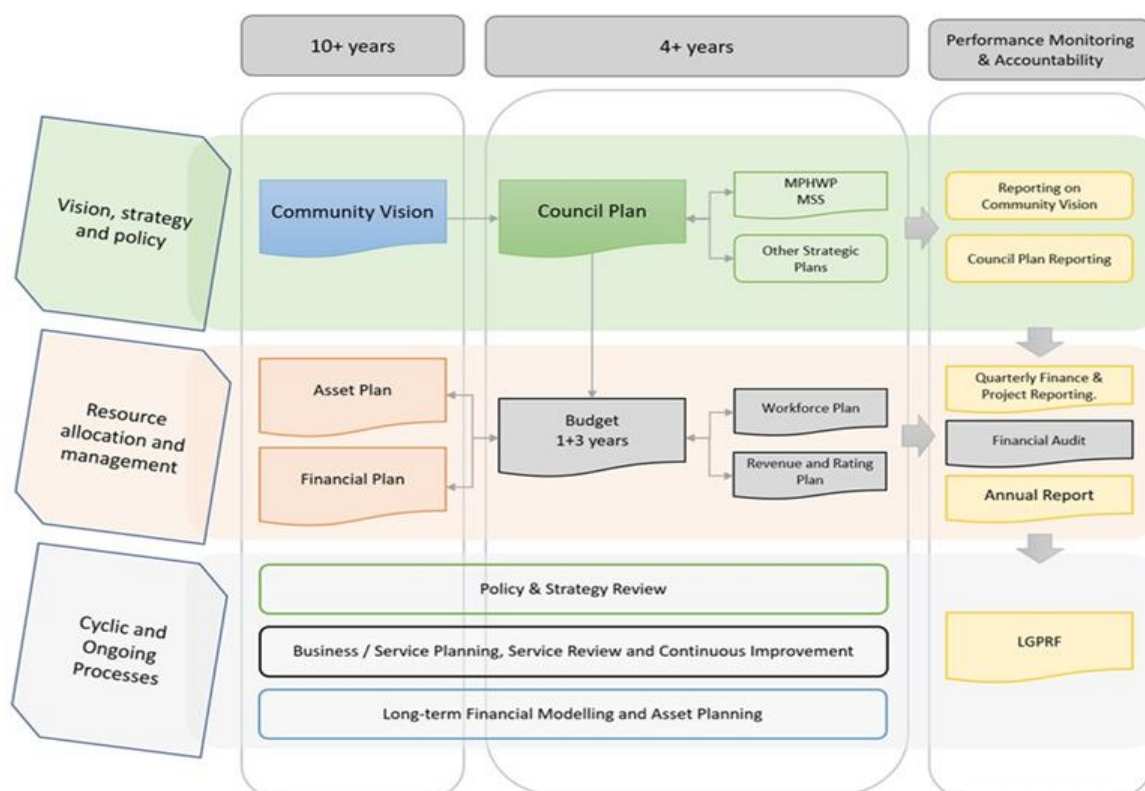
- 1 *Rate cap increase* - Council increases the rate cap each year in line with the rate set by the Minister as outlined in the Revenue and Rating Plan.
- 2 *Consumer Price Index* - Based on the rates published in the December to December year for Melbourne.
- 3 *User fees* - Council increases the user fees in line with the rate cap set each year set by the Minister and as outlined in the Revenue and Rating Plan.
- 4 *Employee costs* - Council increases employee costs in line with the current published EA with allowance for movement within the bands.
- 5 *Utilities* - This category was increased by a higher rate in line with increasing costs incurred from utility providers and also to offset increased water charges as a result of streetscape and other recent and planned park beautification projects.

1 LINK TO THE INTEGRATED PLANNING AND REPORTING FRAMEWORK

This section describes how the Budget links to the achievement of the Community Vision and Council Plan within an overall integrated planning and reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term (Community Vision and Financial Plan), medium term (Council Plan, Workforce Plan, and Revenue and Rating Plan) and short term (Budget) and then holding itself accountable (Annual Report).

1.1 Legislative planning and accountability framework

The Budget is a rolling four-year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The diagram below depicts the integrated planning and reporting framework that applies to local government in Victoria. At each stage of the integrated planning and reporting framework there are opportunities for community and stakeholder input. This is important to ensure transparency and accountability to both residents and ratepayers.



Source: Department of Job, Precincts and Regions

The timing of each component of the integrated planning and reporting framework is critical to the successful achievement of the planned outcomes.

1 LINK TO THE INTEGRATED PLANNING AND REPORTING FRAMEWORK (Continued)

1.1.2 Key planning considerations - Service level planning

Although councils have a legal obligation to provide some services - such as animal management, local roads, food safety and statutory planning - most council services are not legally mandated, including some services closely associated with councils, such as libraries, building permits and sporting facilities. Further, over time, the needs and expectations of communities can change. Therefore councils need to have robust processes for service planning and review to ensure all services continue to provide value for money and are in line with community expectations. In doing so, councils should engage with communities to determine how to prioritise resources and balance service provision against other responsibilities such as asset maintenance and capital works. Community consultation needs to be in line with a councils adopted Community Engagement Policy and Public Transparency Policy.

1.2 Our purpose

Community vision

"Creating a community where everyone is welcome and has the opportunity to live, work and thrive."

Loddon vision

"Loddon will be a resilient, sustainable and prosperous community of communities."

Our values

Leadership

We work towards achieving our vision while demonstrating our values.

Integrity

We are open, honest and fair.

Accountability

We will be consistent and responsible in our actions.

Impartiality

We will make decisions based on being informed without fear, favour or bias.

Respect

We treat everyone with respect and dignity at all times.

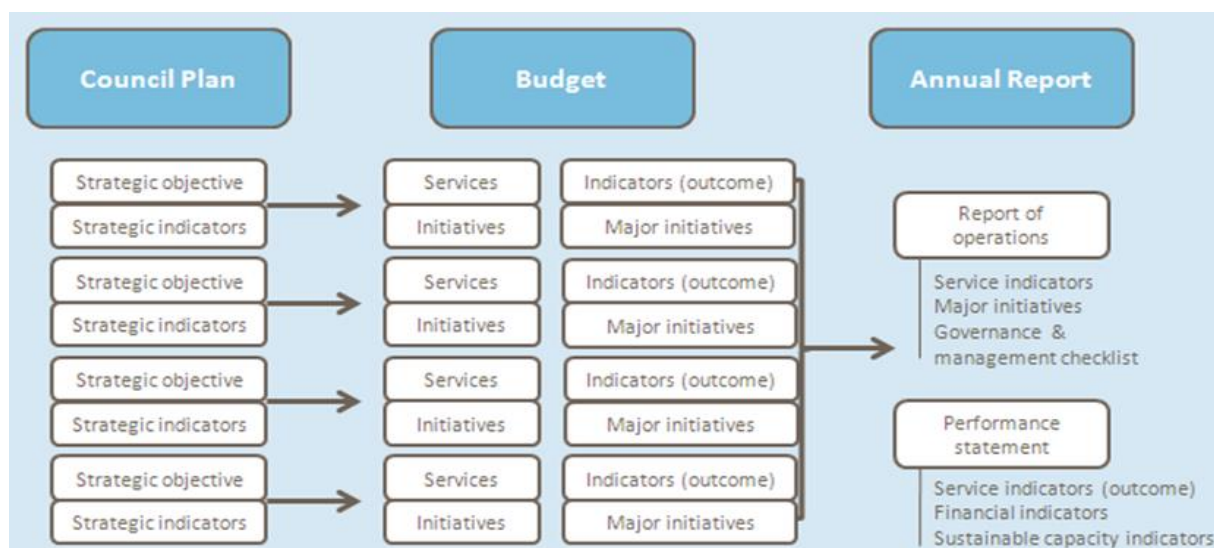
1.3 Strategic objectives

The 2021-2025 Council Plan identifies four high level strategic themes and strategic objectives. These are:

- A sustainable built and natural environment
- A growing and vibrant community
- A diverse and expanding economy
- A supported and accessible community.

2 SERVICES AND SERVICE PERFORMANCE INDICATORS

This section provides a description of the services and initiatives to be funded in the Budget for the 2022/23 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes several initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Jobs, Precincts and Regions

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.1 Strategic themes and objectives

The following provides a brief outline of the strategic themes and objectives from the Council Plan.

2.1.1 Strategic theme 1 - A sustainable built and natural environment

Objective:

Infrastructure: *We will implement financially and environmentally sustainable infrastructure that supports our social and economic needs.*

Environment: *We will work with our partners to preserve and protect our local environment. We will support our community to respond to the impacts of climate change.*

Key priorities:

- a) plan for future facilities and infrastructure that meet community need
- b) our built and natural environment are accessible
- c) maintain sports and recreation and open public spaces to enable and promote access and participation
- d) plan for and build community capacity to mitigate, respond and adapt to climate change
- e) work with our partners to support biodiversity and habitat in our area
- f) promote reduction of waste to landfill
- g) plan and prepare for adverse weather events.

Services

Service area	Surplus/(deficit) \$	Income \$	Expenditure \$
Community support	1,106,493	-	1,106,493
Community planning - Boort	50,000	-	50,000
Community planning - Inglewood	50,000	-	50,000
Community planning - Tarnagulla	50,000	-	50,000
Community planning - Terricks	50,000	-	50,000
Community planning - Wedderburn	50,000	-	50,000
Emergency management	17,441	7,126	24,567
Grants and community planning	280,300	-	280,300
Project and contract management	168,037	-	168,037
Roads to recovery	(2,387,726)	2,387,726	-
Parks and townships	995,074	-	995,074
Waste management	1,995,515	76,097	2,071,612
Waterways management	60,742	-	60,742
Gravel pits	320,612	132,463	453,075
Total	2,806,488	2,603,412	5,409,900

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.1 Strategic themes and objectives (continued)

2.1.2 Strategic theme 2 - A growing and vibrant community

Objective:

Population: We will promote population growth to support a growing and diverse community.

Community: We will support a connected and inclusive community that provides opportunities for current and new community members at all ages, abilities, and stages of their life.

Youth: We will support our youth to access pathways for education and employment and the ability to connect and actively engage with their community.

Key priorities:

- a) maximise opportunities to grow our population by taking advantage of all available development opportunities to expand the existing urban footprint
- b) support community groups and volunteers
- c) promote welcoming and safe communities
- d) support youth by working to improve local learning and employment pathways.

Services

Service area	Surplus/(deficit) \$	Income \$	Expenditure \$
Strategic and statutory planning	276,034	77,454	353,488
Community wellbeing projects	-	-	-
Youth	6,000	-	6,000
Risk management	481,379	78,066	559,445
Building regulation	80,818	86,149	166,967
Local laws and animal management	297,258	68,748	366,006
Public health	103,149	49,333	152,482
Total	1,244,638	359,750	1,604,388

2.1.3 Strategic theme 3 - A diverse and expanding economy

Objective:

Tourism: We will promote our unique tourism opportunities and support our local tourism industry to increase visitation to our area.

Economy: We will support established businesses and seek to attract new businesses to grow our local economy.

Key priorities:

- a) increase the volume and value of tourism visitation
- b) provide support for economic development opportunities in the Shire
- c) increase the volume and value of the local economy.

Services

Service area	Surplus/(deficit) \$	Income \$	Expenditure \$
Economic development	139,488	37,530	177,018
Caravan parks	(61,383)	398,047	336,664
Loddon Discovery Tours	-	24,309	24,309
Tourism	365,004	-	365,004
Total	443,109	459,886	902,995

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.1 Strategic themes and objectives (continued)

2.1.4 Strategic theme 4 - A supported and accessible community

Objective:

Services: We will deliver our core services and advocate for access to other services for our community that support the health, wellbeing and liveability of our community.

Communication: We will listen to our community about how they wish to communicate with us and implement effective communication methods to achieve this. We will provide our community with opportunities to engage with us.

Key priorities:

- a) ensure services are available for our community
- b) review Council's internal services and processes to ensure we are operating efficiently
- c) enhance the community's opportunity to maintain good health and wellbeing, including mental health
- d) we will increase the opportunity for residents to engage with Council about decisions that impact their community.

Services

Service area	Surplus/(deficit) \$	Income \$	Expenditure \$
Administration and management	2,820,088	-	2,820,088
Council administration	511,307	55,825	567,132
Library services	221,288	-	221,288
Media	114,636	-	114,636
Aged care services	556,016	1,457,850	2,013,866
Elderly persons units	14,624	67,782	82,406
Rural access	-	-	-
Seniors	99,524	9,400	108,924
Municipal health and wellbeing	9,500	1,000	10,500
Swimming pools	707,569	-	707,569
Maternal and child health	89,348	200,834	290,182
Early years	249,822	34,796	284,618
Boort Pre School	-	120,570	120,569
Dingee Pre School	-	116,976	116,977
Inglewood Pre School	-	114,089	114,089
Pyramid Hill Pre School	-	110,327	110,327
Wedderburn Pre School	-	114,513	114,513
Immunisation	41,017	1,000	42,017
Corporate governance	222,246	3,154	225,400
Financial services	(883,223)	1,652,343	769,120
Rates and property	205,134	61,122	266,256
Customer service	310,332	-	310,332
Information management	425,126	-	425,126
Information technology	996,906	-	996,906
Human resources and development	662,001	40,985	702,986
Council engineering and technical services	213,641	55,459	269,100
Management and administration	527,802	-	527,802
Air strips	9,942	-	9,942
Building and property maintenance	894,315	102	894,417
Plant and fleet	(1,596,468)	142,100	(1,454,368)
Roads	5,648,846	1,089,613	6,738,459
DoT Routine Maintenance Contract	(70,533)	518,366	447,833
Total	13,000,806	5,968,206	18,969,012

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.2 Service performance outcome indicators

These service performance outcome indicators are those prescribed in accordance with the Regulations and are reported within Council's Performance Statement.

Indicator	Performance measure	Computation
Governance		
Satisfaction	Satisfaction with Council Decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)	Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the
Statutory planning		
Decision making	Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100
Roads		
Satisfaction	Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads
Libraries		
Participation	Active library borrowers (Percentage of the municipal population that are active library members)	[The sum of the number of active library borrowers in the last 3 financial years / The sum of the population in the last 3 financial years] x100
Waste collection		
Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Aquatic facilities		
Utilisation	Utilisation of aquatic facilities (The number of visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population
Animal management		
Health and safety	Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.3 Service performance outcome indicators (continued)

Indicator	Performance measure	Computation
Food safety		
Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance outcome notifications that are followed up by Council)	[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100
Maternal and child health		
Participation	Participation in the MCH service (percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100
Participation	Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100

2.4 Reconciliation with budgeted operating result

Activity	Surplus/(deficit) \$	Income \$	Expenditure \$
Administration and management	2,820,088	-	2,820,088
Economic development	139,488	37,530	177,018
Council administration	511,307	55,825	567,132
Library services	221,288	-	221,288
Media	114,636	-	114,636
Caravan parks	(61,383)	398,047	336,664
Loddon Discovery Tours	-	24,309	24,309
Tourism	365,004	-	365,004
Aged care services	556,016	1,457,850	2,013,866
Elderly persons units	14,624	67,782	82,406
Rural access	-	-	-
Seniors	99,524	9,400	108,924
Community wellbeing projects	-	-	-
Community support	1,106,493	-	1,106,493
Community planning - Boort	50,000	-	50,000
Community planning - Inglewood	50,000	-	50,000
Community planning - Tarnagulla	50,000	-	50,000
Community planning - Terricks	50,000	-	50,000
Community planning - Wedderburn	50,000	-	50,000
Emergency management	17,441	7,126	24,567

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.4 Reconciliation with budgeted operating result (continued)

Activity	Surplus/(deficit) \$	Income \$	Expenditure \$
Grants and community planning	280,300	-	280,300
Municipal health and wellbeing	9,500	1,000	10,500
Swimming pools	707,569	-	707,569
Maternal and child health	89,348	200,834	290,182
Early years	249,822	34,796	284,618
Boort Pre School	-	120,570	120,569
Dingee Pre School	-	116,976	116,977
Inglewood Pre School	-	114,089	114,089
Pyramid Hill Pre School	-	110,327	110,327
Wedderburn Pre School	-	114,513	114,513
Immunisation	41,017	1,000	42,017
Youth	6,000	-	6,000
Corporate governance	222,246	3,154	225,400
Financial services	(883,223)	1,652,343	769,120
Rates and property	205,134	61,122	266,256
Customer service	310,332	-	310,332
Information management	425,126	-	425,126
Information technology	996,906	-	996,906
Human resources and development	662,001	40,985	702,986
Risk management	481,379	78,066	559,445
Council engineering and technical services	213,641	55,459	269,100
Project and contract management	168,037	-	168,037
Roads to recovery	(2,387,726)	2,387,726	-
Building regulation	80,818	86,149	166,967
Local laws and animal management	297,258	68,748	366,006
Public health	103,149	49,333	152,482
Strategic and statutory planning	276,034	77,454	353,488
Air strips	9,942	-	9,942
Building and property maintenance	894,315	102	894,417
Plant and fleet	(1,596,468)	142,100	(1,454,368)
Gravel pits	320,612	132,463	453,075
Management and administration	527,802	-	527,802
Parks and townships	995,074	-	995,074
Roads	5,648,846	1,089,613	6,738,459
DoT Routine Maintenance Contract	(70,533)	518,366	447,833
Waste management	1,995,515	76,097	2,071,612
Waterways management	60,742	-	60,742
Total	17,495,041	9,391,254	26,886,295
Expenses added in:			
Depreciation			10,106,628
Surplus/(deficit) before funding sources			27,601,670
Funding sources added in:			
Rates and charges revenue			(10,254,300)
Waste charge revenue			(2,002,716)
Operating surplus/(deficit) for the year			15,344,654

3 FINANCIAL STATEMENTS

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2022/23 has been supplemented with projections to 2025/26.

This section includes the following financial statements prepared in accordance with the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020.

- 3.1 Comprehensive Income Statement
- 3.2 Balance Sheet
- 3.3 Statement of Changes in Equity
- 3.4 Statement of Cash Flows
- 3.5 Statement of Capital Works
- 3.6 Statement of Human Resources
- 3.7 Statement of Reserves

3.1 COMPREHENSIVE INCOME STATEMENT FOR THE FOUR YEARS ENDED 30 JUNE 2026

	NOTES	Forecast Actual 2021/22	Budget 2022/23	Projections		
		\$	\$	2023/24 \$	2024/25 \$	2025/26 \$
Income						
Rates and charges	4.1.1	11,885,312	12,257,016	12,529,511	12,837,826	13,218,356
Statutory fees and fines	4.1.2	279,467	284,357	289,904	296,134	303,096
User fees	4.1.3	1,495,176	1,531,648	1,530,798	1,562,431	1,597,741
Grants - operating	4.1.4	14,820,463	4,174,076	11,892,939	12,228,043	12,572,886
Grants - capital	4.1.4	11,417,479	2,387,726	2,387,726	2,507,112	2,507,112
Contributions - monetary	4.1.5	430,879	-	-	-	-
Reimbursements	4.1.6	257,259	260,081	263,054	266,570	270,151
Regional Roads Victoria	4.1.7	510,705	518,366	526,144	535,347	544,718
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		-	-	-	-	-
Other income	4.1.8	200,000	235,000	235,000	235,000	235,000
Total income		41,296,740	21,648,270	29,655,076	30,468,463	31,249,060
Expenses						
Employee costs	4.1.9	13,876,719	14,362,102	14,314,048	14,593,391	14,868,381
Materials and services	4.1.10	14,590,754	12,173,012	11,811,977	12,149,483	12,417,759
Bad and doubtful debts		-	-	-	-	-
Depreciation	4.1.11	9,908,459	10,106,628	10,308,760	10,514,955	10,725,213
Borrowing costs		-	-	-	-	-
Finance costs - leases		-	-	-	-	-
Other expenses	4.1.12	336,453	351,182	358,593	366,436	374,465
Total expenses		38,712,385	36,992,924	36,793,378	37,624,265	38,385,818
Surplus/(deficit) for the year		2,584,355	(15,344,655)	(7,138,302)	(7,155,802)	(7,136,758)
Other comprehensive income						
Other comprehensive income		-	-	-	-	-
Total other comprehensive income		-	-	-	-	-
Total comprehensive result		2,584,355	(15,344,655)	(7,138,302)	(7,155,802)	(7,136,758)

3 FINANCIAL STATEMENTS (Continued)

3.2 BALANCE SHEET FOR THE FOUR YEARS ENDED 30 JUNE 2026

	NOTES	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Projections		
				2023/24 \$	2024/25 \$	2025/26 \$
Assets						
Current assets						
Cash and cash equivalents		24,270,871	12,560,553	8,781,970	5,365,190	2,428,761
Trade and other receivables		806,576	412,696	572,618	588,631	603,984
Other financial assets		2,674,570	2,674,570	2,674,570	2,674,570	2,674,570
Inventories		22,914	21,768	20,680	19,646	18,664
Non-current assets classified as held for sale		222,784	222,784	222,784	222,784	222,784
Total current assets	4.2.1	27,997,715	15,892,371	12,272,622	8,870,821	5,948,763
Non-current assets						
Trade and other receivables		-	-	-	-	-
Property, infrastructure, plant and equipment		379,577,265	387,872,483	396,193,644	404,558,245	412,718,525
Right of use assets		-	-	-	-	-
Intangible assets		284,783	284,783	284,783	284,783	284,783
Total non-current assets	4.2.1	379,862,048	388,157,266	396,478,427	404,843,028	413,003,308
Total assets		407,859,763	404,049,637	408,751,049	413,713,849	418,952,071
Liabilities						
Current liabilities						
Trade and other payables		490,976	427,527	416,829	428,195	437,542
Trust funds and deposits		346,912	329,567	313,088	297,434	282,562
Provisions		2,810,026	2,730,218	2,650,597	2,569,415	2,486,593
Interest bearing loans and borrowings	4.2.4	-	-	-	-	-
Lease liabilities		-	-	-	-	-
Total current liabilities	4.2.2	3,647,914	3,487,312	3,380,514	3,295,044	3,206,697
Non-current liabilities						
Provisions		1,855,073	2,156,202	2,459,856	2,771,434	3,091,330
Interest bearing loans and borrowings	4.2.4	-	-	-	-	-
Unearned income/revenue		-	-	-	-	-
Lease liabilities		-	-	-	-	-
Total non-current liabilities	4.2.2	1,855,073	2,156,202	2,459,856	2,771,434	3,091,330
Total liabilities		5,502,987	5,643,514	5,840,370	6,066,478	6,298,027
NET ASSETS		402,356,776	398,406,123	402,910,679	407,647,371	412,654,044
Equity						
Accumulated surplus		102,018,488	94,893,756	87,972,323	80,675,888	73,034,059
Asset revaluation reserve		283,288,746	294,682,747	306,325,605	318,218,098	330,361,529
Other reserves		17,049,542	8,829,620	8,612,751	8,753,385	9,258,456
TOTAL EQUITY	4.2.4	402,356,776	398,406,123	402,910,679	407,647,371	412,654,044

3 FINANCIAL STATEMENTS (Continued)

3.3 STATEMENT OF CHANGES IN EQUITY FOR THE FOUR YEARS ENDED 30 JUNE 2026

2022 Forecast Actual	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	389,082,409	90,938,554	272,598,734	25,545,121
Surplus/ (deficit) for the year	2,584,355	2,584,355	-	-
Net asset revaluation increment / (decrement)	10,690,012	-	10,690,012	-
Transfer to other reserves	-	(10,351,083)	-	10,351,083
Transfer from other reserves	-	18,846,662	-	(18,846,662)
Balance at end of financial year	402,356,776	102,018,488	283,288,746	17,049,542

2023 Budget	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	402,356,776	102,018,488	283,288,746	17,049,542
Surplus/ (deficit) for the year	(15,344,655)	(15,344,655)	-	-
Net asset revaluation increment / (decrement)	11,394,001	-	11,394,001	-
Transfer to other reserves	-	(1,844,270)	-	1,844,270
Transfer from other reserves	-	10,064,192	-	(10,064,192)
Balance at end of financial year	398,406,123	94,893,756	294,682,747	8,829,620

2024 Projection	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	398,406,123	94,893,756	294,682,747	8,829,620
Surplus/ (deficit) for the year	(7,138,302)	(7,138,302)	-	-
Net asset revaluation increment / (decrement)	11,642,858	-	11,642,858	-
Transfer to other reserves	-	(1,847,087)	-	1,847,087
Transfer from other reserves	-	2,063,956	-	(2,063,956)
Balance at end of financial year	402,910,679	87,972,323	306,325,605	8,612,751

2025 Projection	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	402,910,679	87,972,323	306,325,605	8,612,751
Surplus/ (deficit) for the year	(7,155,802)	(7,155,802)	-	-
Net asset revaluation increment / (decrement)	11,892,493	-	11,892,493	-
Transfer to other reserves	-	(1,850,184)	-	1,850,184
Transfer from other reserves	-	1,709,549	-	(1,709,549)
Balance at end of financial year	407,647,371	80,675,888	318,218,098	8,753,385

2026 Projection	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	407,647,371	80,675,888	318,218,098	8,753,385
Surplus/ (deficit) for the year	(7,136,758)	(7,136,758)	-	-
Net asset revaluation increment / (decrement)	12,143,431	-	12,143,431	-
Transfer to other reserves	-	(1,854,334)	-	1,854,334
Transfer from other reserves	-	1,349,264	-	(1,349,264)
Balance at end of financial year	412,654,044	73,034,059	330,361,529	9,258,455

3 FINANCIAL STATEMENTS (Continued)

3.4 STATEMENT OF CASH FLOWS FOR THE FOUR YEARS ENDED 30 JUNE 2026

	NOTES	Forecast	Budget	Projections				
		Actual 2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$		
Cash flows from operating activities								
Receipts								
Rates and charges			12,113,414	12,881,431	12,743,853	13,119,066	13,502,474	
Statutory fees and fines			324,143	329,432	279,711	300,455	307,622	
User fees			1,898,285	1,739,527	1,489,449	1,586,474	1,622,787	
Grants - operating			15,116,872	4,257,558	12,130,798	12,472,604	12,824,344	
Grants - capital			6,398,277	2,435,481	2,435,481	2,557,254	2,557,254	
Contributions - monetary			439,497	-	-	-	-	
Interest received			263,379	235,000	235,000	235,000	235,000	
Trust funds and deposits taken			-	-	-	-	-	
Other receipts			783,323	794,016	804,982	817,955	831,166	
Net GST refund/payment			(271,309)	(274,022)	(276,762)	(279,530)	(282,325)	
Operating receipts			37,065,881	22,398,423	29,842,512	30,809,278	31,598,322	
Payments								
Employee costs			(12,550,968)	(12,438,030)	(12,390,776)	(12,630,667)	(12,864,291)	
Materials and services			(17,258,093)	(14,645,521)	(14,226,777)	(14,592,674)	(14,913,526)	
Trust funds and deposits repaid			(18,259)	(17,345)	(16,479)	(15,654)	(14,872)	
Short-term, low value and variable lease payments			-	-	-	-	-	
Other payments			-	-	-	-	-	
Operating payments			(29,827,320)	(27,100,896)	(26,634,032)	(27,238,995)	(27,792,689)	
Net cash provided by/(used in) operating activities			4.4.1	7,238,561	(4,702,473)	3,208,480	3,570,283	3,805,633
Cash flows from investing activities								
Payments for property, infrastructure, plant and equipment			(20,413,496)	(7,007,845)	(6,987,063)	(6,987,063)	(6,742,062)	
Decrease in term deposits			-	-	-	-	-	
Loans and advances made			-	-	-	-	-	
Payments of loans and advances			-	-	-	-	-	
Net cash provided by/(used in) investing activities			4.4.2	(20,413,496)	(7,007,845)	(6,987,063)	(6,987,063)	(6,742,062)
Cash flows from financing activities								
Finance costs			-	-	-	-	-	
Repayment of lease liabilities			-	-	-	-	-	
Net cash provided by (used in) financing activities			4.4.3	-	-	-	-	
Net increase/(decrease) in cash and cash equivalents			(13,174,935)	(11,710,318)	(3,778,583)	(3,416,780)	(2,936,429)	
Cash and cash equivalents at the beginning of the year			37,445,806	24,270,871	12,560,553	8,781,970	5,365,190	
Cash and cash equivalents at the end of the year			24,270,871	12,560,553	8,781,970	5,365,190	2,428,761	

3 FINANCIAL STATEMENTS (Continued)

3.5 STATEMENT OF CAPITAL WORKS FOR THE FOUR YEARS ENDED 30 JUNE 2026

	NOTES	Forecast	Budget	Projections		
		Actual				
		2021/22	2022/23	2023/24	2024/25	2025/26
		\$	\$	\$	\$	\$
Capital works areas						
Land and buildings		2,388,698	405,000	405,000	405,000	405,000
Office furniture and equipment		175,000	100,000	100,000	100,000	100,000
Plant and equipment		1,447,920	2,097,340	1,870,064	1,493,751	1,044,928
Footpaths		1,088,852	426,183	432,061	422,610	433,024
Roadworks		6,968,529	3,357,311	3,533,546	3,632,850	4,002,274
Urban and road drainage		1,147,185	350,000	350,000	350,000	350,000
Recreation, leisure and community facilities		8,189,766	500,000	500,000	500,000	500,000
Parks, open space and streetscapes		1,655,675	100,000	100,000	100,000	100,000
Other infrastructure		-	-	-	-	-
Total capital works	4.5.1	23,061,625	7,335,834	7,290,671	7,004,211	6,935,226
Represented by:						
New asset expenditure		2,459,422	2,197,340	1,970,064	1,593,751	1,144,928
Asset renewal expenditure		9,502,075	4,638,494	4,820,607	4,910,460	5,290,298
Asset expansion expenditure		7,313,787	500,000	500,000	500,000	500,000
Asset upgrade expenditure		3,786,341	-	-	-	-
Total capital works expenditure		23,061,625	7,335,834	7,290,671	7,004,211	6,935,226

	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Projections		
			2023/24 \$	2024/25 \$	2025/26 \$
Expenditure type					
Labour	248,001	236,974	267,066	272,237	329,380
Creditors	15,026,576	4,536,859	4,405,565	4,058,071	3,788,806
Contractors	7,787,048	2,562,001	2,618,040	2,673,903	2,817,040
Total capital works expenditure	23,061,625	7,335,834	7,290,671	7,004,211	6,935,226

	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Projections		
			2023/24 \$	2024/25 \$	2025/26 \$
Funding sourced represented by					
Grants / contributions	13,053,130	2,387,726	2,387,726	2,507,112	2,507,112
Council cash	6,915,981	2,440,768	2,622,881	2,593,348	2,973,186
Reserves	2,836,660	2,179,351	1,976,456	1,622,049	1,261,764
Sale of assets	256,854	327,989	303,608	281,702	193,164
Total capital works expenditure	23,062,625	7,335,834	7,290,671	7,004,211	6,935,226

3 FINANCIAL STATEMENTS (Continued)

3.6 STATEMENT OF HUMAN RESOURCES FOR THE FOUR YEARS ENDED 30 JUNE 2026

	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Projections		
			2023/24 \$	2024/25 \$	2025/26 \$
Staff expenditure					
Employee labour - operating	12,437,039	12,635,376	12,590,352	12,836,117	13,075,920
Employee labour - capital	248,001	236,974	267,066	272,237	329,380
Total staff expenditure*	12,685,040	12,872,350	12,857,418	13,108,354	13,405,300
Staff numbers EFT**	EFT	EFT	EFT	EFT	EFT
Employees	145.72	150.34	147.34	147.34	147.34
Total staff numbers EFT	145.72	150.34	147.34	147.34	147.34

* Excludes employee oncost

** Equivalent Full Time

A summary of human resources expenditure categories according to the organisation structure of Council is included below:

Directorate	Budget 2022/23	Permanent Full Time	Permanent Part Time
Staff cost			
Executive and commercial services	1,302,322	920,360	381,962
Community wellbeing	2,886,661	862,114	2,024,547
Corporate services	2,032,113	1,646,782	385,331
Operations	6,414,280	6,175,869	238,411
Total permanent staff expenditure	12,635,376	9,605,125	3,030,251
Other employee related expenditure	-		
Capitalised labour costs	236,974		
Total expenditure	12,872,350		

A summary of the number of equivalent full time (EFT) Council staff in relation to the above expenditure is included below:

Directorate	Budget 2022/23	Permanent Full Time	Permanent Part Time
Staff EFT			
Executive and commercial services	10.30	6.00	4.30
Community wellbeing	35.93	9.00	26.93
Corporate services	23.12	18.00	5.12
Operations	80.99	78.00	2.99
Total staff	150.34	111.00	39.34

3 FINANCIAL STATEMENTS (Continued)

3.6 STATEMENT OF HUMAN RESOURCES (Continued) FOR THE FOUR YEARS ENDED 30 JUNE 2026

	Budget 2022/23 \$	Projections		
		2023/24 \$	2024/25 \$	2025/26 \$
Executive and commercial services				
Permanent - Full time				
- Female	534,615	550,653	567,173	584,188
- Male	385,745	397,317	409,237	421,514
Permanent - Part time				
- Female	338,183	348,328	358,778	369,542
- Male	43,779	45,092	46,445	47,838
Total executive and commercial services	1,302,322	1,341,392	1,381,633	1,423,082
Community support				
Permanent - Full time				
- Female	476,757	491,060	505,792	520,965
- Male	385,357	396,918	408,825	421,090
Permanent - Part time				
- Female	1,868,761	1,924,824	1,982,569	2,042,046
- Male	155,786	160,460	165,273	170,232
Total community support	2,886,661	2,973,261	3,062,459	3,154,332
Corporate services				
Permanent - Full time				
- Female	1,181,564	1,012,011	1,042,371	1,073,642
- Male	465,218	479,175	493,550	508,356
Permanent - Part time				
- Female	385,331	396,891	408,798	421,062
- Male	-	-	-	-
Total corporate services	2,032,113	1,888,076	1,944,719	2,003,060
Operations				
Permanent - Full time				
- Female	546,258	562,646	579,525	596,911
- Male	5,629,611	5,846,480	5,887,088	5,967,396
Permanent - Part time				
- Female	167,058	172,070	177,232	182,549
- Male	71,353	73,494	75,698	77,969
Total operations	6,414,280	6,654,689	6,719,543	6,824,825
Casuals and temporary staff	-	-	-	-
Capitalised labour costs	236,974	267,066	272,237	329,380
Total staff expenditure	12,872,350	12,857,418	13,108,354	13,405,300

3 FINANCIAL STATEMENTS (Continued)

3.6 STATEMENT OF HUMAN RESOURCES (Continued) FOR THE FOUR YEARS ENDED 30 JUNE 2026

	Budget 2022/23 EFT	Projections		
		2023/24 EFT	2024/25 EFT	2025/26 EFT
Executive and commercial services				
Permanent - Full time				
- Female	4.00	4.00	4.00	4.00
- Male	2.00	2.00	2.00	2.00
Permanent - Part time				
- Female	3.84	3.84	3.84	3.84
- Male	0.46	0.46	0.46	0.46
Total executive and commercial services	10.30	10.30	10.30	10.30
Community support				
Permanent - Full time				
- Female	5.00	5.00	5.00	5.00
- Male	4.00	4.00	4.00	4.00
Permanent - Part time				
- Female	24.70	24.70	24.70	24.70
- Male	2.24	2.24	2.24	2.24
Total community support	35.94	35.94	35.94	35.94
Corporate services				
Permanent - Full time				
- Female	13.00	10.00	10.00	10.00
- Male	5.00	5.00	5.00	5.00
Permanent - Part time				
- Female	5.12	5.12	5.12	5.12
- Male	0.00	0.00	0.00	0.00
Total corporate services	23.12	20.12	20.12	20.12
Operations				
Permanent - Full time				
- Female	6.00	6.00	6.00	6.00
- Male	67.00	67.00	67.00	67.00
Permanent - Part time				
- Female	2.03	2.03	2.03	2.03
- Male	0.96	0.96	0.96	0.96
Total operations	75.99	75.99	75.99	75.99
Casuals and temporary staff	0.00	0.00	0.00	0.00
Capitalised labour costs	5.00	5.00	5.00	5.00
Total staff expenditure	150.35	147.35	147.35	147.35

3 FINANCIAL STATEMENTS (Continued)

3.7 STATEMENT OF RESERVES FOR THE FOUR YEARS ENDED 30 JUNE 2026

	NOTES	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Projections		
				2023/24 \$	2024/25 \$	2025/26 \$
Discretionary						
Capital expenditure reserve		-	-	-	-	-
Caravan park development reserve		234,073	295,455	357,936	421,591	487,189
Community planning reserve		1,271,000	1,271,000	1,271,000	1,271,000	1,271,000
Gravel and sand pit reserve		400,000	79,388	160,494	243,522	328,759
Heritage loan scheme reserve		100,000	100,000	100,000	100,000	100,000
Land and buildings reserve		794,710	794,710	794,710	794,710	794,710
Little Lake Boort water reserve		17,604	17,604	17,604	17,604	17,604
Major projects reserve		233,996	233,996	233,996	233,996	233,996
Reserves improvement reserve		100,000	100,000	100,000	100,000	100,000
Superannuation liability reserve		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Unightly premises enforcement reserve		100,000	100,000	100,000	100,000	100,000
Unspent contributions reserve		-	-	-	-	-
Unspent grants reserve		8,187,147	789,806	789,806	789,806	789,806
Waste management reserve		300,000	340,000	380,000	420,000	460,000
Boundary and township signage		100,000	100,000	100,000	100,000	100,000
Economic development reserve		396,182	396,182	396,182	396,182	396,182
Fleet replacement reserve		830,848	786,028	622,395	655,662	640,051
Information technology reserve		648,906	618,906	588,906	558,906	528,906
Plant replacement reserve		1,440,764	856,233	593,410	488,094	791,941
Professional development reserve		21,619	27,619	33,619	39,619	45,619
Swimming pool major projects reserve		-	50,000	100,000	150,000	200,000
Units reserve		30,750	30,750	30,750	30,750	30,750
Urban drainage reserve		841,943	841,943	841,943	841,943	841,943
Total discretionary reserves	4.3.2	17,049,542	8,829,620	8,612,751	8,753,385	9,258,456

4 NOTES TO THE FINANCIAL STATEMENTS

This section presents detailed information on material components of the financial statements. Council needs to assess which components are material, considering the dollar amounts and nature of these components.

4.1 Comprehensive income statement

4.1.1 Rates and charges

Rates and charges are required by the Act and Regulations to be disclosed in Council's budget.

As per the Local Government Act 2020, Council is required to have a Revenue and Rating Plan which is a four year plan for how Council will generate income to deliver the Council Plan, program and services and capital works commitments over a four-year period.

In developing the Budget, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the financial planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2022/23 the FGRS cap has been set at 1.75%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the community.

To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 1.75% in line with the rate cap.

This will raise total rates and charges for 2022/23 of \$12.26 million.

4.1.1 (a) The reconciliation of the total rates and charges to the Comprehensive Income Statement is as follows:

	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Change \$	Change %
General rates*	8,759,021	8,899,536	140,515	1.6%
Municipal charge*	1,318,915	1,354,764	35,849	2.7%
Garbage charge	1,330,649	1,476,162	145,513	10.9%
Kerbside recycling charge	476,727	526,554	49,827	10.5%
Total rates and charges	11,885,312	12,257,016	371,704	3.1%
Interest on rates and charges	25,000	35,000	10,000	40.0%

* These items are subject to the rate cap established under the FGRS.

4.1.1 (b) The rate in the dollar to be levied as general rates under Section 158 of the Act for each type or class of land compared with the previous financial year

Type or class of land	2021/22 cents/\$CIV	2022/23 cents/\$CIV	Change
General	0.3579	0.2786	-22.2%
Rural	0.3150	0.2451	-22.2%

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.1 (c) The estimated total amount to be raised by general rates in relation to each type or class of land, and the estimated total amount to be raised by general rates, compared with the previous financial year

Type or class of land	2021/22 \$	2022/23 \$	Change
General	2,528,635	2,724,098	7.7%
Rural	6,192,483	6,175,438	-0.3%
Total amount to be raised by rates	8,721,118	8,899,536	2.0%

4.1.1 (d) The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year

Type or class of land	2021/22 number	2022/23 number	Change
General	4,329	4,387	1.3%
Rural	3,594	3,594	0.0%
Total number of assessments	7,923	7,981	0.7%

4.1.1 (e) The basis of valuation is the Capital Improved Value (CIV).

4.1.1 (f) The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year

Type or class of land	2021/22 \$	2022/23 \$	Change
General	706,447,400	977,953,000	38.4%
Rural	1,965,965,700	2,519,302,200	28.1%
Total value of land	2,672,413,100	3,497,255,200	30.9%

4.1.1 (g) The municipal charge under Section 159 of the Act compared with the previous financial year

Type of charge	Per rateable property 2021/22 \$	Per rateable property 2022/23 \$	Change
Municipal	225	229	1.8%

4.1.1 (h) The estimated total amount to be raised by municipal charges compared with the previous financial year

Type of charge	2021/22 \$	2022/23 \$	Change
Municipal	1,313,325	1,354,764	3.2%

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.1 (i) The rate or unit amount to be levied for each type or service rate or charge under Section 162 of the Act compared with the previous financial year

Type of charge	Per rateable property 2021/22 \$	Per rateable property 2022/23 \$	Change
Garbage collection 140 litre	354	389	9.9%
Garbage collection 240 litre	481	529	10.0%
Kerbside recycling 240 litre	134	147	9.7%

4.1.1 (j) The estimated total amount to be raised by each type of service rate or charge, and the estimated total amount to be raised by service rates and charges, compared with the previous financial year

Type of charge	2021/22 \$	2022/23 \$	Change
Garbage charge	1,331,810	1,476,162	10.8%
Kerbside recycling charge	475,566	526,554	10.7%
Total	1,807,376	2,002,716	10.8%

4.1.1 (k) The estimated total amount to be raised by all rates and charges compared with the previous financial year

	2021/22 \$	2022/23 \$	Change
General rates	8,759,021	8,899,536	1.6%
Municipal charge	1,318,915	1,354,764	2.7%
Garbage and kerbside recycling charge	1,807,376	2,002,716	10.8%
Total rates and charges	11,885,312	12,257,016	3.1%

4.1.1 (l) Fair Go Rates System Compliance

Loddon Shire Council is fully compliant with the State Government's Fair Go Rates System. The table below details the budget assumptions consistent with the requirements of the Fair Go Rates System.

	2021/22 \$	2022/23 \$
Total rates base	9,886,151	10,077,936
Number of rateable properties	7,923	7,981
Base average rate	1,247.78	1,262.74
Maximum rate increase (set by State Government)	1.50%	1.75%
Capped average rate	1,266.50	1,284.84
Maximum general rates and municipal charges revenue	10,034,443	10,254,300
Budgeted general rates and municipal charges revenue	10,034,443	10,254,300

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.1 (m) Any significant changes that may affect the estimated amounts to be raised by rates and charges

There are no known significant changes which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:

- the making of supplementary valuations
- the variation of returned levels of value (e.g. valuation objections)
- changes in use of land such that rateable land becomes non-rateable land and vice versa
- changes in use of land such that general rateable land becomes rural rateable land and vice versa.

4.1.1 (n) Differential rates

The existing rating structure comprises one differential rate (rural properties) and a rate for general properties (residential and commercial). These rates are structured in accordance with the requirements of Section 161 "Differential Rates" of the Local Government Act 1989.

The rate and amount of rates payable in relation to land in each category of differential are:

- a general rate of 0.2786 cents in the dollar of CIV for all rateable general properties
- a rural rate of 0.2451 cents in the dollar of CIV for all rateable rural properties.

Each differential rate will be determined by multiplying the Capital Improved Value of the rateable land by the relevant cents in the dollar indicated above.

For the 2022/23 Budget, Council has defined a differential rate split of 12%, with rural rates having a rate in the dollar of 88% of the general rate. Council considers this as a fair allocation of rates across property types.

Under the Cultural and Recreation Lands Act 1963, provision is made for a Council to grant a rating concession to any "recreational lands" which meet the test of being "rateable land" under the Local Government Act 1989. Council has exempted all rateable recreation land from the payment of rates.

4.1.2 Statutory fees and fines

	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Change \$	Change %
Rates and property	13,687	13,927	240	1.8%
Risk management	11,639	11,843	204	1.8%
Building regulation	80,668	82,079	1,411	1.7%
Local laws and animal management	54,926	55,887	961	1.7%
Public health	42,425	43,167	742	1.7%
Strategic and statutory planning	76,122	77,454	1,332	1.7%
Total statutory fees and fines	279,467	284,357	3,558	1.7%

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include Public Health and Wellbeing Act 2008 registrations, Planning and Environment Act 1987 registrations, Building Act 1993 registrations, the Country Fire Authority Act 1958 registrations, and Domestic (Feral and Nuisance) Animals Act 1994 registrations. Increases in statutory fees are made in accordance with legislative requirements.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.3 User fees

	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Change \$	Change %
Economic development	35,705	37,530	1,825	5.1%
Caravan parks	391,201	398,047	6,846	1.7%
Loddon Discovery Tours	24,191	24,309	118	0.5%
Tourism	-	-	-	#DIV/0!
Aged care services	492,437	537,246	44,809	9.1%
Elderly persons units	66,616	67,782	1,166	1.8%
Seniors	8,835	6,800	(2,035)	-23.0%
Emergency management	7,004	7,126	122	1.7%
Municipal health and wellbeing	1,000	1,000	-	0.0%
Early years	2,300	2,300	-	0.0%
Pre-schools	121,110	99,577	(21,533)	-17.8%
Corporate governance	3,100	3,154	54	1.7%
Financial services	3,066	500	(2,566)	-83.7%
Human resources and development	40,280	40,985	705	1.8%
Risk management	3,997	4,067	70	1.8%
Council engineering and technical services	50,279	55,459	5,180	10.3%
Building regulation	4,000	4,070	70	1.8%
Building and property maintenance	2,618	102	(2,516)	-96.1%
Gravel pits	130,185	132,463	2,278	1.7%
Roads	39,975	40,674	699	1.7%
Waste management	67,277	68,457	1,180	1.8%
Total user fees	1,495,176	1,531,648	36,472	2.4%

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include home and community care services, caravan park fees, gravel pit fees and royalties, Loddon Discovery Tour fees, rental from Council owned properties, and private works. A detailed listing of statutory fees and Council charges is available on Council's web site and can also be inspected at Council's customer service centre. In setting the budget, the key principle for determining the level of user charges has been to ensure that increases do not exceed CPI increases or market levels. Council has many varied sources of user charges.

4.1.4 Grants

Grants are required by the Act and Regulations to be disclosed in Council's annual budget.

	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Change \$	Change %
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	14,761,203	4,853,506	(9,907,697)	-67.1%
State funded grants	11,476,739	1,708,296	(9,768,443)	-85.1%
Total grants received	26,237,942	6,561,802	(19,676,140)	-75.0%

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.4 Grants (Continued)

	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Change \$	Change %
(a) Operating grants				
Recurrent - Commonwealth Government				
VLGGC - local roads	5,186,789	1,048,937	(4,137,852)	-79.8%
VLGGC - general	7,020,657	1,416,843	(5,603,814)	-79.8%
Recurrent - State Government				
Aged care services	904,090	920,604	16,514	1.8%
Seniors	2,600	2,600	-	0.0%
Maternal and child health	197,866	200,834	2,968	1.5%
Early years	33,956	32,496	(1,460)	-4.3%
Pre-schools	469,849	476,896	7,047	1.5%
Immunisation	1,000	1,000	-	0.0%
Youth	24,500	-	(24,500)	-100.0%
Rates and property	45,599	47,195	1,596	3.5%
Local laws and animal management	12,671	12,861	190	1.5%
Public health	6,074	6,165	91	1.5%
Roads	75,000	-	(75,000)	-100.0%
Waste management	7,530	7,645	115	1.5%
Total recurrent grants	13,988,181	4,174,076	- 9,814,105	-70.2%
Non-recurrent State Government				
Administration and management	9,356	-	(9,356)	-100.0%
Economic development	210,000	-	(210,000)	-100.0%
Community wellbeing projects	83,240	-	(83,240)	-100.0%
Community support	8,275	-	(8,275)	-100.0%
Grants and community planning	262,000	-	(262,000)	-100.0%
Pre-schools	23,911	-	(23,911)	-100.0%
Project and contact management	235,500	-	(235,500)	-100.0%
Total non-recurrent grants	832,282	-	(832,282)	-100.0%
Total operating grants	14,820,463	4,174,076	- 10,646,387	-71.8%

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.4 Grants (Continued)

	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Change \$	Change %
(b) Capital grants				
Recurrent - Commonwealth Government				
Roads to Recovery	2,553,757	2,387,726	(166,031)	-6.5%
Recurrent - State Government				
Caravan parks	521,099	-	(521,099)	0.0%
Total - recurrent capital grants	3,074,856	2,387,726	(687,130)	-22.3%
Non-recurrent - Commonwealth Government				
Nil	-	-	-	0.0%
Non-recurrent - State Government				
Grants and community planning	4,979,670	-	(4,979,670)	-100.0%
Projects and contract management	3,298,733	-	(3,298,733)	-100.0%
Waste management	64,220	-	(64,220)	-100.0%
Total - non-recurrent capital grants	8,342,623	-	(8,342,623)	-100.0%
Total - capital grants	11,417,479	2,387,726	(9,029,753)	-79.1%

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers.

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program.

4.1.5 Contributions

	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Change \$	Change %
Monetary	430,879	-	(430,879)	100.0%
Non-monetary	-	-	-	0.0%
Total contributions	430,879	-	430,879	100.0%

Contributions relate to monies paid by community groups and external parties towards capital and recurrent related projects.

4.1.6 Reimbursements

	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Change \$	Change %
Council administration	55,000	55,825	825	1.5%
Risk management	62,259	62,156	(103)	-0.2%
Plant and fleet	140,000	142,100	2,100	1.5%
Total reimbursements	257,259	260,081	2,822	1.1%

Reimbursements include diesel fuel rebates from the Taxation Office, insurance rebates, Workcover reimbursements, and training reimbursements.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.7 Regional Roads Victoria

	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Change \$	Change %
Approved maintenance	20,523	20,831	308	1.5%
Provisional sum items	12,739	12,930	191	1.5%
Routine maintenance	477,443	484,605	7,162	1.5%
Total Regional Roads Victoria	510,705	518,366	7,661	1.5%

Council's contract with Regional Roads Victoria includes an "as of right" amount for routine maintenance works.

4.1.8 Other income

	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Change \$	Change %
Interest	200,000	235,000	35,000	17.5%
Reversal of impairment losses	-	-	-	0.0%
Total other income	200,000	235,000	35,000	17.5%

Other income relates to a range of items such as interest revenue on investments and rate arrears.

4.1.9 Employee costs

	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Change \$	Change %
Wages and salaries	12,438,039	12,635,376	197,337	1.6%
Workcover	147,670	325,425	177,755	120.4%
Superannuation	1,187,010	1,295,741	108,731	9.2%
Fringe benefits tax	104,000	105,560	1,560	1.5%
Total employee costs	13,876,719	14,362,102	485,383	3.5%

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employee superannuation, rostered days off, Workcover premium and Fringe Benefits Tax for all salaries and wages. Salaries and wages that relate to capital works are not included in operating expenditure but is included in the tables below for full transparency.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.10 Materials, services and contracts

	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Change \$	Change %
Administration and management	684,417	363,565	(320,852)	-46.9%
Economic development	513,009	177,018	(335,991)	-65.5%
Council administration	288,393	245,067	(43,326)	-15.0%
Library services	218,018	221,288	3,270	1.5%
Media	74,000	74,000	-	0.0%
Caravan parks	318,890	332,776	13,886	4.4%
Loddon Discovery Tours	20,396	20,702	306	1.5%
Tourism	164,942	113,506	(51,436)	-31.2%
Aged care services	378,392	251,759	(126,633)	-33.5%
Elderly persons units	74,185	75,849	1,664	2.2%
Rural access	145,031	0	(145,031)	-100.0%
Seniors	66,211	68,985	2,774	4.2%
Community wellbeing projects	142,197	0	(142,197)	-100.0%
Community support	517,723	453,894	(63,829)	-12.3%
Emergency management	93,442	20,705	(72,737)	-77.8%
Grants and community planning	1,530,723	530,300	(1,000,423)	-65.4%
Municipal health and wellbeing	111,379	10,500	(100,879)	-90.6%
Swimming pools	572,043	672,908	100,865	17.6%
Maternal and child health	283,034	95,906	(187,128)	-66.1%
Early years	318,869	47,490	(271,379)	-85.1%
Pre-schools	89,856	95,154	5,298	5.9%
Immunisation	4,321	4,359	38	100.0%
Youth	62,413	6,000	(56,413)	-90.4%
Corporate Governance	80,095	55,172	(24,923)	-31.1%
Financial services	204,858	199,503	(5,355)	-2.6%
Rates and property	84,069	88,865	4,796	5.7%
Customer service	109,839	111,508	1,669	1.5%
Information management	121,489	116,239	(5,250)	-4.3%
Information technology	515,133	602,711	87,578	17.0%
Human resources and development	458,760	302,232	(156,528)	-34.1%
Risk management	384,256	407,749	23,493	6.1%
Council engineering and technical services	264,658	266,088	1,430	0.5%
Project and contract management	100,242	63,661	(36,581)	-36.5%
Building regulation	42,024	42,534	510	1.2%
Local laws and animal management	112,025	47,449	(64,576)	-57.6%
Public health	35,557	35,925	368	1.0%
Strategic and statutory planning	195,460	30,737	(164,723)	-84.3%
Air strips	8,449	8,697	248	2.9%
Building and property maintenance	977,330	666,228	(311,102)	-31.8%
Plant and fleet	(2,412,467)	(1,796,472)	615,995	-25.5%
Gravel pits	38,475	439,052	400,577	1041.1%
Management and administration	72,000	72,000	-	0.0%
Parks and townships	481,271	397,093	(84,178)	-17.5%

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.10 Materials, services and contracts

	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Change \$	Change %
Roads	4,105,791	4,089,872	(15,919)	-0.4%
DOT routine maintenance contract	185,961	188,751	2,790	1.5%
Waste management	1,695,433	1,796,054	100,621	5.9%
Waterways management	58,162	59,633	1,471	2.5%
Total materials, services and contracts	14,590,754	12,173,012	(2,417,742)	-16.6%

Materials, services and contracts include the purchase of consumables, payments to contractors for the provision of services and utility costs.

4.1.11 Depreciation

	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Change \$	Change %
Roads	5,411,866	5,520,103	108,237	2.0%
Buildings	1,917,010	1,955,350	38,340	2.0%
Plant and equipment	1,329,217	1,355,801	26,584	2.0%
Bridges	359,196	366,380	7,184	2.0%
Urban drains	246,909	251,847	4,938	2.0%
Furniture and equipment	115,139	117,442	2,303	2.0%
Footpaths	194,950	198,849	3,899	2.0%
Kerb and channel	126,859	129,396	2,537	2.0%
Landfills	172,708	176,162	3,454	2.0%
Street furniture	32,046	32,687	641	2.0%
Quarries	2,559	2,610	51	2.0%
Total depreciation	9,908,459	10,106,628	198,169	2.0%

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains.

4.1.12 Other expenses

	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Change \$	Change %
Councillors' emoluments	249,610	263,000	13,390	5.4%
Internal audit remuneration	41,559	42,182	623	1.5%
External audit remuneration	45,284	46,000	716	1.6%
Impairment of interest free loans	-	-	-	0.0%
Total other expenses	336,453	351,182	14,729	4.4%

Other expenses include councillors' costs, auditors' remuneration and other minor expenses.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.2 Balance sheet

4.2.1 Assets

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to decrease by \$4.6 million during the year mainly due to the expectation to have most capital projects complete by 30 June and the upfront funding received by 30 June 2022.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are not expected to change significantly in the budget. Long term debtors (non-current) relating to loans to community organisations will decrease slightly in accordance with agreed repayment terms.

Other assets includes items such as prepayments for expenses that Council has paid in advance of service delivery, inventories or stocks held for sale or consumption in Council's services and other revenues due to be received in the next 12 months.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all land, buildings, roads, vehicles, equipment, etc. which has been built up by Council over many years. The \$8.3 million increase in this balance is attributable to the net result of the capital works program (\$23.06 million in 2021/22 and \$7.34 million in 2022/23), depreciation of assets (\$9.91 million in 2021/22 and \$10.11 million in 2022/23) and the income through sale of property, plant and equipment.

Investments in associates and joint ventures represents Council's equity in the North Central Regional Goldfields Library. The change in equity has been inconsistent in the past with some years increasing and other years decreasing, so for budgeting purposes, the equity has not been changed. Non-current assets held for resale is land and/or buildings that Council can confidently state will be sold within a short period of time.

4.2.2 Liabilities

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to reduce by \$0.64 million in 2022/23 levels due to a reduction in material and services costs incurred during the financial year.

Employee benefits include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are expected to decrease by \$0.08 million (current liability) and increase by \$0.30 million (non current liability) due to increases in employee service years.

4.2.3 Equity

Total equity always equals net assets and is made up of the following components:

- asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations
- other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the accumulated surplus of the Council to be separately disclosed
- accumulated surplus which is the value of all net assets less reserves that have accumulated over time. \$7.69 million is the decrease in accumulated surplus results directly from the surplus for the year. This is offset by an amount of \$11.20 million net is budgeted to be transferred to other reserves from accumulated surplus. This reflects the usage of Council's reserves to partly fund the capital works program and other specified projects. This is a transfer between equity balances and does no impact on the total balance of equity.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.2 Balance sheet (continued)

4.2.4 Borrowings

The table below shows information on borrowings specifically required by the Regulations.

	Forecast Actual 2021/22 \$	Budget 2022/23 \$
Total amount borrowed as at 30 June of the prior year	-	-
Total amount to be borrowed	-	-
Total amount projected to be redeemed	-	-
Total amount proposed to be borrowed as at 30 June	-	-

In developing the Financial Plan, borrowings may be identified as an important funding source for capital works programs. In the past Council has borrowed to finance large projects and since then has been in a phase of debt reduction. This has resulted in a reduction in debt servicing costs, but has meant that cash and investment reserves have been used as an alternate funding source to maintain robust capital works programs.

In general, Council has adopted a policy to remain debt free except for situations where funding was required to deliver significant capital projects. The Council has elected to not borrow any further funds at this time.

In 2015/16 final loan payments were made which finalises all of Council's borrowings.

For the 2022/23 year, Council has decided not to take out any new borrowings.

4.2.5 Leases by category

As a result of the introduction of AASB16 Leases, right-of-use assets and lease liabilities have been recognised as outlined in the table below.

	Forecast Actual 2021/22 \$	Budget 2022/23 \$
Right-of-use assets	-	-
Property	-	-
Total right-of-use assets	-	-
Lease liabilities		
Current lease liabilities	-	-
Land and buildings	-	-
Total current lease liabilities	-	-
Non-current lease liabilities	-	-
Land and buildings	-	-
Total non-current lease liabilities	-	-
Total lease liabilities	-	-

Where the interest rate applicable to a lease is not expressed in the lease agreements, Council applied the average incremental borrowing rate in the calculation of lease liabilities. The current incremental borrowing rate is 1.57%

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity

4.3.1 Reserves

Council undertakes reserves budgeting in order to provide for future expenditure while reducing the impact of purchases on the current year budget.

The following reserves are currently in use by Council:

Capital expenditure reserve

The Capital Expenditure Reserve is used to set aside funds that have been budgeted for capital works projects in one financial year but will not be fully expended by the end of that year. The funds will be transferred to the reserve in the budget year, and transferred from the reserve in the following financial year, or in the year that the funds are expended for the specific project.

Caravan park development reserve

The Caravan Park Development Reserve has been established to assist with funding major projects at Council's caravan parks. Council transfers to the reserve annually the surplus on operations of its caravan parks, and transfers from the reserve the cost of major projects undertaken at Council's caravan parks during the year.

Community planning reserve

The Community Planning Reserve has been established for situations where projects are budgeted in one year but for various reasons are unable to be delivered and are therefore deferred until the following year.

GSP reserve

The Gravel and Sand Pit (GSP) Reserve is used to fund land purchase, development and restoration of gravel and sand pits used by Council for the extraction of gravel. The budgeted surplus on operations of the pits is transferred to the reserve annually, to a maximum reserve level of \$400K and the cost of purchasing new sites, development and restoration of the pits is transferred from the reserve.

Heritage loan scheme reserve

The Heritage Loan Scheme Reserve is used to provide land owners of properties located in significant heritage precincts, heritage registered buildings or structures of local heritage significance, with loans to enable repair and maintenance of those buildings with the aims of quality appearance and public safety.

Land and buildings reserve

The Land and Buildings Reserve is used to fund the acquisition of land and buildings. Funds received from the sale of Council owned land and buildings are transferred to the reserve.

Little Lake Boort water reserve

The Little Lake Boort Water Reserve was established with funds generated from sale of water allocations not required for immediate use in Little Lake Boort. The reserve is used to purchase replacement water at an appropriate time, or may be used for other purposes specific to Little Lake Boort.

Major projects reserve

The Major Projects Reserve is used to assist with the funding of major projects identified by Council. Council transfers funds to the reserve annually an amount determined during the budget process as sufficient to fund the major projects program and transfers the funds required to finance major works undertaken at Council's discretion.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.1 Reserves (continued)

Reserves improvement reserve

The Reserves Improvement Reserve is an allocation of funds used to provide interest free loans to community groups. Usually there are no transfers to or from this reserve.

Unfunded superannuation liability reserve

The Unfunded Superannuation Liability Reserve is used to repay any potential unfunded superannuation liability arising from the LAS Defined Benefits Plan Scheme. Council transfers to the reserve amounts allocated in the budget, and transfers from the reserve payments made to Vision Super Pty. Ltd. for the unfunded superannuation liability.

Unightly premises enforcement provision reserve

The Unightly Premises Enforcement Provision Reserve is used to provide funds to assist with the enforcement and rectification works on determined unsightly premises with costs recouped via legal or other action.

Unspent contributions reserve

The Unspent Contributions Reserve is used to set aside contributions received for a specific purpose in one financial year that will not be expended until a later financial year. The funds will be transferred to the reserve in the year the funds are received, and transferred from the reserve in the year that the funds are expended for that purpose.

Unspent grants reserve

The Unspent Grants Reserve has been established for situations where Council has received funding via an external party and those funds remain unspent at the end of the financial year.

Waste management reserve

The Waste Management Reserve has been established to assist with the cost of strategic projects, compliance and long term planning for Council's landfills and transfer stations. Council transfers to the reserve annually \$10 per kerbside collection levy (or a pro-rata amount for a pro-rata collection), to a maximum level of \$300K. Council transfers from the reserve the cost of strategic projects, compliance and long term planning within Council landfills and transfer stations.

Boundary and township signage reserve

The Boundary and Township Signage Reserve is used to fund replacement of Council's boundary and township signage. annually an amount determined during the budget process as sufficient to fund the boundary and township signage replacement program, to a maximum reserve level of \$100K. Council transfers from the reserve the net cost of boundary and township signage purchases and installation for the year.

Economic development reserve

The Economic Development Reserve is used to set aside funds to assist with economic development initiatives that Council wishes to financially support. Council transfers to the reserve a set amount determined during the budget process and transfers from the reserve the cost of economic development initiatives within the year.

Fleet replacement reserve

The Fleet Replacement Reserve is used to fund the replacement of office vehicles. Council transfers to the reserve a fixed amount annually and transfers from the reserve the net cost of fleet purchases for the year.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.1 Reserves (continued)

Information technology reserve

The Information Technology Reserve is used to set aside monies for the purchase of information technology assets. The reserve outlines the annual cost of information technology for Council and the amounts required to be set aside in reserve for future asset purchases. It is capped to a maximum reserve level of \$800K.

Plant replacement reserve

The Plant Replacement Reserve is used to fund plant purchases. Council transfers to the reserve a fixed amount annually and transfers from the reserve the net cost of plant purchases for the year.

Professional development reserve

The Professional Development Reserve is used to fund professional development undertaken by executive officers of Council. An annual allocation is provided to each officer and that amount is transferred to the reserve annually, while the cost of professional development undertaken during the year is transferred from the reserve.

Swimming pool major projects reserve

The Swimming Pool Major Projects Reserve is used to fund unplanned major repairs and capital works at the various swimming pool sites across the Shire. Council transfers to the reserve annually an amount determined during the budget process, to a maximum reserve level of \$200K. Council transfers from the reserve the net cost of unplanned major repairs and capital works.

Units reserve

The Units Reserve is used to fund the purchase or improvement of Council owned elderly persons' units. The surplus generated from rental income is transferred to the reserve annually. The cost of major improvements is transferred from the reserve annually.

Urban drainage reserve

The Urban Drainage Reserve is used to fund urban drainage works in the towns within the Shire. Council transfers to the reserve annually a budgeted amount, and transfers from the reserve the cost of urban drainage works for the year.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.2 Transfers to and from reserves

The following is a summary of the projected reserves position for the year ended 30 June 2022:

2021/22 reserves - as per projected forecast				
Name of reserve	Balance at 1 July 2021 \$	Transfers to reserves \$	Transfers from reserves \$	Balance at 30 June 2022 \$
Capital expenditure reserve	4,282,325	-	4,282,325	-
Caravan park development reserve	188,073	68,500	22,500	234,073
Community planning reserve	2,628,720	-	1,357,720	1,271,000
Gravel and sand pit reserve	400,000	-	-	400,000
Heritage loan scheme reserve	100,000	-	-	100,000
Land and buildings reserve	455,274	339,436	-	794,710
Little Lake Boort water reserve	17,604	-	-	17,604
Major projects reserve	233,996	-	-	233,996
Reserves improvement reserve	100,000	-	-	100,000
Superannuation liability reserve	1,200,000	-	200,000	1,000,000
Unightly premises enforcement	100,000	-	-	100,000
Unspent contributions reserve	-	-	-	-
Unspent grants reserve	10,860,404	8,187,147	10,860,404	8,187,147
Waste management reserve	300,000	-	-	300,000
Boundary and township signage	100,000	-	-	100,000
Economic development reserve	431,182	100,000	135,000	396,182
Fleet replacement reserve	713,468	200,000	82,620	830,848
Information technology reserve	810,803	150,000	311,897	648,906
Plant replacement reserve	1,574,210	900,000	1,033,446	1,440,764
Professional development reserve	15,619	6,000	-	21,619
Swimming pool major projects reserve	200,000	50,000	250,000	-
Units reserve	60,000	-	29,250	30,750
Urban drainage reserve	773,443	350,000	281,500	841,943
TOTAL	25,545,121	10,351,083	18,846,662	17,049,545

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.2 Transfers to and from reserves (continued)

The following is a summary of the budgeted reserves position for the year ended 30 June 2023:

2022/23 reserves - as per budget				
Name of reserve	Balance at 1 July 2022 \$	Transfers to reserves \$	Transfers from reserves \$	Balance at 30 June 2023 \$
Capital expenditure reserve	-	-	-	-
Caravan park development reserve	234,073	68,882	7,500	295,455
Community planning reserve	1,271,000	-	-	1,271,000
Gravel and sand pit reserve	400,000	79,388	400,000	79,388
Heritage loan scheme reserve	100,000	-	-	100,000
Land and buildings reserve	794,710	-	-	794,710
Little Lake Boort water reserve	17,604	-	-	17,604
Major projects reserve	233,996	-	-	233,996
Reserves improvement reserve	100,000	-	-	100,000
Superannuation liability reserve	1,000,000	-	-	1,000,000
Unightly premises enforcement	100,000	-	-	100,000
Unspent contributions reserve	-	-	-	-
Unspent grants reserve	8,187,147	-	7,397,341	789,806
Waste management reserve	300,000	40,000	-	340,000
Boundary and township signage	100,000	-	-	100,000
Economic development reserve	396,182	-	-	396,182
Fleet replacement reserve	830,848	150,000	194,820	786,028
Information technology reserve	648,906	150,000	180,000	618,906
Plant replacement reserve	1,440,764	950,000	1,534,531	856,233
Professional development reserve	21,619	6,000	-	27,619
Swimming pool major projects reserve	-	50,000	-	50,000
Units reserve	30,750	-	-	30,750
Urban drainage reserve	841,943	350,000	350,000	841,943
TOTAL	17,049,542	1,844,270	10,064,192	8,829,620

By including the above transfers from reserves it is expected that reserve levels decrease by approximately \$8.2M million, leaving a balance of \$8.83 million in the reserves account.

4.3.3 Details of reserves

The following schedule provides details of each of the reserve transfers for 2022/23:

Capital expenditure reserve			
Opening balance			-
ADD transfer to reserve			
Nil	N/A	-	-
LESS transfer from reserve			
Nil	N/A	-	-
Closing balance			-

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.3 Details of reserves (continued)

Caravan park development reserve			
Opening balance			234,073
ADD transfer to reserve			
Surplus of caravan park operations		68,882	68,882
LESS transfer from reserve			
Tree works		(7,500)	(7,500)
Closing balance			295,455
Community planning reserve			
Opening balance			1,271,000
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			1,271,000
GSP restoration reserve			
Opening balance			400,000
ADD transfer to reserve			
Surplus of GSP operations		79,388	79,388
LESS transfer from reserve			
Crushing works		(400,000)	(400,000)
Closing balance			79,388
Heritage loan scheme reserve			
Opening balance			100,000
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			100,000
Land and buildings reserve			
Opening balance			794,710
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			794,710

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.3 Details of reserves (continued)

Little Lake Boort water reserve			
Opening balance			17,604
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			17,604
Major projects reserve			
Opening balance			233,996
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			233,996
Reserves improvement reserve			
Opening balance			100,000
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			100,000
Superannuation liability reserve			
Opening balance			1,000,000
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Not required - COVID-19 response		-	-
Closing balance			1,000,000
Unightly premises enforcement provision			
Opening balance			100,000
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			100,000

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.3 Details of reserves (continued)

Unspent contributions reserve			
Opening balance			-
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			-
Unspent grants reserve			
Opening balance			8,187,147
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Upfront 75% payment of VLGGC funding 21/22		(7,397,341)	(7,397,341)
Closing balance			789,806
Waste management reserve			
Opening balance			300,000
ADD transfer to reserve			
Allocation to reserve		40,000	40,000
LESS transfer from reserve			
Nil		-	-
Closing balance			340,000
Boundary and township entrance signage			
Opening balance			100,000
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			100,000
Economic development reserve			
Opening balance			396,182
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			396,182

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.3 Details of reserves (continued)

Fleet replacement reserve			
Opening balance			830,848
ADD transfer to reserve			
Annual allocation to reserve		150,000	150,000
LESS transfer from reserve			
Net cost of fleet replacement		(194,820)	(194,820)
Closing balance			786,028
Information technology reserve			
Opening balance			648,906
ADD transfer to reserve			
Annual allocations for major purchases		150,000	150,000
LESS transfer from reserve			
IT equipment purchases		(180,000)	(180,000)
Closing balance			618,906
Plant replacement reserve			
Opening balance			1,440,764
ADD transfer to reserve			
Annual allocation to reserve		950,000	950,000
LESS transfer from reserve			
Net cost of plant replacement		(1,534,531)	(1,534,531)
Closing balance			856,233
Professional development reserve			
Opening balance			21,619
ADD transfer to reserve			
Annual allocation		6,000	6,000
LESS transfer from reserve			
Nil		-	-
Closing balance			27,619
Swimming pool major projects reserve			
Opening balance			-
ADD transfer to reserve			
Annual allocation to reserve		50,000	50,000
LESS transfer from reserve			
Capital works program		-	-
Closing balance			50,000

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.3 Details of reserves (continued)

Units reserve			
Opening balance			30,750
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			30,750

Urban drainage reserve			
Opening balance			841,943
ADD transfer to reserve			
Annual allocation		350,000	350,000
LESS transfer from reserve			
Drainage program		(350,000)	(350,000)
Closing balance			841,943

4.3.4 Equity

Total equity always equals net assets and is made up of the asset revaluation reserve, other reserves and the accumulated surplus.

4.3.5 Working capital

Working capital is the excess of current assets above current liabilities. The calculation recognises that although Council has current assets, some of those assets are committed to the future settlement of liabilities and therefore are not available for discretionary spending.

Some of Council's cash assets are restricted in that they are required by legislation to be held in reserve for specific purposes or are held to fund carry forward capital works from the previous financial year.

	Forecast Actual 2021/22 \$	Budget 2022/23 \$	Variance \$
Current assets	27,997,715	15,892,371	12,105,344
Current liabilities	3,647,914	3,487,312	160,602
Working capital	24,349,801	12,405,059	11,944,742
Intended allocation assets			
- Discretionary reserves	(17,049,545)	(8,829,620)	(8,219,925)
- Leave allocations	(3,097,447)	(3,159,396)	61,949
Restricted allocation assets			
- Trust funds and deposits	(346,912)	(329,567)	(17,345)
Unrestricted working capital	3,855,897	86,476	3,769,421

In addition to the restricted assets above, Council is also projected to hold \$8.83 million in discretionary reserves at 30 June 2022. Although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution, these funds are to be used for those earmarked purposes.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.4 Statement of cash flows

This section of the report analyses the expected cash flows from the operating, investing and financing activities of Council for the 2022/23 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

4.4.1 Net cash flows provided by / (used in) operating activities

Operating activities - Refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt.

The decrease in cash flows from operating activities is due mainly to an increase in operating costs offset by a decrease in grants. This is partially offset by a slight increase in rates and charges, which includes an increase in rates of 1.75% and garbage related charges of 10.0%.

4.4.2 Net cash flows provided by / (used in) investing activities

Investing activities - Refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and equipment.

The decrease in payments for investing activities represents a decrease in capital works expenditure. Term deposits are also expected to decrease.

4.4.3 Net cash flows provided by / (used in) financing activities

Financing activities - Refers to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities include repayment of the principle component of loan repayments for the year.

Council's borrowings were fully extinguished in the 2015/16 financial year. No new are borrowings are budgeted in 2022/23.

4.4.4 Cash and cash equivalents at the end of the year

Overall, total cash and investments is forecast to decrease by \$11.71 million to \$12.56 million as at 30 June 2023, although the cash position will be determined by a number of factors including collection of outstanding amounts during the year, payment cycle for Council's creditors and movement in trust funds.

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2023 it will have unrestricted cash and investments of \$0.24 million, which has been restricted as shown in the following table.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.4 Statement of cash flows (continued)

4.4.4 Cash and cash equivalents at the end of the year (continued)

	Ref	Forecast Actual 2020/21 \$	Budget 2021/22 \$	Variance \$
Total cash and investments		24,270,871	12,560,553	(11,710,318)
Intended allocation assets				
Leave allocations	4.4.5	(3,097,447)	(3,159,396)	(61,949)
Discretionary reserves	4.4.6	(17,049,542)	(8,829,620)	8,219,922
Restricted allocation assets				
Trust funds and deposits		(346,912)	(329,567)	17,345
Unrestricted cash adjusted for discretionary reserves	4.4.7	3,776,970	241,970	(3,535,000)

4.4.5 Leave allocations

Council has continued to treat funds set aside for employees long service leave, annual leave and RDO's as restricted cash. The increase in the variance is due to increased years of service by employees and increases in wage rates through the enterprise bargaining agreement.

4.4.6 Discretionary reserves

These funds are shown as a discretionary reserve as, although not restricted by a statutory purpose, Council has made decision regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes. The decisions about future use of these funds has been reflected in Council Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan.

4.4.7 Unrestricted cash and investments

These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements, unexpected short term needs and any budget commitments which will be expended in the following year such as grants and contributions. Council regards these funds as the minimum necessary to ensure that it can meet its commitments as and when they fall due without borrowing further funds.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2022/23 year.

The capital works projects are grouped by class and include the following:

- new works for 2022/23
- works carried forward from the 2021/22 year.

4.5.1 New works by asset expenditure type

Capital works area	Project cost	Asset expenditure types			
		New \$	Renewal \$	Upgrade \$	Expansion \$
Property					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
Total land	-	-	-	-	-
Buildings	-	-	-	-	-
Building improvements	405,000	-	405,000	-	-
Total buildings	405,000	-	405,000	-	-
Total property	405,000	-	405,000	-	-
Plant and equipment					
Plant, machinery and equipment	2,097,340	2,097,340	-	-	-
Computers and telecommunications	100,000	100,000	-	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	2,197,340	2,197,340	-	-	-
Infrastructure					
Roads	3,207,823	-	3,207,823	-	-
Bridges	149,488	-	149,488	-	-
Footpaths	426,183	-	426,183	-	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	500,000	-	-	500,000	-
Parks, open space and streetscapes	100,000	-	100,000	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	4,733,494	-	4,233,494	500,000	-
Total new works	7,335,834	2,197,340	4,638,494	500,000	-

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.2 New works by funding source

Capital works area	Project cost	Funding sources			
		Grants / contributions \$	Reserves \$	Council funded \$	Sale of assets \$
Property					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
Total land	-	-	-	-	-
Buildings	-	-	-	-	-
Building improvements	405,000	-	-	405,000	-
Total buildings	405,000	-	-	405,000	-
Total property	405,000	-	-	405,000	-
Plant and equipment					
Plant, machinery and equipment	2,097,340	-	1,729,351	40,000	327,989
Computers and telecommunications	100,000	-	100,000	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	2,197,340	-	1,829,351	40,000	327,989
Infrastructure					
Roads	3,207,823	2,238,238	-	969,585	-
Bridges	149,488	149,488	-	-	-
Footpaths	426,183	-	-	426,183	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	500,000	-	-	500,000	-
Parks, open space and streetscapes	100,000	-	-	100,000	-
Other infrastructure	-	-	-	-	-
Total infrastructure	4,733,494	2,387,726	350,000	1,995,768	-
Total new works	7,335,834	2,387,726	2,179,351	2,440,768	327,989

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.3 Works carried forward from the 2021/22 year by asset expenditure type

Capital works area	Project cost	Asset expenditure types			
		New \$	Renewal \$	Upgrade \$	Expansion \$
Property					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
Total land	-	-	-	-	-
Buildings	-	-	-	-	-
Building improvements	-	-	-	-	-
Total buildings	-	-	-	-	-
Total property	-	-	-	-	-
Plant and equipment					
Plant, machinery and equipment	-	-	-	-	-
Computers and telecommunications	-	-	-	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	-	-	-	-	-
Infrastructure					
Roads	-	-	-	-	-
Bridges	-	-	-	-	-
Footpaths	-	-	-	-	-
Drainage	-	-	-	-	-
Recreation, leisure and community facilities	-	-	-	-	-
Parks, open space and streetscapes	-	-	-	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	-	-	-	-	-
Total carried forward works	-	-	-	-	-

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.4 Works carried forward from the 2021/22 year by funding source

Capital works area	Project cost	Funding sources			
		Grants / contributions \$	Reserves \$	Council funded \$	Sale of assets \$
Property					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
Total land	-	-	-	-	-
Buildings	-	-	-	-	-
Building improvements	-	-	-	-	-
Total buildings	-	-	-	-	-
Total property	-	-	-	-	-
Plant and equipment					
Plant, machinery and equipment	-	-	-	-	-
Computers and telecommunications	-	-	-	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	-	-	-	-	-
Infrastructure					
Roads	-	-	-	-	-
Bridges	-	-	-	-	-
Footpaths	-	-	-	-	-
Drainage	-	-	-	-	-
Recreation, leisure and community facilities	-	-	-	-	-
Parks, open space and streetscapes	-	-	-	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	-	-	-	-	-
Total carried forward works	-	-	-	-	-

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.4 Summary of planned capital works expenditure by asset type

Capital works 2023/24	Project cost	Asset expenditure types			
		New \$	Renewal \$	Upgrade \$	Expansion \$
Property					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
Total land	-	-	-	-	-
Buildings	-	-	-	-	-
Building improvements	405,000	-	405,000	-	-
Total buildings	405,000	-	405,000	-	-
Total property	405,000	-	405,000	-	-
Plant and equipment					
Plant, machinery and equipment	1,870,064	1,870,064	-	-	-
Computers and telecommunications	100,000	100,000	-	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	1,970,064	1,970,064	-	-	-
Infrastructure					
Roads	3,381,218	-	3,381,218	-	-
Bridges	152,328	-	152,328	-	-
Footpaths	432,061	-	432,061	-	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	500,000	-	-	500,000	-
Parks, open space and streetscapes	100,000	-	100,000	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	4,915,607	-	4,415,607	500,000	-
Total capital works 2023/24	7,290,671	1,970,064	4,820,607	500,000	-

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.4 Summary of planned capital works expenditure by asset type (continued)

Capital works 2024/25	Project cost	Asset expenditure types			
		New \$	Renewal \$	Upgrade \$	Expansion \$
Property					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
Total land	-	-	-	-	-
Buildings	-	-	-	-	-
Building improvements	405,000	-	405,000	-	-
Total buildings	405,000	-	405,000	-	-
Total property	405,000	-	405,000	-	-
Plant and equipment					
Plant, machinery and equipment	1,493,751	1,493,751	-	-	-
Computers and telecommunications	100,000	100,000	-	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	1,593,751	1,593,751	-	-	-
Infrastructure					
Roads	3,477,627	-	3,477,627	-	-
Bridges	155,223	-	155,223	-	-
Footpaths	422,610	-	422,610	-	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	500,000	-	-	500,000	-
Parks, open space and streetscapes	100,000	-	100,000	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,005,460	-	4,505,460	500,000	-
Total capital works 2024/25	7,004,211	1,593,751	4,910,460	500,000	-

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.4 Summary of planned capital works expenditure by asset type (continued)

Capital works 2025/26	Project cost	Asset expenditure types			
		New \$	Renewal \$	Upgrade \$	Expansion \$
Property					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
Total land	-	-	-	-	-
Buildings	-	-	-	-	-
Building improvements	405,000	-	405,000	-	-
Total buildings	405,000	-	405,000	-	-
Total property	405,000	-	405,000	-	-
Plant and equipment					
Plant, machinery and equipment	1,044,928	1,044,928	-	-	-
Computers and telecommunications	100,000	100,000	-	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	1,144,928	1,144,928	-	-	-
Infrastructure					
Roads	3,844,102	-	3,844,102	-	-
Bridges	158,172	-	158,172	-	-
Footpaths	433,024	-	433,024	-	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	500,000	-	-	500,000	-
Parks, open space and streetscapes	100,000	-	100,000	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,385,298	-	4,885,298	500,000	-
Total capital works 2025/26	6,935,226	1,144,928	5,290,298	500,000	-

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.5 Summary of planned capital works expenditure by funding source

Capital works 2023/24	Project cost	Funding sources			
		Grants / contributions	Reserves	Council funded	Sale of assets
		\$	\$	\$	\$
Property					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
Total land	-	-	-	-	-
Buildings	-	-	-	-	-
Building improvements	405,000	-	-	405,000	-
Total buildings	405,000	-	-	405,000	-
Total property	405,000	-	-	405,000	-
Plant and equipment					
Plant, machinery and equipment	1,870,064	-	1,526,456	40,000	303,608
Computers and telecommunications	100,000	-	100,000	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	1,970,064	-	1,626,456	40,000	303,608
Infrastructure					
Roads	3,381,218	2,235,398	-	1,145,820	-
Bridges	152,328	152,328	-	-	-
Footpaths	432,061	-	-	432,061	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	500,000	-	-	500,000	-
Parks, open space and streetscapes	100,000	-	-	100,000	-
Other infrastructure	-	-	-	-	-
Total infrastructure	4,915,607	2,387,726	350,000	2,177,881	-
Total capital works 2023/24	7,290,671	2,387,726	1,976,456	2,622,881	303,608

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.5 Summary of planned capital works expenditure by funding source (continued)

Capital works 2024/25	Project cost	Funding sources			
		Grants / contributions \$	Reserves \$	Council funded \$	Sale of assets \$
Property					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
Total land	-	-	-	-	-
Buildings	-	-	-	-	-
Building improvements	405,000	-	-	405,000	-
Total buildings	405,000	-	-	405,000	-
Total property	405,000	-	-	405,000	-
Plant and equipment					
Plant, machinery and equipment	1,493,751	-	1,172,049	40,000	281,702
Computers and telecommunications	100,000	-	100,000	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	1,593,751	-	1,272,049	40,000	281,702
Infrastructure					
Roads	3,477,627	2,351,889	-	1,125,738	-
Bridges	155,223	155,223	-	-	-
Footpaths	422,610	-	-	422,610	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	500,000	-	-	500,000	-
Parks, open space and streetscapes	100,000	-	-	100,000	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,005,460	2,507,112	350,000	2,148,348	-
Total capital works 2024/25	7,004,211	2,507,112	1,622,049	2,593,348	281,702

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.5 Summary of planned capital works expenditure by funding source (continued)

Capital works 2025/26	Project cost	Funding sources			
		Grants / contributions \$	Reserves \$	Council funded \$	Sale of assets \$
Property					
Land	-	-	-	-	-
Land improvements	-	-	-	-	-
Total land	-	-	-	-	-
Buildings	-	-	-	-	-
Building improvements	405,000	-	-	405,000	-
Total buildings	405,000	-	-	405,000	-
Total property	405,000	-	-	405,000	-
Plant and equipment					
Plant, machinery and equipment	1,044,928	-	811,764	40,000	193,164
Computers and telecommunications	100,000	-	100,000	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	1,144,928	-	911,764	40,000	193,164
Infrastructure					
Roads	3,844,102	2,348,940	-	1,495,162	-
Bridges	158,172	158,172	-	-	-
Footpaths	433,024	-	-	433,024	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	500,000	-	-	500,000	-
Parks, open space and streetscapes	100,000	-	-	100,000	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,385,298	2,507,112	350,000	2,528,186	-
Total capital works 2025/26	6,935,226	2,507,112	1,261,764	2,973,186	193,164

5 FINANCIAL PERFORMANCE INDICATORS

Indicator	Measure	Notes	Actual	Forecast	Budget	Trend
			2020/21	2021/22	2022/23	+O/-
Operating position						
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-8.06%	-70.88%	-24.07%	O
Liquidity						
Working capital	Current assets / Current liabilities	2	744.86%	767.50%	455.72%	-
Unrestricted cash	Unrestricted cash / Current liabilities		3.10%	103.54%	6.94%	-
Obligations						
Loan and borrowings	Interest bearing loans and borrowings / Rate revenue	3	0.00%	0.00%	0.00%	O
Loan and borrowings	Interest and principal repayments on interest bearing loans and borrowings / Rate revenue		0.00%	0.00%	0.00%	O
Indebtedness	Non-current liabilities / Own source revenue		11.85%	13.38%	15.07%	+
Asset renewal	Asset renewal and upgrade expenses / Asset depreciation	4	57.71%	134.11%	45.90%	O
Stability						
Rates concentration	Rates revenue / Adjusted underlying revenue	5	38.60%	54.90%	41.33%	O
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.49%	0.44%	0.35%	-
Efficiency						
Expenditure level	Total expenses / No. of property assessments		\$3,949	\$4,886	\$4,635	O
Revenue level	Total rate revenue / No. of property assessments		\$1,227	\$1,272	\$1,285	O

5 FINANCIAL PERFORMANCE INDICATORS (Continued)

Indicator	Measure	Notes	Strategic Resource Plan Projections			Trend
			2023/24	2024/25	2025/26	+/-
Operating position						
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	-24.07%	-23.49%	-22.84%	O
Liquidity						
Working capital	Current assets / Current liabilities	2	363.04%	269.22%	185.51%	-
Unrestricted cash	Unrestricted cash / Current liabilities		-99.58%	-211.61%	-326.35%	+
Obligations						
Loan and borrowings	Loans and borrowings / Rate revenue	3	0.00%	0.00%	0.00%	O
Loan and borrowings	Interest and principal repayments on interest bearing loans and borrowings / Rate revenue		0.00%	0.00%	0.00%	O
Indebtedness	Non-current liabilities / Own source revenue		16.87%	18.56%	20.13%	+
Asset renewal	Asset renewal expenses / Asset depreciation	4	46.76%	46.70%	49.33%	+
Stability						
Rates concentration	Rates revenue / Adjusted underlying revenue	5	42.25%	42.13%	42.30%	O
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.35%	0.35%	0.36%	O
Efficiency						
Expenditure level	Total expenses / No. of property assessments		\$4,610	\$4,714	\$4,810	+
Revenue level	Residential rate revenue / No. of residential property assessments		\$1,344	\$1,373	\$1,416	+

Key to forecast trend:

- + Forecasts improvement in Council's financial performance / financial position indicator
- O Forecasts that Council's financial performance / financial position indicator will be steady
- Forecasts deterioration in Council's financial performance / financial position indicator

Notes to indicators

1 *Adjusted underlying result* - An indicator of the sustainable operating result required to enable Council to continue provide core services and meet its objectives. Improvement in financial performance is expected over the period, although continued losses means reliance on Council's cash reserves or increased debt to maintain services.

2 *Working capital* - The proportion of current liabilities represented by current assets. Working capital is forecast to decrease in future years as cash and cash equivalents decrease.

3 *Debt compared to rates* - Council has repaid its final loan liability in 2015/16.

4 *Asset renewal* - This percentage indicates the extent of Council's renewal of assets against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates that Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.

5 *Rates concentration* - Reflects the extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates that Council will become more reliant on rate revenue compared to all other revenue sources.

6 FEES AND CHARGES SCHEDULE

Council's fees and charges schedule contains the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and service provided during the 2022/23 year.

Fees and charges are based on information available at the time of publishing and may vary during the financial year subject to any changes in Council's policy or legislation.

This full document is located on Council's website.

APPENDIX A - AUDIT COMMITTEE FINANCIALS

In 2002 Council's Audit and Risk Committee created a reporting format that it considered appropriate for reporting Council's results on a monthly basis. That format has been used by Council since then.

The following reports show the 2021/22 Forecast Actuals, the 2022/23 Budgets, and the variance between the two.

The reports include:

- Comprehensive Income Statement by expense type
- Comprehensive Income Statement by key direction area
- Capital Expenditure Statement

COMPREHENSIVE INCOME STATEMENT BY EXPENSE TYPE

	Forecast actual 2021/22 \$	Budget 2022/23 \$	Variance \$
Revenues from ordinary activities			
Rates and charges	11,885,312	12,257,016	371,704
Statutory and user fees	1,774,643	1,816,005	41,362
Operating grants	14,820,463	4,174,076	(10,646,387)
Capital grants	11,417,479	2,387,726	(9,029,753)
Operating contributions	430,879	-	(430,879)
Capital contributions	-	-	-
Regional Roads Victoria	510,705	518,366	7,661
Reversal of impairment losses	-	-	-
Reimbursements	257,259	260,081	2,822
Interest	200,000	235,000	35,000
Total revenues	41,296,740	21,648,270	(19,648,470)
Expenses from ordinary activities			
Labour	12,438,039	12,635,376	197,337
Materials and services	13,178,408	10,885,299	(2,293,109)
Contracts	2,273,947	2,421,097	147,150
Utilities	577,079	593,342	16,263
Depreciation	9,908,459	10,106,628	198,169
Interest expense	-	-	-
Other expenses	336,453	351,182	14,729
Total expenses	38,712,385	36,992,924	(1,719,461)
Net (gain) / loss on sale of assets	-	-	-
Surplus / (deficit) for the year	2,584,355	(15,344,654)	(17,929,009)

APPENDIX A - AUDIT COMMITTEE FINANCIALS (Continued)

COMPREHENSIVE INCOME STATEMENT BY KEY DIRECTION AREA

	Forecast actual 2021/22 \$	Budget 2022/23 \$	Variance \$
Revenues from ordinary activities			
Rates and charges	11,885,312	12,257,016	371,704
Operating grants	14,820,463	4,174,076	(10,646,387)
Capital grants	11,417,479	2,387,726	(9,029,753)
Operating contributions	430,879	-	(430,879)
Capital contributions	-	-	-
User fees	1,774,643	1,816,005	41,362
Reimbursements	257,259	260,081	2,822
Reversal of impairment losses	-	-	-
Regional Roads Victoria	510,705	518,366	7,661
Interest	200,000	235,000	35,000
Total revenues	41,296,740	21,648,270	(19,648,470)
Expenses from ordinary activities			
Commercial services	1,387,300	1,057,283	(330,017)
Executive	2,059,907	1,960,459	(99,448)
Aged care	2,648,316	2,205,196	(443,120)
Community support	3,682,243	2,379,428	(1,302,815)
Early years	1,660,132	1,199,291	(460,841)
Corporate services	744,416	452,926	(291,490)
Financial services	11,050,586	11,142,003	91,417
Information management	1,407,731	1,732,363	324,632
Organisational development	1,442,784	1,262,431	(180,353)
Assets and infrastructure	1,400,615	1,513,972	113,357
Development and compliance	1,457,605	1,342,977	(114,628)
Works	9,770,749	10,744,595	973,846
Total expenses	38,712,384	36,992,924	(1,719,460)
Net (gain) / loss on sale of assets	-	-	-
Surplus / (deficit) for the year	2,584,355	(15,344,654)	(17,929,009)

APPENDIX A - AUDIT COMMITTEE FINANCIALS (Continued)

CAPITAL EXPENDITURE STATEMENT

	Forecast actual 2021/22 \$	Budget 2022/23 \$	Variance \$
Surplus / (deficit) for the year-as per income statement	2,584,355	(15,344,654)	(17,929,009)
Less non-cash income			
Reversal of impairment losses	-	-	-
Add non-cash expenditure			
Net gain on sale of assets	-	-	-
Loan interest accrued	-	-	-
Depreciation	9,908,459	10,106,628	198,169
Total funds available for capital expenditure	12,492,814	(5,238,026)	- 17,730,840
Capital expenditure, transfers and loans			
Commercial services	984,094	-	(984,094)
Community support	8,189,766	500,000	(7,689,766)
Information management	175,000	100,000	(75,000)
Assets and infrastructure	10,780,170	4,153,494	(6,626,676)
Development and compliance	102,121	-	(102,121)
Works	2,830,474	2,582,340	(248,134)
Total capital works	23,061,625	7,335,834	(15,725,791)
Transfers to reserves	10,351,083	1,844,270	(8,506,813)
Loan repayments	-	-	-
Total capital, transfers and loans	33,412,708	9,180,104	(24,232,604)
Capital expenditure, transfers and loans will be financed by:			
Asset sales	376,854	327,989	(48,865)
Transfers from reserves	18,846,662	10,064,192	(8,782,470)
Accumulated cash surplus brought forward from previous year	6,321,696	4,625,317	(1,696,379)
Total financing of capital, transfers, and loans	25,545,212	15,017,498	(10,527,714)
Total accumulated cash surplus	4,625,317	599,368	(4,025,948)