

**LODDON
SHIRE COUNCIL
BUDGET FOR YEAR ENDED
30 JUNE 2024**



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MAYOR INTRODUCTION

The Councillors and I are pleased to present the 2023/24 Budget to the community. This is our third Budget to deliver the Community Vision 2031 of "Creating a community where everyone is welcome and has the opportunity to live, work and thrive". We will achieve this by delivering the Council Plan 2021-25 which 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 sets out Council's strategic plan to deliver our vision over the full term of the Council. The focus over the next year will be on completing major multi-year capital projects, delivering flood restoration of our assets, the planning and design activities required to deliver 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. 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. We have also heard that our community wants to recover from the October 2022 floods and increase our mitigation against and resilience to future flood events.

The budget includes a rate increase of 3.5 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 removal of services delivered within the aged services area
- the continued delivery of flood restoration works
- Council's desire to continue to support Community Planning to drive strategic outcomes from a community level.

Some of the highlights contained in the 2023/24 Budget include:

- full funding of Council's ongoing commitment of community planning of \$750K
- an increased commitment to investment in information technology and cyber security
- strong investment in local road and related infrastructure maintenance
- \$200K allocation for works associated with the Building Asset Management Plan
- continued support for early years programs
- capital expenditure program of \$10.73 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 2023/24 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.

1 Key things we are funding

- ongoing delivery of services to the Loddon community
- continued investment in capital projects (\$10.73M). This includes roads (\$5.53M); parks and streetscapes (\$1.33M) and recreational, leisure and community facilities (\$0.75M).

2 Rates and charges increase

- the average rate rise will be 3.5% in line with the order by the Minister for Local Government in December 2022 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. These valuations will be undertaken by valuers appointed by the Valuer General
- the waste service charges will increase by 3.0% 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 may bring forward the estimated 2023/24 Financial Assistance Grant allocated to all Victorian Councils. For this budget, it is assumed there will be no amounts bought forward.

4 Key statistics

Total revenue is \$51.31 million (2022/23 \$36.69 million) noting the increase of income and expenditure as Council undertakes flood restoration works in partnership with the state and federal governments.

Total operating expenditure is \$57.41 million (2022/23 \$41.47 million)

Cash result is \$1.72 million surplus (\$7.53 million surplus in 2022/23)
(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 \$10.73 million (\$24.28 million in 2022/23) funded by:

- \$1.71 million from Council operations
- \$2.44 million from reserves
- No borrowings
- \$0.47 million from asset sales
- \$6.10 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 Schedule of Fees and Charges.

Lincoln Fitzgerald
Chief Executive Officer

ECONOMIC ASSUMPTIONS

	Notes	Forecast	Budget	Projections			Trend +/-
		Actual 2022/23	2023/24	2024/25	2025/26	2026/27	
Rate cap increase	1	1.75%	3.50%	3.70%	3.90%	4.10%	O
Population growth		0.20%	0.20%	0.20%	0.20%	0.20%	O
Investment interest rate		Based on available cash					+
Borrowing interest rate		N/A	N/A	N/A	N/A	N/A	O
Consumer Price Index	2	1.50%	3.90%	3.00%	3.00%	3.00%	O
User fees	3	1.75%	3.50%	3.70%	3.90%	4.10%	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		1.50%	3.90%	3.00%	3.00%	3.00%	O
Other revenue		1.50%	3.90%	3.00%	3.00%	3.00%	O
Employee costs	4	2.00%	2.80%	2.80%	2.80%	2.80%	O
Contractors and materials		1.50%	3.90%	3.00%	3.00%	3.00%	O
Utilities	5	3.00%	3.90%	3.00%	3.00%	3.00%	O
Bad and doubtful debts		0.00%	0.00%	0.00%	0.00%	0.00%	O
Depreciation		2.00%	2.00%	2.00%	2.00%	2.00%	O
Other expenses		1.50%	3.90%	3.00%	3.00%	3.00%	O

Notes to assumptions

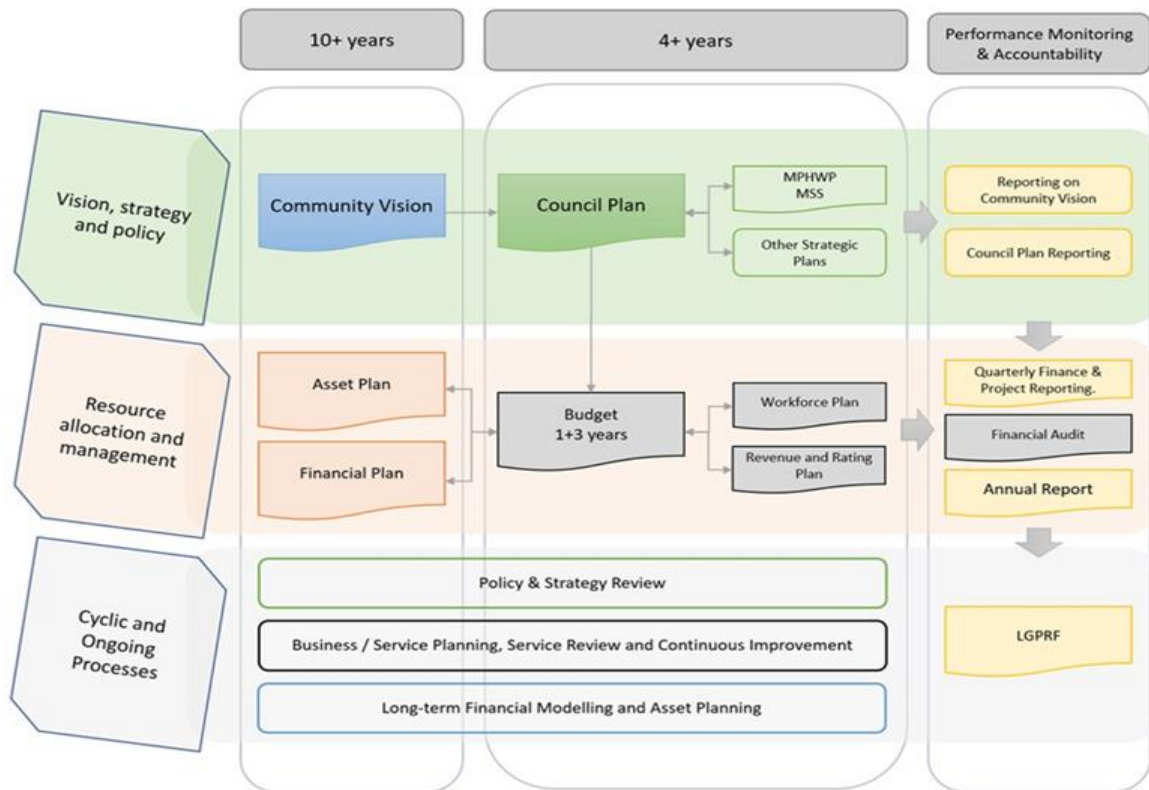
- 1 *Rate cap increase* - Council increases the rate cap each year in line with the rate set by the Minister as outlined in the Revenue and Rating Plan.
- 2 *Consumer Price Index* - Based on the rates published in the December to December year for Melbourne.
- 3 *User fees* - Council increases the user 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

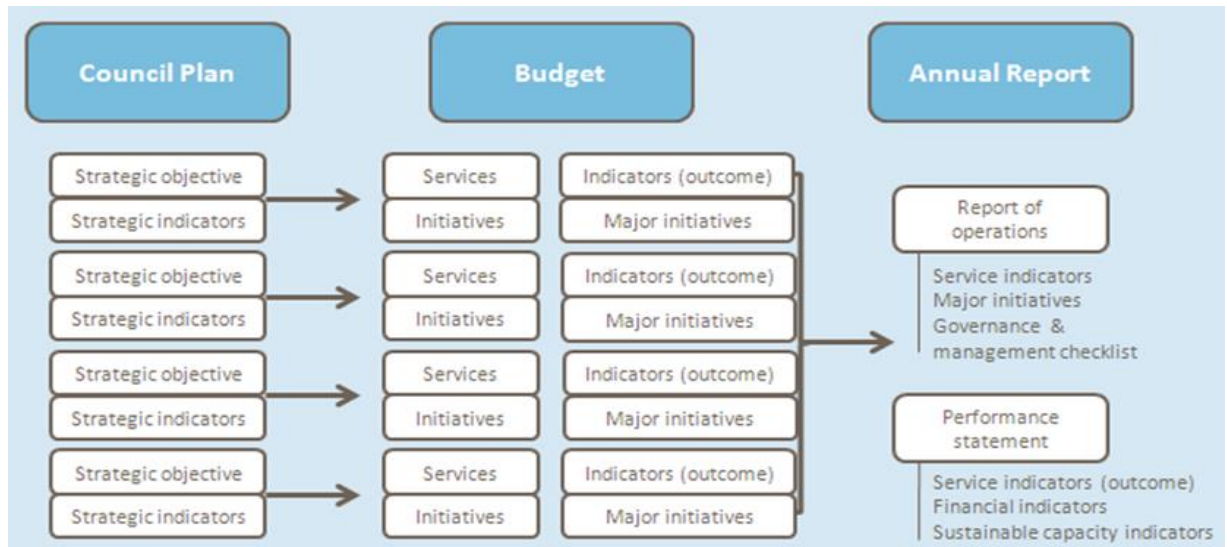
A growing and vibrant community

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 2023/24 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	990,381	3,000	993,381
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	10,625	7,376	18,001
Grants and community planning	260,000	-	260,000
Project and contract management	246,744	-	246,744
Roads to recovery	(2,387,726)	2,387,726	-
Parks and townships	989,299	178,050	1,167,349
Waste management	2,001,378	74,851	2,076,229
Waterways management	52,069	-	52,069
Gravel pits	(170,009)	225,000	54,991
Total	2,242,761	2,876,003	5,118,764

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	259,143	80,165	339,308
Community wellbeing projects	-	-	-
Youth	6,000	-	6,000
Risk management	834,200	19,693	853,893
Building regulation	101,520	89,165	190,685
Local laws and animal management	432,425	70,961	503,386
Public health	107,610	50,967	158,577
Total	1,740,898	310,951	2,051,849

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	111,133	38,844	149,977
Caravan parks	(76,309)	414,486	338,177
Loddon Discovery Tours	-	25,273	25,273
Tourism	423,563	-	423,563
Total	458,387	478,603	936,990

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 \$
Flood management	-	20,000,000	20,000,000
Administration and management	3,882,623	-	3,882,623
Council administration	462,330	107,374	569,704
Library services	229,918	-	229,918
Media	117,731	-	117,731
Aged care services	462,005	-	462,005
Elderly persons units	9,969	70,154	80,123
Rural access	40,000	-	40,000
Seniors	74,870	6,205	81,075
Municipal health and wellbeing	9,200	1,000	10,200
Swimming pools	695,528	-	695,528
Maternal and child health	106,615	262,779	369,394
Early years	189,835	66,866	256,701
Global kinders	32,679	538,884	571,562
Immunisation	40,007	6,667	46,674
Corporate governance	296,174	-	296,174
Financial services	(5,766,765)	6,592,036	825,271
Rates and property	141,130	61,739	202,869
Customer service	241,933	-	241,933
Information management	235,347	-	235,347
Information technology	1,680,491	-	1,680,491
Human resources and development	1,264,183	97,419	1,361,602
Council engineering and technical services	148,559	57,225	205,784
Local roads and community infrastructure program	(2,387,726)	2,387,726	-
Management and administration	544,961	-	544,961
Air strips	8,808	-	8,808
Building and property maintenance	961,824	106	961,930
Plant and fleet	(2,063,292)	147,642	(1,915,650)
Roads	2,449,684	5,842,360	8,292,044
DoT routine maintenance contract	(44,765)	261,774	217,009
Total	4,063,856	36,507,956	40,571,811

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 community
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 \$
Flood management	-	20,000,000	20,000,000
Administration and management	3,882,623	-	3,882,623
Economic development	111,133	38,844	149,977
Council administration	462,330	107,374	569,704
Library services	229,918	-	229,918
Media	117,731	-	117,731
Caravan parks	(76,309)	414,486	338,177
Loddon Discovery Tours	-	25,273	25,273
Tourism	423,563	-	423,563
Aged care services	462,005	0	462,005
Elderly persons units	9,969	70,154	80,123
Rural access	40,000	-	40,000
Seniors	74,870	6,205	81,075
Community wellbeing projects	-	-	-
Community support	990,381	3,000	993,381
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	10,625	7,376	18,001

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.4 Reconciliation with budgeted operating result (continued)

Activity	Surplus/(deficit) \$	Income \$	Expenditure \$
Grants and community planning	260,000	-	260,000
Municipal health and wellbeing	9,200	1,000	10,200
Swimming pools	695,528	-	695,528
Maternal and child health	106,615	262,779	369,394
Early years	189,835	66,866	256,701
Global kinders	32,678	538,884	571,562
Immunisation	40,007	6,667	46,674
Youth	6,000	-	6,000
Corporate governance	296,174	0	296,174
Financial services	(5,766,765)	6,592,036	825,271
Rates and property	141,130	61,739	202,869
Customer service	241,933	-	241,933
Information management	235,347	-	235,347
Information technology	1,680,491	-	1,680,491
Human resources and development	1,264,183	97,419	1,361,602
Local roads and community infrastructure program	(2,387,726)	2,387,726	0
Risk management	834,200	19,693	853,893
Council engineering and technical services	148,559	57,225	205,784
Project and contract management	246,744	-	246,744
Roads to recovery	(2,387,726)	2,387,726	-
Building regulation	101,520	89,165	190,685
Local laws and animal management	432,425	70,961	503,386
Public health	107,610	50,967	158,577
Strategic and statutory planning	259,143	80,165	339,308
Air strips	8,808	-	8,808
Building and property maintenance	961,824	106	961,930
Plant and fleet	(2,063,292)	147,642	(1,915,650)
Gravel pits	(170,009)	225,000	54,991
Management and administration	544,961	-	544,961
Parks and townships	989,299	178,050	1,167,349
Roads	2,449,684	5,842,360	8,292,044
DoT routine maintenance contract	(44,765)	261,774	217,009
Waste management	2,001,378	74,851	2,076,229
Waterways management	52,069	-	52,069
Total	8,505,902	40,173,512	48,679,415
Expenses added in:			
Depreciation			10,308,760
Surplus/(deficit) before funding sources			18,814,663
Funding sources added in:			
Rates and charges revenue			(10,637,560)
Waste charge revenue			(2,075,975)
Operating surplus/(deficit) for the year			6,101,128

3 FINANCIAL STATEMENTS

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2023/24 has been supplemented with projections to 2026/27.

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 2027

	NOTES	Forecast	Budget	Projections		
		Actual 2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$
Income / Revenue						
Rates and charges	4.1.1	12,283,009	12,713,535	13,148,128	13,619,642	14,130,986
Statutory fees and fines	4.1.2	314,357	294,310	305,198	317,101	330,103
User fees	4.1.3	1,497,704	1,005,449	1,033,865	1,065,029	1,099,067
Grants - operating	4.1.4	5,673,513	31,504,153	31,895,548	12,303,556	12,725,648
Grants - capital	4.1.4	14,764,061	4,775,452	2,507,112	2,507,112	2,507,112
Contributions - monetary	4.1.5	192,500	-	-	-	-
Reimbursements	4.1.6	308,068	317,451	325,207	333,193	341,414
Regional Roads Victoria	4.1.7	518,367	261,774	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		-	-	-	-	-
Other income	4.1.8	1,135,000	435,000	335,000	335,000	335,000
Total income / revenue		36,686,579	51,307,125	49,550,058	30,480,633	31,469,330
Expenses						
Employee costs	4.1.9	14,602,730	14,758,874	14,831,699	15,224,477	15,635,825
Materials and services	4.1.10	16,413,752	31,976,442	32,003,905	12,200,365	12,852,112
Bad and doubtful debts - allowance for impairment losses		-	-	-	-	-
Depreciation	4.1.11	10,106,628	10,308,760	10,514,936	10,725,234	10,939,737
Borrowing costs		-	-	-	-	-
Finance costs - leases		-	-	-	-	-
Other expenses	4.1.12	351,182	364,176	374,562	385,258	396,276
Total expenses		41,474,293	57,408,253	57,725,102	38,535,335	39,823,950
Surplus/(deficit) for the year		(4,787,714)	(6,101,128)	(8,175,044)	(8,054,702)	(8,354,620)
Other comprehensive income						
Other comprehensive income		-	-	-	-	-
Total other comprehensive income		-	-	-	-	-
Total comprehensive result		(4,787,714)	(6,101,128)	(8,175,044)	(8,054,702)	(8,354,620)

3 FINANCIAL STATEMENTS (Continued)

3.2 BALANCE SHEET FOR THE FOUR YEARS ENDED 30 JUNE 2027

	NOTES	Forecast	Budget	Projections		
		Actual 2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$
Assets						
Current assets						
Cash and cash equivalents		19,518,182	13,827,629	9,306,022	5,249,866	153,109
Trade and other receivables		694,503	1,005,858	977,798	596,249	615,858
Other financial assets		2,713,090	2,713,090	2,713,090	2,713,090	2,713,090
Inventories		-	-	-	-	-
Prepayments		-	-	-	-	-
Non-current assets classified as held for sale		311,958	311,958	311,958	311,958	311,958
Total current assets	4.2.1	23,237,733	17,858,535	13,308,868	8,871,163	3,794,015
Non-current assets						
Trade and other receivables		-	-	-	-	-
Property, infrastructure, plant and equipment		367,917,452	378,911,595	386,870,192	394,489,646	403,299,341
Right of use assets		-	-	-	-	-
Intangible assets		295,154	295,154	295,154	295,154	295,154
Total non-current assets	4.2.1	368,212,606	379,206,749	387,165,346	394,784,800	403,594,495
Total assets		391,450,339	397,065,284	400,474,214	403,655,963	407,388,510
Liabilities						
Current liabilities						
Trade and other payables		552,772	1,023,371	1,025,605	433,357	454,820
Trust funds and deposits		349,393	331,923	315,327	299,561	284,583
Provisions		2,715,005	2,631,951	2,547,363	2,460,400	2,370,997
Interest bearing loans and borrowings	4.2.3	-	-	-	-	-
Lease liabilities		-	-	-	-	-
Total current liabilities	4.2.2	3,617,170	3,987,245	3,888,295	3,193,318	3,110,400
Non-current liabilities						
Provisions		1,584,436	1,883,552	2,189,770	2,505,733	2,831,771
Interest bearing loans and borrowings	4.2.3	-	-	-	-	-
Unearned income/revenue		-	-	-	-	-
Lease liabilities		-	-	-	-	-
Total non-current liabilities	4.2.2	1,584,436	1,883,552	2,189,770	2,505,733	2,831,771
Total liabilities		5,201,606	5,870,797	6,078,065	5,699,051	5,942,171
NET ASSETS		386,248,733	391,194,487	394,396,149	397,956,912	401,446,339
Equity						
Accumulated surplus		104,052,015	98,184,563	89,475,382	80,903,401	73,375,124
Asset revaluation reserve		272,554,644	283,601,526	294,978,232	306,593,697	318,437,745
Other reserves		9,642,074	9,408,398	9,942,535	10,459,814	9,633,470
TOTAL EQUITY		386,248,733	391,194,487	394,396,149	397,956,912	401,446,339

3 FINANCIAL STATEMENTS (Continued)

**3.3 STATEMENT OF CHANGES IN EQUITY
FOR THE FOUR YEARS ENDED 30 JUNE 2027**

2023 Forecast Actual	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	380,714,592	91,667,547	262,232,789	26,814,256
Surplus/ (deficit) for the year	(4,787,714)	(4,787,714)	-	-
Net asset revaluation increment / (decrement)	10,321,855	-	10,321,855	-
Transfer to other reserves	-	(3,204,274)	-	3,204,274
Transfer from other reserves	-	20,376,456	-	(20,376,456)
Balance at end of financial year	386,248,733	104,052,015	272,554,644	9,642,074

2024 Budget	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	386,248,733	104,052,015	272,554,644	9,642,074
Surplus/ (deficit) for the year	(6,101,128)	(6,101,128)	-	-
Net asset revaluation increment / (decrement)	11,046,882	-	11,046,882	-
Transfer to other reserves	-	(2,293,631)	-	2,293,631
Transfer from other reserves	-	2,527,307	-	(2,527,307)
Balance at end of financial year	391,194,487	98,184,563	283,601,526	9,408,398

2025 Projection	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	391,194,487	98,184,563	283,601,526	9,408,398
Surplus/ (deficit) for the year	(8,175,044)	(8,175,044)	-	-
Net asset revaluation increment / (decrement)	11,376,706	-	11,376,706	-
Transfer to other reserves	-	(1,947,812)	-	1,947,812
Transfer from other reserves	-	1,413,675	-	(1,413,675)
Balance at end of financial year	394,396,149	89,475,382	294,978,232	9,942,535

2026 Projection	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	394,396,149	89,475,382	294,978,232	9,942,535
Surplus/ (deficit) for the year	(8,054,702)	(8,054,702)	-	-
Net asset revaluation increment / (decrement)	11,615,465	-	11,615,465	-
Transfer to other reserves	-	(1,952,698)	-	1,952,698
Transfer from other reserves	-	1,435,419	-	(1,435,419)
Balance at end of financial year	397,956,912	80,903,401	306,593,697	10,459,814

2027 Projection	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	397,956,912	80,903,401	306,593,697	10,459,814
Surplus/ (deficit) for the year	(8,354,620)	(8,354,620)	-	-
Net asset revaluation increment / (decrement)	11,844,048	-	11,844,048	-
Transfer to other reserves	-	(1,958,772)	-	1,958,772
Transfer from other reserves	-	2,785,116	-	(2,785,116)
Balance at end of financial year	401,446,339	73,375,124	318,437,745	9,633,470

3 FINANCIAL STATEMENTS (Continued)

3.4 STATEMENT OF CASH FLOWS FOR THE FOUR YEARS ENDED 30 JUNE 2027

	NOTES	Forecast	Budget 2023/24 \$	Projections		
		Actual 2022/23 \$		2024/25 \$	2025/26 \$	2026/27 \$
Cash flows from operating activities						
Receipts						
Rates and charges		12,494,963	12,873,414	13,506,542	14,036,530	14,377,837
Statutory fees and fines		364,855	269,062	314,109	361,599	334,744
User fees		1,844,521	885,448	1,067,168	1,258,026	1,112,224
Grants - operating		5,786,983	32,134,236	32,533,459	12,549,627	12,980,161
Grants - capital		11,983,066	4,870,961	2,557,254	2,557,254	2,557,254
Contributions - monetary		196,350	-	-	-	-
Interest received		1,265,642	435,000	335,000	335,000	335,000
Trust funds and deposits taken		-	-	-	-	-
Other receipts		842,963	590,810	331,711	339,857	348,242
Net GST refund/payment		(208,270)	(210,352)	(212,456)	(214,580)	(216,726)
Operating receipts		34,571,073	51,848,579	50,432,787	31,223,313	31,828,736
Payments						
Employee costs		(13,090,077)	(12,790,487)	(12,821,502)	(13,156,062)	(13,507,487)
Materials and services		(18,403,620)	(34,475,154)	(35,019,469)	(15,378,418)	(15,497,644)
Trust funds and deposits repaid		(18,389)	(17,470)	(16,596)	(15,766)	(14,978)
Short-term, low value and variable lease payments		-	-	-	-	-
Other payments		-	-	-	-	-
Operating payments		(31,512,086)	(47,283,111)	(47,857,567)	(28,550,246)	(29,020,109)
Net cash provided by/(used in) operating activities	4.4.1	3,058,987	4,565,468	2,575,220	2,673,067	2,808,627
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment		(23,952,364)	(10,256,021)	(7,096,827)	(6,729,223)	(7,905,384)
Decrease in term deposits		-	-	-	-	-
Loans and advances made		-	-	-	-	-
Payments of loans and advances		-	-	-	-	-
Net cash provided by/(used in) investing activities	4.4.2	(23,952,364)	(10,256,021)	(7,096,827)	(6,729,223)	(7,905,384)
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		(20,893,377)	(5,690,553)	(4,521,607)	(4,056,156)	(5,096,757)
Cash and cash equivalents at the beginning of the year		40,411,559	19,518,182	13,827,629	9,306,022	5,249,866
Cash and cash equivalents at the end of the year		19,518,182	13,827,629	9,306,022	5,249,866	153,109

3 FINANCIAL STATEMENTS (Continued)

**3.5 STATEMENT OF CAPITAL WORKS
 FOR THE FOUR YEARS ENDED 30 JUNE 2027**

	NOTES	Forecast	Budget	Projections		
		Actual 2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$
Capital works areas						
Land and buildings		2,159,980	205,000	605,200	405,408	405,624
Office furniture and equipment		100,000	190,700	157,200	100,000	100,000
Plant and equipment		2,607,671	2,490,440	1,003,074	1,115,593	2,226,209
Footpaths		1,187,143	232,061	716,343	532,217	547,670
Roadworks		7,128,166	5,531,773	3,929,109	3,923,679	4,204,474
Urban and road drainage		1,302,945	-	350,000	350,000	350,000
Recreation, leisure and community facilities		9,513,682	750,000	500,000	500,000	500,000
Parks, open space and streetscapes		280,766	1,327,380	-	-	-
Other infrastructure		-	-	-	-	-
Total capital works	4.5.1	24,280,353	10,727,354	7,260,926	6,926,897	8,333,977
Represented by:						
New asset expenditure		2,707,671	2,681,140	1,160,274	1,215,593	2,326,209
Asset renewal expenditure		9,509,727	5,968,834	5,600,652	5,211,304	5,507,768
Asset expansion expenditure		9,995,764	2,077,380	500,000	500,000	500,000
Asset upgrade expenditure		2,067,191	-	-	-	-
Total capital works expenditure		24,280,353	10,727,354	7,260,926	6,926,897	8,333,977

	Forecast	Budget	Projections		
	Actual 2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$
Expenditure type					
Labour	236,974	252,107	280,422	342,736	377,710
Creditors	11,690,212	4,041,022	4,428,975	4,525,767	5,837,470
Contractors	12,353,167	6,434,225	2,551,529	2,051,394	2,118,797
Total capital works expenditure	24,280,353	10,727,354	7,260,926	6,919,897	8,333,977

	Forecast	Budget	Projections		
	Actual 2022/23 \$	2023/24 \$	2024/25 \$	2025/26 \$	2026/27 \$
Funding sourced represented by					
Grants / contributions	14,902,613	6,102,832	2,507,112	2,507,112	2,507,112
Council cash	6,660,069	1,713,382	3,263,540	2,874,192	3,170,656
Reserves	2,389,682	2,439,807	1,326,175	1,347,919	2,227,616
Sale of assets	327,989	471,333	164,099	197,674	428,593
Total capital works expenditure	24,280,353	10,727,354	7,260,926	6,926,897	8,333,977

3 FINANCIAL STATEMENTS (Continued)

**3.6 STATEMENT OF HUMAN RESOURCES
 FOR THE FOUR YEARS ENDED 30 JUNE 2027**

	Forecast Actual 2022/23 \$	Budget 2023/24 \$	Projections		
			2024/25 \$	2025/26 \$	2026/27 \$
Staff expenditure					
Employee labour - operating	12,941,914	12,987,137	13,023,333	13,364,867	13,723,523
Employee labour - capital	236,974	252,107	280,422	342,736	377,710
Total staff expenditure*	13,178,888	13,239,244	13,303,755	13,707,603	14,101,233
Staff numbers EFT**	EFT	EFT	EFT	EFT	EFT
Employees	150.34	147.86	144.86	144.86	144.86
Total staff numbers EFT	150.34	147.86	144.86	144.86	144.86

* 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 2023/24	Permanent Full Time	Permanent Part Time
Staff cost			
Executive and commercial services	1,018,670	630,258	388,412
Community wellbeing	2,304,242	1,190,255	1,113,987
Corporate services	2,741,249	1,586,872	1,154,377
Operations	6,922,976	6,675,905	247,071
Total permanent staff expenditure	12,987,137	10,083,290	2,903,847
Other employee related expenditure	-		
Capitalised labour costs	252,107		
Total expenditure	13,239,244		

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

Directorate	Budget 2023/24	Permanent Full Time	Permanent Part Time
Staff EFT			
Executive and commercial services	7.99	4.00	3.99
Community wellbeing	24.69	12.00	12.69
Corporate services	23.19	17.00	6.19
Operations	91.99	89.00	2.99
Total staff	147.86	122.00	25.86

3 FINANCIAL STATEMENTS (Continued)

3.6 STATEMENT OF HUMAN RESOURCES (Continued)
FOR THE FOUR YEARS ENDED 30 JUNE 2027

	Budget 2023/24 \$	Projections		
		2024/25 \$	2025/26 \$	2026/27 \$
Executive and commercial services				
Permanent - Full time				
- Female	212,888	219,275	225,853	232,628
- Male	417,370	429,891	442,788	456,071
Permanent - Part time				
- Female	332,972	342,961	353,250	363,847
- Male	55,440	57,103	58,816	60,581
Total executive and commercial services	1,018,670	1,049,230	1,080,707	1,113,128
Community support				
Permanent - Full time				
- Female	831,767	856,720	882,422	908,894
- Male	358,488	369,243	380,320	391,730
Permanent - Part time				
- Female	1,076,831	1,109,136	1,142,410	1,176,682
- Male	37,156	38,271	39,419	40,601
Total community support	2,304,242	2,373,369	2,444,570	2,517,907
Corporate services				
Permanent - Full time				
- Female	1,154,377	984,008	1,013,529	1,043,934
- Male	432,495	445,470	458,834	472,599
Permanent - Part time				
- Female	1,154,377	1,189,008	1,224,679	1,261,419
- Male	-	-	-	-
Total corporate services	2,741,249	2,618,486	2,697,041	2,777,952
Operations				
Permanent - Full time				
- Female	646,228	665,615	685,583	706,151
- Male	6,029,677	6,062,149	6,194,848	6,338,403
Permanent - Part time				
- Female	174,272	179,500	184,885	190,432
- Male	72,799	74,983	77,232	79,549
Total operations	6,922,976	6,982,247	7,142,549	7,314,535
Casuals and temporary staff	-	-	-	-
Capitalised labour costs	252,107	280,422	342,736	377,710
Total staff expenditure	13,239,244	13,303,755	13,707,603	14,101,233

3 FINANCIAL STATEMENTS (Continued)

3.6 STATEMENT OF HUMAN RESOURCES (Continued)
FOR THE FOUR YEARS ENDED 30 JUNE 2027

	Budget 2023/24 EFT	Projections		
		2024/25 EFT	2025/26 EFT	2026/27 EFT
Executive and commercial services				
Permanent - Full time				
- Female	2.00	2.00	2.00	2.00
- Male	2.00	2.00	2.00	2.00
Permanent - Part time				
- Female	3.43	3.43	3.43	3.43
- Male	0.57	0.57	0.57	0.57
Total executive and commercial services	7.99	7.99	7.99	7.99
Community support				
Permanent - Full time				
- Female	7.00	7.00	7.00	7.00
- Male	5.00	5.00	5.00	5.00
Permanent - Part time				
- Female	12.16	12.16	12.16	12.16
- Male	0.53	0.53	0.53	0.53
Total community support	24.69	24.69	24.69	24.69
Corporate services				
Permanent - Full time				
- Female	13.00	10.00	10.00	10.00
- Male	4.00	4.00	4.00	4.00
Permanent - Part time				
- Female	6.19	6.19	6.19	6.19
- Male	0.00	0.00	0.00	0.00
Total corporate services	23.19	20.19	20.19	20.19
Operations				
Permanent - Full time				
- Female	7.00	7.00	7.00	7.00
- Male	77.00	77.00	77.00	77.00
Permanent - Part time				
- Female	2.03	2.03	2.03	2.03
- Male	0.96	0.96	0.96	0.96
Total operations	86.99	86.99	86.99	86.99
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	147.86	144.86	144.86	144.86

3 FINANCIAL STATEMENTS (Continued)

**3.7 STATEMENT OF RESERVES
FOR THE FOUR YEARS ENDED 30 JUNE 2027**

	NOTES	Forecast	Budget 2023/24 \$	Projections		
		Actual 2022/23 \$		2024/25 \$	2025/26 \$	2026/27 \$
Discretionary						
Capital expenditure reserve		8,784	8,784	8,784	8,784	8,784
Caravan park development reserve		394,124	470,434	552,168	640,457	736,538
Community planning reserve		1,771,000	1,771,000	1,771,000	1,771,000	1,771,000
Gravel and sand pit reserve		14,388	184,397	352,785	519,504	214,505
Heritage loan scheme reserve		100,000	100,000	100,000	100,000	100,000
Land and buildings reserve		1,247,592	1,247,592	1,247,592	1,247,592	1,247,592
Little Lake Boort water reserve		17,604	17,604	17,604	17,604	17,604
Major projects reserve		318,485	318,485	318,485	318,485	318,485
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		885,115	885,115	885,115	885,115	885,115
Waste management reserve		340,000	374,190	408,380	442,570	476,760
Boundary and township signage		-	-	-	-	-
Economic development reserve		-	-	-	-	-
Fleet replacement reserve		765,186	572,003	643,973	631,608	339,976
Information technology reserve		658,838	538,138	450,938	420,938	390,938
Plant replacement reserve		864,536	158,612	367,667	582,113	196,129
Professional development reserve		22,256	28,256	34,256	40,256	46,256
Swimming pool major projects reserve		200,000	-	50,000	100,000	150,000
Units reserve		-	-	-	-	-
Urban drainage reserve		834,166	1,533,788	1,533,788	1,533,788	1,533,788
Total discretionary reserves	4.3.2	9,642,074	9,408,398	9,942,535	10,459,814	9,633,470

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 2023/24 the FGRS cap has been set at 3.5%. 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 3.5% in line with the rate cap.

This will raise total rates and charges for 2023/24 of \$12.71 million.

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

	Forecast Actual 2022/23 \$	Budget 2023/24 \$	Change \$	Change %
General rates*	8,921,145	9,224,803	303,658	3.4%
Municipal charge*	1,356,691	1,412,757	56,066	4.1%
Garbage charge	1,477,925	1,531,922	53,997	3.7%
Kerbside recycling charge	527,248	544,053	16,805	3.2%
Total rates and charges	12,283,009	12,713,535	430,526	3.5%
Interest on rates and charges	35,000	35,000	-	0.0%

* 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	2022/23 cents/\$CIV	2023/24 cents/\$CIV	Change
General	0.278551	0.002137	-99.2%
Rural	0.245125	0.001881	-99.2%

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	2022/23 \$	2023/24 \$	Change
General	2,739,457	2,503,211	-8.6%
Rural	6,181,689	6,721,592	8.7%
Total amount to be raised by rates	8,921,145	9,224,803	3.4%

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	2022/23 number	2023/24 number	Change
General	4,412	4,412	0.0%
Rural	3,596	3,596	0.0%
Total number of assessments	8,008	8,008	0.0%

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	2022/23 \$	2023/24 \$	Change
General	931,431,700	1,171,277,100	25.8%
Rural	2,576,610,400	3,573,976,200	38.7%
Total value of land	3,508,042,100	4,745,253,300	35.3%

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 2022/23 \$	Per rateable property 2023/24 \$	Change
Municipal	229	237	3.5%

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

Type of charge	2022/23 \$	2023/24 \$	Change
Municipal	1,356,691	1,412,757	4.1%

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 2022/23 \$	Per rateable property 2023/24 \$	Change
Garbage collection 140 litre	389	401	3.1%
Garbage collection 240 litre	529	545	3.0%
Kerbside recycling 240 litre	147	151	2.7%

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	2022/23 \$	2023/24 \$	Change
Garbage charge	1,477,925	1,531,922	3.7%
Kerbside recycling charge	527,248	544,053	3.2%
Total	2,005,173	2,075,975	3.5%

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

	2022/23 \$	2023/24 \$	Change
General rates	8,921,145	9,224,803	3.4%
Municipal charge	1,356,691	1,412,757	4.1%
Garbage and kerbside recycling charge	2,005,173	2,075,975	3.5%
Total rates and charges	12,283,009	12,713,535	3.5%

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.

	2022/23 \$	2023/24 \$
Total rates base	10,077,936	10,277,836
Number of rateable properties	7,981	8,008
Base average rate	1,262.74	1,283.45
Maximum rate increase (set by State Government)	1.75%	3.50%
Capped average rate	1,284.84	1,328.37
Maximum general rates and municipal charges revenue	10,254,300	10,637,561
Budgeted general rates and municipal charges revenue	10,254,300	10,637,560

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 0.002137 cents in the dollar of CIV for all rateable general properties
- a rural rate of 0.001881 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 2023/24 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 2022/23 \$	Budget 2023/24 \$	Change \$	Change %
Rates and property	13,927	14,414	487	3.5%
Risk management	11,843	12,257	414	3.5%
Building regulation	82,079	84,953	2,874	3.5%
Local laws and animal management	55,887	57,843	1,956	3.5%
Public health	43,167	44,678	1,511	3.5%
Strategic and statutory planning	107,454	80,165	(27,289)	-25.4%
Total statutory fees and fines	314,357	294,310	7,242	-6.4%

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 2022/23 \$	Budget 2023/24 \$	Change \$	Change %
Economic development	37,530	38,844	1,314	3.5%
Caravan parks	400,469	414,486	14,017	3.5%
Loddon Discovery Tours	24,309	25,273	964	4.0%
Tourism	14,950	-	(14,950)	-100.0%
Aged care services	497,246	-	(497,246)	-100.0%
Elderly persons units	67,782	70,154	2,372	3.5%
Seniors	3,330	3,605	275	8.3%
Emergency management	7,126	7,376	250	3.5%
Municipal health and wellbeing	1,000	1,000	-	0.0%
Early years	2,300	-	(2,300)	-100.0%
Pre-schools	95,800	2,300	(93,500)	-97.6%
Corporate governance	3,154	-	(3,154)	-100.0%
Financial services	500	500	-	0.0%
Human resources and development	40,985	42,419	1,434	3.5%
Council engineering and technical services	55,459	57,225	1,766	3.2%
Building regulation	4,070	4,212	142	3.5%
Building and property maintenance	102	106	4	3.9%
Gravel pits	132,463	225,000	92,537	69.9%
Roads	40,674	42,098	1,424	3.5%
Waste management	68,455	70,851	2,396	3.5%
Total user fees	1,497,704	1,005,449	(492,255)	-32.9%

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 2022/23 \$	Budget 2023/24 \$	Change \$	Change %
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	4,993,520	12,942,652	7,949,132	159.2%
State funded grants	14,788,054	3,336,953	(11,451,101)	-77.4%
Total grants received	19,781,574	16,279,605	(3,501,969)	-17.7%

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.4 Grants (Continued)

	Forecast Actual 2022/23 \$	Budget 2023/24 \$	Change \$	Change %
(a) Operating grants				
Recurrent - Commonwealth Government				
VLGGC - local roads	1,102,840	4,398,390	3,295,550	298.8%
VLGGC - general	1,697,816	6,156,536	4,458,720	262.6%
Recurrent - State Government				
Aged care services	924,277	-	(924,277)	-100.0%
Seniors	-	2,600	2,600	100.0%
Maternal and child health	270,087	262,778	(7,309)	-2.7%
Early years	32,496	66,866	34,370	105.8%
Pre-schools	476,896	516,584	39,688	8.3%
Immunisation	6,536	6,667	131	2.0%
Rates and property	46,397	47,325	928	2.0%
Local laws and animal management	12,861	13,118	257	2.0%
Public health	6,165	6,289	124	2.0%
Roads	75,000	-	(75,000)	-100.0%
Waste management	7,642	4,000	(3,642)	-47.7%
Total recurrent grants	4,659,013	11,481,153	6,822,140	146.4%
Non-recurrent - Commonwealth Government				
Flood management	656,000	20,000,000	19,344,000	0.0%
Non-recurrent State Government				
Community support	-	3,000	3,000	#DIV/0!
Grants and community planning	212,000	-	(212,000)	-100.0%
Pre-schools	-	20,000	20,000	#DIV/0!
Project and contact management	56,500	-	(56,500)	-100.0%
Public health	40,000	-	(40,000)	-100.0%
Strategic and statutory planning	50,000	-	(50,000)	-100.0%
Total non-recurrent grants	358,500	23,000	(335,500)	-93.6%
Total operating grants	5,673,513	31,504,153	6,486,640	455.3%

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

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.4 Grants (Continued)

	Forecast Actual 2022/23 \$	Budget 2023/24 \$	Change \$	Change %
(b) Capital grants				
Recurrent - Commonwealth Government				
Roads to Recovery	2,192,864	2,387,726	194,862	8.9%
Recurrent - State Government				
Caravan parks	543,255	-	(543,255)	0.0%
Total - recurrent capital grants	2,736,119	2,387,726	(348,393)	-12.7%
Non-recurrent - Commonwealth Government				
Nil	-	-	-	0.0%
Non-recurrent - State Government				
Grants and community planning	4,989,670	-	(4,989,670)	-100.0%
Local roads community infrastructure funding	5,355,914	2,387,726	(2,968,188)	-55.4%
Projects and contract management	1,659,227	-	(1,659,227)	-100.0%
Waste management	23,131	-	(23,131)	-100.0%
Total - non-recurrent capital grants	12,027,942	2,387,726	(9,640,216)	-80.1%
Total - capital grants	14,764,061	4,775,452	(9,988,609)	-67.7%

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 2022/23 \$	Budget 2023/24 \$	Change \$	Change %
Monetary	192,500	-	(192,500)	100.0%
Non-monetary	-	-	-	0.0%
Total contributions	192,500	-	192,500	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 2022/23 \$	Budget 2023/24 \$	Change \$	Change %
Council administration	103,812	107,374	3,562	3.4%
Human resources and development	-	55,000	55,000	#DIV/0!
Risk management	62,156	7,435	(54,721)	-88.0%
Plant and fleet	142,100	147,642	5,542	3.9%
Total reimbursements	308,068	317,451	9,383	3.0%

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 2022/23 \$	Budget 2023/24 \$	Change \$	Change %
Approved maintenance	20,831	10,519	(10,312)	-49.5%
Provisional sum items	12,930	6,529	(6,401)	-49.5%
Routine maintenance	484,606	244,726	(239,880)	-49.5%
Total Regional Roads Victoria	518,367	261,774	(256,593)	-49.5%

Council's contract with Regional Roads Victoria includes an "as of right" amount for routine maintenance works. The current contract is due to expire at 31 December 2023.

4.1.8 Other income

	Forecast Actual 2022/23 \$	Budget 2023/24 \$	Change \$	Change %
Interest	1,100,000	400,000	(700,000)	-63.6%
Reversal of impairment losses	-	-	-	0.0%
Total other income	1,100,000	400,000	(700,000)	-63.6%

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

4.1.9 Employee costs

	Forecast Actual 2022/23 \$	Budget 2023/24 \$	Change \$	Change %
Wages and salaries	12,941,914	12,987,137	45,223	0.3%
Workcover	210,718	249,162	38,444	18.2%
Superannuation	1,334,388	1,414,059	79,671	6.0%
Fringe benefits tax	115,710	108,516	(7,194)	-6.2%
Total employee costs	14,602,730	14,758,874	156,144	1.1%

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 2022/23 \$	Budget 2023/24 \$	Change \$	Change %
Administration and management	481,725	246,848	(234,877)	-48.8%
Flood management	302,200	20,000,000	19,697,800	6518.1%
Economic development	333,008	149,977	(183,031)	-55.0%
Council administration	285,433	239,414	(46,019)	-16.1%
Library services	221,288	229,918	8,630	3.9%
Media	74,000	76,730	2,730	3.7%
Caravan parks	332,678	334,179	1,501	0.5%
Loddon Discovery Tours	20,702	21,622	920	4.4%
Tourism	183,595	181,134	(2,461)	-1.3%
Aged care services	308,345	18,000	(290,345)	-94.2%
Elderly persons units	75,801	73,381	(2,420)	-3.2%
Rural access	45,031	40,000	(5,031)	-11.2%
Seniors	65,475	44,018	(21,457)	-32.8%
Community wellbeing projects	122,656	0	(122,656)	-100.0%
Community support	505,627	258,015	(247,612)	-49.0%
Emergency management	60,633	14,031	(46,602)	-76.9%
Grants and community planning	1,744,761	510,000	(1,234,761)	-70.8%
Municipal health and wellbeing	65,201	10,200	(55,001)	-84.4%
Swimming pools	718,610	640,538	(78,072)	-10.9%
Maternal and child health	381,985	119,583	(262,402)	-68.7%
Early years	557,673	34,924	(522,749)	-93.7%
Pre-schools	95,154	79,800	(15,354)	-16.1%
Immunisation	4,359	8,659	4,300	100.0%
Youth	46,091	6,000	(40,091)	-87.0%
Corporate Governance	44,716	90,178	45,462	101.7%
Financial services	242,870	172,845	(70,025)	-28.8%
Rates and property	88,865	41,053	(47,812)	-53.8%
Customer service	94,728	60,893	(33,835)	-35.7%
Information management	116,239	10,090	(106,149)	-91.3%
Information technology	602,711	1,334,868	732,157	121.5%
Human resources and development	460,645	501,552	40,907	8.9%
Risk management	418,816	748,545	329,729	78.7%
Local roads and community infrastructure projects	575,768	-	(575,768)	-100.0%
Council engineering and technical services	299,884	202,689	(97,195)	-32.4%
Project and contract management	126,352	130,000	3,648	2.9%
Building regulation	42,534	18,333	(24,201)	-56.9%
Local laws and animal management	91,597	92,684	1,087	1.2%
Public health	86,413	35,854	(50,559)	-58.5%
Strategic and statutory planning	90,737	20,186	(70,551)	-77.8%
Air strips	8,555	7,528	(1,027)	-12.0%
Building and property maintenance	834,989	718,412	(116,577)	-14.0%
Plant and fleet	(2,159,414)	(2,267,333)	(107,919)	5.0%
Gravel pits	504,052	40,575	(463,477)	-92.0%
Management and administration	72,000	72,000	-	0.0%
Parks and townships	456,093	412,580	(43,513)	-9.5%

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.10 Materials, services and contracts

	Forecast Actual 2022/23 \$	Budget 2023/24 \$	Change \$	Change %
Roads	4,214,239	4,234,447	20,208	0.5%
DOT routine maintenance contract	188,751	83,840	(104,911)	-55.6%
Waste management	1,830,301	1,826,723	(3,578)	-0.2%
Waterways management	49,280	50,929	1,649	3.3%
Total materials, services and contracts	16,413,752	31,976,442	15,562,690	94.8%

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 2022/23 \$	Budget 2023/24 \$	Change \$	Change %
Roads	5,520,103	5,630,505	110,402	2.0%
Buildings	1,955,350	1,994,457	39,107	2.0%
Plant and equipment	1,355,801	1,382,917	27,116	2.0%
Bridges	366,380	373,708	7,328	2.0%
Urban drains	251,847	256,884	5,037	2.0%
Furniture and equipment	117,442	119,791	2,349	2.0%
Footpaths	198,849	202,826	3,977	2.0%
Kerb and channel	129,396	131,984	2,588	2.0%
Landfills	176,162	179,685	3,523	2.0%
Street furniture	32,687	33,341	654	2.0%
Quarries	2,610	2,661	51	2.0%
Total depreciation	10,106,628	10,308,760	202,132	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 2022/23 \$	Budget 2023/24 \$	Change \$	Change %
Councillors' emoluments	263,000	272,555	9,555	3.6%
Internal audit remuneration	42,182	43,827	1,645	3.9%
External audit remuneration	46,000	47,794	1,794	3.9%
Impairment of interest free loans	-	-	-	0.0%
Total other expenses	351,182	364,176	12,994	3.7%

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 \$5.7 million during the year mainly due the expectation to have most capital projects complete by 30 June and the upfront funding received by 30 June 2023.

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 \$11.0 million increase in this balance is attributable to the net result of the capital works program (\$24.3 million in 2022/23 and \$10.73 million in 2023/24), depreciation of assets (\$10.11 million in 2022/23 and \$10.31 million in 2023/24) 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 increase by \$0.47 million in 2023/24 levels due to an increase in material and services costs incurred during the financial year as a result of flood restoration works.

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 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 2022/23 \$	Budget 2023/24 \$
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	-	-

Amount (of opening balance) to be refinanced

-	-
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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 2023/24 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 2022/23 \$	Budget 2023/24 \$
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 on short term leases is 3.78%.

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 and development 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)

Community loans scheme reserve

The Community Loans Scheme 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 unightly 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. THIS RESERVE IS NOW CLOSED.

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), 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. THIS RESERVE IS NOW CLOSED.

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. THIS RESERVE IS NOW CLOSED.

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 fixed amount 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. THIS RESERVE IS NOW CLOSED.

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 2023:

2022/23 reserves - as per projected forecast				
Name of reserve	Balance at 1 July 2022 \$	Transfers to reserves \$	Transfers from reserves \$	Balance at 30 June 2023 \$
Capital expenditure reserve	3,746,399	8,784	3,746,399	8,784
Caravan park development reserve	330,220	71,404	7,500	394,124
Community planning reserve	3,031,608	-	1,260,608	1,771,000
Gravel and sand pit reserve	400,000	79,388	465,000	14,388
Heritage loan scheme reserve	100,000	-	-	100,000
Land and buildings reserve	734,010	513,582	-	1,247,592
Little Lake Boort water reserve	17,604	-	-	17,604
Major projects reserve	318,485	-	-	318,485
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	11,336,434	885,116	11,336,435	885,115
Waste management reserve	300,000	40,000	-	340,000
Boundary and township signage	100,000	-	100,000	-
Economic development reserve	513,582	-	513,582	-
Fleet replacement reserve	810,006	150,000	194,820	765,186
Information technology reserve	688,838	150,000	180,000	658,838
Plant replacement reserve	1,979,398	950,000	2,064,862	864,536
Professional development reserve	16,256	6,000	-	22,256
Swimming pool major projects reserve	200,000	-	-	200,000
Units reserve	30,750	-	30,750	-
Urban drainage reserve	960,666	350,000	476,500	834,166
TOTAL	26,814,256	3,204,274	20,376,456	9,642,074

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 2024:

2023/24 reserves - as per budget				
Name of reserve	Balance at 1 July 2023 \$	Transfers to reserves \$	Transfers from reserves \$	Balance at 30 June 2024 \$
Capital expenditure reserve	8,784	-	-	8,784
Caravan park development reserve	394,124	83,810	7,500	470,434
Community planning reserve	1,771,000	-	-	1,771,000
Gravel and sand pit reserve	14,388	170,009	-	184,397
Heritage loan scheme reserve	100,000	-	-	100,000
Land and buildings reserve	1,247,592	-	-	1,247,592
Little Lake Boort water reserve	17,604	-	-	17,604
Major projects reserve	318,485	-	-	318,485
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	885,115	-	-	885,115
Waste management reserve	340,000	34,190	-	374,190
Boundary and township signage	-	-	-	-
Economic development reserve	-	-	-	-
Fleet replacement reserve	765,186	150,000	343,183	572,003
Information technology reserve	658,838	150,000	270,700	538,138
Plant replacement reserve	864,536	950,000	1,655,924	158,612
Professional development reserve	22,256	6,000	-	28,256
Swimming pool major projects reserve	200,000	50,000	250,000	-
Units reserve	-	-	-	-
Urban drainage reserve	834,166	699,622	-	1,533,788
TOTAL	9,642,074	2,293,631	2,527,307	9,408,398

By including the above transfers from reserves it is expected that reserve levels decrease by approximately \$0.2M million, leaving a balance of \$9.41 million in the reserves account.

4.3.3 Details of reserves

The following schedule provides details of each of the reserve transfers for 2023/24:

Capital expenditure reserve			
Opening balance			8,784
ADD transfer to reserve			
Nil	N/A	-	-
LESS transfer from reserve			
Nil	N/A	-	-
Closing balance			8,784

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			394,124
ADD transfer to reserve			
Surplus of caravan park operations		83,810	83,810
LESS transfer from reserve			
Tree works		(7,500)	(7,500)
Closing balance			470,434

Community planning reserve			
Opening balance			1,771,000
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			1,771,000

GSP restoration reserve			
Opening balance			14,388
ADD transfer to reserve			
Surplus of GSP operations		170,009	170,009
LESS transfer from reserve			
Nil		-	-
Closing balance			184,397

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			1,247,592
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			1,247,592

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			318,485
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			318,485
Community loans scheme 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 reserve			
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			885,115
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			885,115
Waste management reserve			
Opening balance			340,000
ADD transfer to reserve			
Allocation to reserve		34,190	34,190
LESS transfer from reserve			
Nil		-	-
Closing balance			374,190
Boundary and township entrance signage reserve			
Opening balance			-
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			-
Economic development reserve			
Opening balance			-
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			-

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			765,186
ADD transfer to reserve			
Annual allocation to reserve		150,000	150,000
LESS transfer from reserve			
Net cost of fleet replacement		(343,183)	(343,183)
Closing balance			572,003
Information technology reserve			
Opening balance			658,838
ADD transfer to reserve			
Annual allocations for major purchases		150,000	150,000
LESS transfer from reserve			
IT equipment purchases		(270,700)	(270,700)
Closing balance			538,138
Plant replacement reserve			
Opening balance			864,536
ADD transfer to reserve			
Annual allocation to reserve		950,000	950,000
LESS transfer from reserve			
Net cost of plant replacement		(1,655,924)	(1,655,924)
Closing balance			158,612
Professional development reserve			
Opening balance			22,256
ADD transfer to reserve			
Annual allocation		6,000	6,000
LESS transfer from reserve			
Nil		-	-
Closing balance			28,256
Swimming pool major projects reserve			
Opening balance			200,000
ADD transfer to reserve			
Annual allocation to reserve		50,000	50,000
LESS transfer from reserve			
Capital works program		(250,000)	(250,000)
Closing balance			-

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			-
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			-
Urban drainage reserve			
Opening balance			834,166
ADD transfer to reserve			
2023/24 program works		349,622	349,622
Annual allocation		350,000	350,000
LESS transfer from reserve			
Drainage program		-	-
Closing balance			1,533,788

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 2022/23 \$	Budget 2023/24 \$	Variance \$
Current assets	23,237,733	17,858,535	5,379,198
Current liabilities	3,617,170	3,987,245	(370,075)
Working capital	19,620,563	13,871,290	5,749,273
Intended allocation assets			
- Discretionary reserves	(9,642,074)	(9,408,398)	(233,676)
- Leave allocations	(3,159,704)	(3,222,898)	63,194
Restricted allocation assets			
- Trust funds and deposits	(349,393)	(331,923)	(17,470)
Unrestricted working capital	6,469,392	908,071	5,561,321

In addition to the restricted assets above, Council is also projected to hold \$9.41 million in discretionary reserves at 30 June 2024. 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 2023/24 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 3.5% and garbage related charges of 3.0%.

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 2023/24.

4.4.4 Cash and cash equivalents at the end of the year

Overall, total cash and investments is forecast to decrease by \$5.69 million to \$13.83 million as at 30 June 2024, 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 2024 it will have unrestricted cash and investments of \$0.86 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 2022/23 \$	Budget 2023/24 \$	Variance \$
Total cash and investments		19,518,182	13,827,629	(5,690,553)
Intended allocation assets				
Leave allocations	4.4.5	(3,159,704)	(3,222,898)	(63,194)
Discretionary reserves	4.4.6	(9,642,074)	(9,408,398)	233,676
Restricted allocation assets				
Trust funds and deposits		(349,393)	(331,923)	17,470
Unrestricted cash adjusted for discretionary reserves	4.4.7	6,367,011	864,410	(5,502,601)

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 2023/24 year.

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

- new works for 2023/24
- works carried forward from the 2022/23 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	5,000	-	5,000	-	-
Total land	5,000	-	5,000	-	-
Buildings					
Building improvements	200,000	-	200,000	-	-
Total buildings	200,000	-	200,000	-	-
Total property	205,000	-	205,000	-	-
Plant and equipment					
Plant, machinery and equipment	2,490,440	2,490,440	-	-	-
Computers and telecommunications	190,700	190,700	-	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	2,681,140	2,681,140	-	-	-
Infrastructure					
Roads	5,379,445	-	5,379,445	-	-
Bridges	152,328	-	152,328	-	-
Footpaths	232,061	-	232,061	-	-
Drainage	-	-	-	-	-
Recreation, leisure and community facilities	750,000	-	-	750,000	-
Parks, open space and streetscapes	-	-	-	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	6,513,834	-	5,763,834	750,000	-
Total new works	9,399,974	2,681,140	5,968,834	750,000	-

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	5,000	-	-	5,000	-
Total land	5,000	-	-	5,000	-
Buildings	-	-	-	-	-
Building improvements	200,000	-	-	200,000	-
Total buildings	200,000	-	-	200,000	-
Total property	205,000	-	-	205,000	-
Plant and equipment					
Plant, machinery and equipment	2,490,440	-	1,999,107	20,000	471,333
Computers and telecommunications	190,700	-	190,700	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	2,681,140	-	2,189,807	20,000	471,333
Infrastructure					
Roads	5,379,445	4,623,124	-	756,321	-
Bridges	152,328	152,328	-	-	-
Footpaths	232,061	-	-	232,061	-
Drainage	-	-	-	-	-
Recreation, leisure and community facilities	750,000	-	250,000	500,000	-
Parks, open space and streetscapes	-	-	-	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	6,513,834	4,775,452	250,000	1,488,382	-
Total new works	9,399,974	4,775,452	2,439,807	1,713,382	471,333

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.3 Works carried forward from the 2022/23 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	1,327,380	-	-	-	1,327,380
Other infrastructure	-	-	-	-	-
Total infrastructure	1,327,380	-	-	-	1,327,380
Total carried forward works	1,327,380	-	-	-	1,327,380

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.4 Works carried forward from the 2022/23 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	1,327,380	1,327,380	-	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	1,327,380	1,327,380	-	-	-
Total carried forward works	1,327,380	1,327,380	-	-	-

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 2024/25	Project cost	Asset expenditure types			
		New \$	Renewal \$	Upgrade \$	Expansion \$
Property					
Land	-	-	-	-	-
Land improvements	5,200	-	5,200	-	-
Total land	5,200	-	5,200	-	-
Buildings	-	-	-	-	-
Building improvements	600,000	-	600,000	-	-
Total buildings	600,000	-	600,000	-	-
Total property	605,200	-	605,200	-	-
Plant and equipment					
Plant, machinery and equipment	1,003,074	1,003,074	-	-	-
Computers and telecommunications	157,200	157,200	-	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	1,160,274	1,160,274	-	-	-
Infrastructure					
Roads	3,404,999	-	3,404,999	-	-
Bridges	524,110	-	524,110	-	-
Footpaths	716,343	-	716,343	-	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	500,000	-	-	500,000	-
Parks, open space and streetscapes	-	-	-	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,495,452	-	4,995,452	500,000	-
Total capital works 2024/25	7,260,926	1,160,274	5,600,652	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	5,408	-	5,408	-	-
Total land	5,408	-	5,408	-	-
Buildings					
Building improvements	400,000	-	400,000	-	-
Total buildings	400,000	-	400,000	-	-
Total property	405,408	-	405,408	-	-
Plant and equipment					
Plant, machinery and equipment	1,115,593	1,115,593	-	-	-
Computers and telecommunications	100,000	100,000	-	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	1,215,593	1,215,593	-	-	-
Infrastructure					
Roads	3,765,507	-	3,765,507	-	-
Bridges	158,172	-	158,172	-	-
Footpaths	532,217	-	532,217	-	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	500,000	-	-	500,000	-
Parks, open space and streetscapes	-	-	-	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,305,896	-	4,805,896	500,000	-
Total capital works 2025/26	6,926,897	1,215,593	5,211,304	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 2026/27	Project cost	Asset expenditure types			
		New \$	Renewal \$	Upgrade \$	Expansion \$
Property					
Land	-	-	-	-	-
Land improvements	5,624	-	5,624	-	-
Total land	5,624	-	5,624	-	-
Buildings					
Building improvements	400,000	-	400,000	-	-
Total buildings	400,000	-	400,000	-	-
Total property	405,624	-	405,624	-	-
Plant and equipment					
Plant, machinery and equipment	2,226,209	2,226,209	-	-	-
Computers and telecommunications	100,000	100,000	-	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	2,326,209	2,326,209	-	-	-
Infrastructure					
Roads	4,043,297	-	4,043,297	-	-
Bridges	161,177	-	161,177	-	-
Footpaths	547,670	-	547,670	-	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	500,000	-	-	500,000	-
Parks, open space and streetscapes	-	-	-	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,602,144	-	5,102,144	500,000	-
Total capital works 2026/27	8,333,977	2,326,209	5,507,768	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 2024/25	Project cost	Funding sources			
		Grants / contributions \$	Reserves \$	Council funded \$	Sale of assets \$
Property					
Land	-	-	-	-	-
Land improvements	5,200	-	-	5,200	-
Total land	5,200	-	-	5,200	-
Buildings	-	-	-	-	-
Building improvements	600,000	-	-	600,000	-
Total buildings	600,000	-	-	600,000	-
Total property	605,200	-	-	605,200	-
Plant and equipment					
Plant, machinery and equipment	1,003,074	-	818,975	20,000	164,099
Computers and telecommunications	157,200	-	157,200	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	1,160,274	-	976,175	20,000	164,099
Infrastructure					
Roads	3,404,999	2,258,156	-	1,146,843	-
Bridges	524,110	155,223	-	368,887	-
Footpaths	716,343	93,733	-	622,610	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	500,000	-	-	500,000	-
Parks, open space and streetscapes	-	-	-	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,495,452	2,507,112	350,000	2,638,340	-
Total capital works 2024/25	7,260,926	2,507,112	1,326,175	3,263,540	164,099

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	5,408	-	-	5,408	-
Total land	5,408	-	-	5,408	-
Buildings	-	-	-	-	-
Building improvements	400,000	-	-	400,000	-
Total buildings	400,000	-	-	400,000	-
Total property	405,408	-	-	405,408	-
Plant and equipment					
Plant, machinery and equipment	1,115,593	-	897,919	20,000	197,674
Computers and telecommunications	100,000	-	100,000	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	1,215,593	-	997,919	20,000	197,674
Infrastructure					
Roads	3,765,507	2,249,747	-	1,515,760	-
Bridges	158,172	158,172	-	-	-
Footpaths	532,217	99,193	-	433,024	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	500,000	-	-	500,000	-
Parks, open space and streetscapes	-	-	-	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,305,896	2,507,112	350,000	2,448,784	-
Total capital works 2025/26	6,926,897	2,507,112	1,347,919	2,874,192	197,674

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 2026/27	Project cost	Funding sources			
		Grants / contributions \$	Reserves \$	Council funded \$	Sale of assets \$
Property					
Land	-	-	-	-	-
Land improvements	5,624	-	-	5,624	-
Total land	5,624	-	-	5,624	-
Buildings					
Building improvements	400,000	-	-	400,000	-
Total buildings	400,000	-	-	400,000	-
Total property	405,624	-	-	405,624	-
Plant and equipment					
Plant, machinery and equipment	2,226,209	-	1,777,616	20,000	428,593
Computers and telecommunications	100,000	-	100,000	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	2,326,209	-	1,877,616	20,000	428,593
Infrastructure					
Roads	4,043,297	2,241,101	-	1,802,196	-
Bridges	161,177	161,177	-	-	-
Footpaths	547,670	104,834	-	442,836	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	500,000	-	-	500,000	-
Parks, open space and streetscapes	-	-	-	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,602,144	2,507,112	350,000	2,745,032	-
Total capital works 2026/27	8,333,977	2,507,112	2,227,616	3,170,656	428,593

5A TARGETED PERFORMANCE INDICATORS - SERVICE

The following table highlights Council's current and projected performance across a selection of targeted service and financial performance indicators. These indicators provide a useful analysis of Council's intentions and performance and should be interpreted in the context of the organisation's objectives.

The targeted performance indicators below are the prescribed performance indicators contained in Schedule 4 of the Local Government (Planning and Reporting) Regulations 2020. Results against these indicators and targets will be reported in Council's Performance Statement included in the Annual Report.

Indicator	Measure	Notes	Actual	Forecast	Budget	Trend
			2021/22	2022/23	2023/24	+O/-
Governance						
Satisfaction with community consultation and engagement	Community satisfaction rating out of 100 with the consultation and engagement efforts of Council	1	58	56	56	O
Roads						
Sealed local roads below the intervention level	Number of kms of sealed local roads below the renewal intervention level set by Council / kms of sealed roads	1	99.99%	99.99%	99.99%	O
Statutory planning						
Planning applications decided within the relevant required time	Number of planning application decisions made within the relevant required time / Number of decisions made	1	85.04%	85.00%	85.00%	O
Waste management						
Kerbside collection waste diverted from landfill	Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins	1	27.52%	27.91%	27.91%	O

Indicator	Measure	Notes	Target Projections			Trend
			2024/25	2025/26	2026/27	+O/-
Governance						
Satisfaction with community consultation and engagement	Community satisfaction rating out of 100 with the consultation and engagement efforts of Council	1	56	56	56	O
Roads						
Sealed local roads below the intervention level	Number of kms of sealed local roads below the renewal intervention level set by Council / kms of sealed roads	1	99.99%	99.99%	99.99%	O
Statutory planning						
Planning applications decided within the relevant required time	Number of planning application decisions made within the relevant required time / Number of decisions made	1	85.00%	85.00%	85.00%	O
Waste management						
Kerbside collection waste diverted from landfill	Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins	1	27.91%	27.91%	27.91%	O

5A TARGETED PERFORMANCE INDICATORS - FINANCIAL

Indicator	Measure	Notes	Actual	Forecast	Budget	Trend
			2021/22	2022/23	2023/24	+O/-
Liquidity						
Working capital	Current assets / Current liabilities	2	604.47%	642.43%	447.89%	-
Obligations						
Asset renewal	Asset renewal and upgrade expenses / Asset depreciation		60.11%	114.55%	57.90%	O
Stability						
Rates concentration	Rates revenue / Adjusted underlying revenue		36.34%	56.53%	27.32%	O
Efficiency						
Expenditure level	Total expenses / No. of property assessments	3	\$3,938	\$5,179	\$7,169	O

Indicator	Measure	Notes	Target Projections			Trend
			2024/25	2025/26	2026/27	+O/-
Liquidity						
Working capital	Current assets / Current liabilities	2	342.28%	277.80%	121.98%	-
Obligations						
Asset renewal	Asset renewal and upgrade expenses / Asset depreciation	3	53.26%	48.59%	50.35%	O
Stability						
Rates concentration	Rates revenue / Adjusted underlying revenue		27.95%	48.69%	48.79%	O
Efficiency						
Expenditure level	Total expenses / No. of property assessments	4	\$7,208	\$4,812	\$4,973	O

5B FINANCIAL PERFORMANCE INDICATORS

Indicator	Measure	Notes	Actual	Forecast	Budget	Trend
			2021/22	2022/23	2023/24	+O/-
Operating position						
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	5	3.94%	-69.52%	-17.35%	O
Liquidity						
Unrestricted cash	Unrestricted cash / Current liabilities		53.31%	176.02%	21.68%	-
Obligations						
Loan and borrowings	Interest bearing loans and borrowings / Rate revenue	6	0.00%	0.00%	0.00%	O
Loan and borrowings	Interest and principal repayments on interest bearing loans and borrowings / Rate revenue	6	0.00%	0.00%	0.00%	O
Indebtedness	Non-current liabilities / Own source revenue		8.32%	9.87%	12.53%	+
Stability						
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.44%	0.35%	0.27%	-
Efficiency						
Revenue level	General rates and municipal charges / Number of property assessments		\$1,257	\$1,283	\$1,328	O

5B FINANCIAL PERFORMANCE INDICATORS (Continued)

Indicator	Measure	Notes	Strategic Resource Plan Projections			Trend
			2024/25	2025/26	2026/27	+ / O / -
Operating position						
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	5	-16.50%	-26.43%	-26.55%	+
Liquidity						
Unrestricted cash	Unrestricted cash / Current liabilities		-109.02%	-277.54%	-423.90%	+
Obligations						
Loan and borrowings	Loans and borrowings / Rate revenue	6	0.00%	0.00%	0.00%	O
Loan and borrowings	Interest and principal repayments on interest bearing loans and borrowings / Rate revenue	6	0.00%	0.00%	0.00%	O
Indebtedness	Non-current liabilities / Own source revenue		14.46%	15.99%	17.44%	+
Stability						
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.27%	0.28%	0.28%	O
Efficiency						
Revenue level	General rates and municipal charges / Number of property assessments		\$1,355	\$1,382	\$1,410	+

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 *Various* - These are new indicators reporting within the budget. To estimate current year indicators, an average process was used to determine an acceptable range going forward.
- 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 *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.
- 4 *Efficiency* - This indicator uses the total operating expenditure and for 2023/24 and 2024/25 this includes \$20 million in each year for flood restoration works.
- 5 *Operating position* - 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.
- 6 *Obligations* - Council has repaid its final loan liability in 2015/16.

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 2023/24 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 2022/23 Forecast Actuals, the 2023/24 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 2022/23 \$	Budget 2023/24 \$	Variance \$
Revenues from ordinary activities			
Rates and charges	12,283,009	12,713,535	430,526
Statutory and user fees	1,812,061	1,299,759	(512,302)
Operating grants	5,673,513	31,504,153	25,830,640
Capital grants	14,764,061	4,775,452	(9,988,609)
Operating contributions	192,500	-	(192,500)
Capital contributions	-	-	-
Regional Roads Victoria	518,367	261,774	(256,593)
Reversal of impairment losses	-	-	-
Reimbursements	308,068	317,451	9,383
Interest	1,135,000	435,000	(700,000)
Total revenues	36,686,579	51,307,125	14,620,546
Expenses from ordinary activities			
Labour	12,941,914	12,987,137	45,223
Materials and services	14,461,363	10,603,681	(3,857,682)
Contracts	3,019,865	22,491,688	19,471,823
Utilities	593,342	652,810	59,468
Depreciation	10,106,628	10,308,760	202,132
Interest expense	-	-	-
Other expenses	351,182	364,176	12,994
Total expenses	41,474,294	57,408,253	15,933,959
Net (gain) / loss on sale of assets	-	-	-
Surplus / (deficit) for the year	(4,787,714)	(6,101,128)	(1,313,413)

APPENDIX A - AUDIT COMMITTEE FINANCIALS (Continued)

COMPREHENSIVE INCOME STATEMENT BY KEY DIRECTION AREA

	Forecast actual 2022/23 \$	Budget 2023/24 \$	Variance \$
Revenues from ordinary activities			
Rates and charges	12,283,009	12,713,535	430,526
Operating grants	5,673,513	31,504,153	25,830,640
Capital grants	14,764,061	4,775,452	(9,988,609)
Operating contributions	192,500	-	(192,500)
Capital contributions	-	-	-
User fees	1,812,061	1,299,759	(512,302)
Reimbursements	308,068	317,451	9,383
Reversal of impairment losses	-	-	-
Regional Roads Victoria	518,367	261,774	(256,593)
Interest	1,135,000	435,000	(700,000)
Total revenues	36,686,579	51,307,125	14,620,546
Expenses from ordinary activities			
Commercial services	1,344,846	1,172,421	(172,425)
Executive	1,877,691	1,910,262	32,571
Aged care	2,371,480	663,203	(1,708,277)
Community support	4,455,190	22,227,111	17,771,921
Early years	2,028,214	1,250,331	(777,883)
Corporate services	626,324	456,270	(170,054)
Financial services	11,205,232	11,336,901	131,669
Information management	1,708,394	2,157,771	449,377
Organisational development	1,428,055	2,215,495	787,440
Assets and infrastructure	2,177,249	2,689,356	512,107
Development and compliance	1,488,691	1,449,315	(39,376)
Works	10,762,928	9,879,817	(883,111)
Total expenses	41,474,294	57,408,253	15,933,959
Net (gain) / loss on sale of assets	-	-	-
Surplus / (deficit) for the year	(4,787,716)	(6,101,128)	(1,313,412)

APPENDIX A - AUDIT COMMITTEE FINANCIALS (Continued)

CAPITAL EXPENDITURE STATEMENT

	Forecast actual 2022/23 \$	Budget 2023/24 \$	Variance \$
Surplus / (deficit) for the year-as per income statement	(4,787,716)	(6,101,128)	(1,313,412)
Less non-cash income			
Reversal of impairment losses	-	-	-
Add non-cash expenditure			
Net gain on sale of assets	-	-	-
Loan interest accrued	-	-	-
Depreciation	10,106,628	10,308,760	202,132
Total funds available for capital expenditure	5,318,912	4,207,632	- 1,111,280
Capital expenditure, transfers and loans			
Commercial services	294,844	-	(294,844)
Community support	7,298,340	750,000	(6,548,340)
Information management	100,000	190,700	90,700
Assets and infrastructure	12,553,918	7,291,214	(5,262,704)
Development and compliance	102,121	-	(102,121)
Works	3,931,130	2,495,440	(1,435,690)
Total capital works	24,280,353	10,727,354	(13,552,999)
Transfers to reserves	3,204,274	2,293,631	(910,643)
Loan repayments	-	-	-
Total capital, transfers and loans	27,484,627	13,020,985	(14,463,642)
Capital expenditure, transfers and loans will be financed by:			
Asset sales	327,989	471,333	143,344
Transfers from reserves	20,376,456	2,527,307	(17,849,149)
Accumulated cash surplus brought forward from previous year	8,993,042	7,531,771	(1,461,271)
Total financing of capital, transfers, and loans	29,697,487	10,530,411	(19,167,076)
Total accumulated cash surplus	7,531,771	1,717,060	(5,814,711)

APPENDIX B- STRATEGIC ACTIONS

In 2021, Council adopted the first Financial Plan which outlines the 10-year financials resources necessary to implement the initiatives and priorities of the Council Plan and to achieve the aspirations of the Community Vision.

The first plan had a set of actions which will be used to further improve this financial position for future years. The Budget will report on any progress since adoption.

Action	Description	Impact on the Financial Plan	Progress
1	Review depreciation rates within each of the asset plans to ensure they are reflective of the useful lives of each asset class.	Adjustment: Depreciation expense and asset values. Impacts: Operating expenditure in the Comprehensive Income Statement. Also impacts the balance of the infrastructure assets group within the Balance Sheet. Desired outcome: Reduction in annual deficits.	Not yet commenced: To be reviewed once the asset plans have been finalised for each asset class.
2	Review Asset Management Plans to understand required maintenance and renewal levels to maintain the service levels of each asset class.	Adjustment: Maintenance costs and the required level of renewal/upgrade of the asset. Impacts: Operating expenditure in the Comprehensive Income Statement. Also impacts renewal/upgrade infrastructure costs within the Capital Expenditure Statement. Desired outcome: Reduction in the operating maintenance expenditure and renewal/upgrade expenditure.	Complete
3	Review and report to Council on the current operating environment to assess whether the current contingency amounts allocated for projects is appropriate.	Adjustment: Infrastructure capital project allocations. Impacts: Capital project expenditure with the Capital Works Statement. Desired outcome: Reduction in the capital works, higher delivery rates of capital works.	Not yet commenced
4	Review Financial Reserves Policy to ensure cash is not constrained unnecessarily.	Adjustment: Movement in reserve levels and available reserves. Impact: Balance Sheet and available operating expenditure. Desired outcome: Increase in cash and cash equivalents in Balance Sheet and offsetting a reduction in Other Reserves.	Complete: To continue to review each year to ensure further improvements.
5	Revise Project Management Framework to ensure projects are phased and costed appropriately.	Adjustment: Infrastructure capital project allocations. Impact: Capital expenditure within the Capital Works Statement. Desired outcome: Improved forward financial planning for major projects within the Capital Works Statement.	Progressing: Review underway.

APPENDIX B- STRATEGIC ACTIONS - Continued

Action	Description	Impact on the Financial Plan	Progress
6	Revise Strategic Documents Framework to ensure strategies are appropriately costed and indexed, and costs are embedded into this Financial Plan.	<p>Adjustment: Future plans and strategies to further highlight the true cost to deliver actions outlined.</p> <p>Impact: Operating expenditure and capital expenditure where those relevant plans sit.</p> <p>Desired outcome: Improved forward financial planning for major projects within the Capital Works Statement and operating expenditure within the Comprehensive Income Statement.</p>	Not yet commenced
7	Continue development of 'pipeline of projects' to ensure 'shovel ready' projects when funding becomes available.	<p>Adjustment: Allocation of project expenditure and income to reflect more accurate timing.</p> <p>Impact: Operating expenditure, operating income and capital expenditure.</p> <p>Desired outcome: Improved forward financial planning for major projects within the Capital Works Statement and operating expenditure within the Comprehensive Income Statement.</p>	Progressing: Initial discussions have been held and resources allocated to assist with this process.
8	Investigate and report to Council on alternate purchasing options for plant (e.g. leasing of plant to spread the cost over the life of the asset).	<p>Adjustment: Offset capital cost against lease operating cost.</p> <p>Impact: Increase to operating expenditure and capital expenditure.</p> <p>Desired outcome: Reduction in capital costs and held assets within the Capital Works Statement and Balance Sheet along with reduction in some of the related reserves.</p>	Complete: Report presented to Council in February 2022. With the current capital program, purchase is still the preferred option.
9	Conduct process reviews on internal services to ensure they are efficient and cost-effective, and support external services provided to the community.	<p>Adjustment: Reflect cost-effective service delivery costs.</p> <p>Impact: Operating expenditure and operating income.</p> <p>Desired outcome: More streamlined processes which will lead to a reduction in operating expenditure with the Comprehensive Income Statement.</p>	Progressing: Preliminary list of service reviews drafted, with a program based on importance to be developed.
10	Complete the Transitioning Towns Policy to establish minimum service levels for each town.	<p>Adjustment: Reflect cost-effective service delivery costs.</p> <p>Impact: Operating expenditure and operating income.</p> <p>Desired outcome: Understanding the required service level which should lead to a reduction in operating expenditure with the Comprehensive Income Statement.</p>	Progressing: Brief under development for commencement in July 2023.

APPENDIX B- STRATEGIC ACTIONS - Continued

Action	Description	Impact on the Financial Plan	Progress
11	Undertake service reviews in consultation with the community to determine the best mix and level of service provided by Council for services provided to the community.	<p>Adjustment: Reflect cost-effective service delivery costs.</p> <p>Impact: Operating expenditure and operating income.</p> <p>Desired outcome: Understanding the required service level which may lead to a reduction in operating expenditure with the Comprehensive Income Statement.</p>	<p>Progressing: Preliminary list of service reviews completed, with a program based on importance to be developed.</p>
12	Report to Council on the potential to borrow funds (including relevant risk assessment) for strategic and/or intergenerational projects.	<p>Adjustment: Offset the cost of delivering projects using immediate Council funds to a long term borrowing option.</p> <p>Impact: Capital expenditure and balance sheet.</p> <p>Desired outcome: Should borrowings be used as a funding mechanism, desired outcome is a positive impact on the Financial Plan and the introduction of intergenerational equity.</p>	<p>Progressing: Initial discussions held to inform Council of the options available for borrowing and a Borrowing Policy has been developed and adopted.</p>
13	Investigate and report to Council the cost vs benefits of applying for a rate cap variation to the Essential Services Commission after above initiatives have been explored.	<p>Adjustment: Increased rate revenue for Council.</p> <p>Impact: Operating income.</p> <p>Desired outcome: Increase to ongoing rate revenue within the Comprehensive Income Statement.</p>	<p>Not yet commenced</p>
14	Explore shared services options available to Council.	<p>Adjustment: Potential to decrease costs or improve services.</p> <p>Impact: Operating expenditure.</p> <p>Desired outcome: Reduction in operating expenditure within the Comprehensive Income Statement.</p>	<p>Completed: Council is a member of the Regional Procurement Network and is informed of any shared services opportunities as they arise.</p>