

**LODDON
SHIRE COUNCIL
BUDGET
FOR YEAR ENDED
30 JUNE 2025**



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MAYOR INTRODUCTION

The Councillors and I are pleased to present the 2024/25 Budget to the community. This is our final 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 2.75 per cent. This is in line with the Fair Go Rates System which has capped rate increases by Victorian Councils. Council has also identified a number of significant cost and revenue impacts during the budget process which it has had to take into consideration. These include:

- the 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 2024/25 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
- \$300K allocation for works associated with the Building Asset Management Plan
- continued support for early years programs
- capital expenditure program of \$6.96 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. Gavan Holt
Mayor

CEO INTRODUCTION

Council has prepared a Budget for 2024/25 which continues to align the work of Council with the Community's vision for the future as laid out in the Council Plan 2021-25. The Budget sets out our path for the future, seeking to maintain the services and infrastructure that are valued by the community, all while keeping the Shire resilient in the face of challenges.

There are many areas of good news for our residents in the 2024/25 Budget including Council's \$6.96M investment in capital projects across roads (\$3.51M), parks and streetscapes (\$0.1M), and recreational, leisure and community facilities (\$0.5M).

Individual Waste Service charges will also see no increase this year as the Shire absorbs contract increases and adjusts methodology for cost allocation of waste collection in public areas in line with new Ministerial Guidelines.

The average rate rise of 2.75% is again in line with the order by the Minister for Local Government in December 2023 under the Fair Go Rates System.

However, scattered underneath these positives are some ever-present challenges which the organisation and Councillors continue to be mindful about in how they plan for the future.

In the ongoing response to the October 2022 floods, the Shire is expecting to receive \$20M to contribute toward reconstruction of flood damaged assets, but the continued recovery effort from this major event puts increasing pressure on Council's financial position; resilience and betterment of dated infrastructure still comes at a cost that is not entirely met by external funding or insurance claims.

Inflationary pressures remain stubborn across the construction sector seeing the impact of rates income lessen where we all get less for our dollar in the current financial climate. The pace of revenue growth for the sector is not keeping up with the growth in expenses.

These factors combined with a large, ageing asset base make it increasingly challenging to deliver our services in the same way that we always have. Underneath Council's positive cash result of \$0.4M is an \$8.59M deficit and that is not an isolated story. Deficits are forecast to continue in coming years as we draw down on cash reserves to deliver projects and programs of benefit to the community. But these reserves are not infinite.

Council and the organisation are committed to working towards a financially sustainable future and we continue to advocate for increased supports being made available to rural councils from other levels of Government. We also look to grow efficiencies throughout our business by exploring shared services and different ways of working. Ongoing strategic work to deepen our understanding of the Shire's asset base will allow us to identify further improvements in how we manage these important conduits for how service levels are delivered to the community.

I am very pleased to be able to present to the Loddon community this year's Budget, which should be read in conjunction with other key documents including the Schedule of Fees and Charges. I know that the organisation looks forward to working with the Councillor group to leverage our current cash position to best deliver the outcomes of the Council Plan 2021-25 while navigating the complex challenges that face us now and into the future.

Lincoln Fitzgerald
Chief Executive Officer

ECONOMIC ASSUMPTIONS

	Notes	Forecast Actual	Budget	Projections			Trend
		2023/24	2024/25	2025/26	2026/27	2027/28	+/-
Rate cap increase	1	3.50%	2.75%	2.75%	2.75%	2.75%	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	3.90%	3.00%	3.00%	3.00%	3.00%	O
User fees	3	3.50%	2.75%	2.75%	2.75%	2.75%	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		3.90%	3.00%	3.00%	3.00%	3.00%	O
Other revenue		3.90%	3.00%	3.00%	3.00%	3.00%	O
Employee costs	4	2.80%	2.20%	2.20%	2.20%	2.20%	O
Contractors and materials		3.90%	3.00%	3.00%	3.00%	3.00%	O
Software and insurance	5	10.00%	10.00%	10.00%	10.00%	10.00%	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		3.90%	3.00%	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.

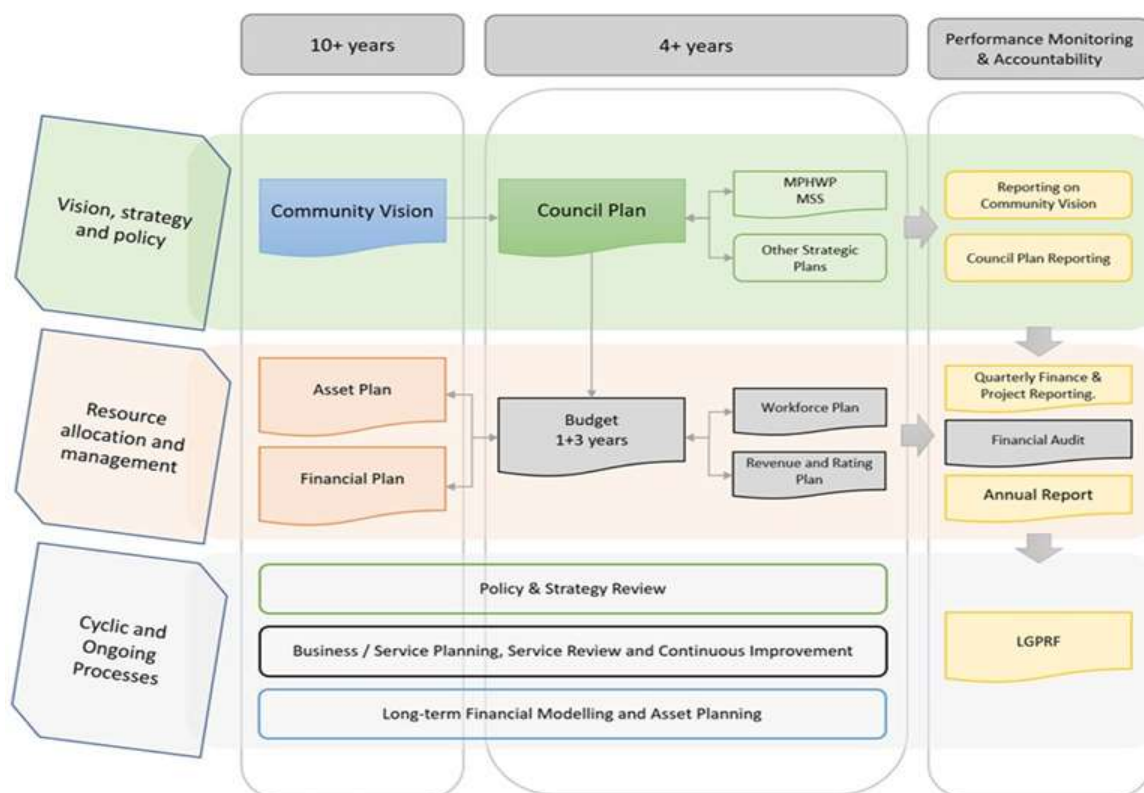
5 *Software and insurance* - This category was increased by a higher rate in line with increasing costs incurred from providers due to increased claims and or increased security processes.

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

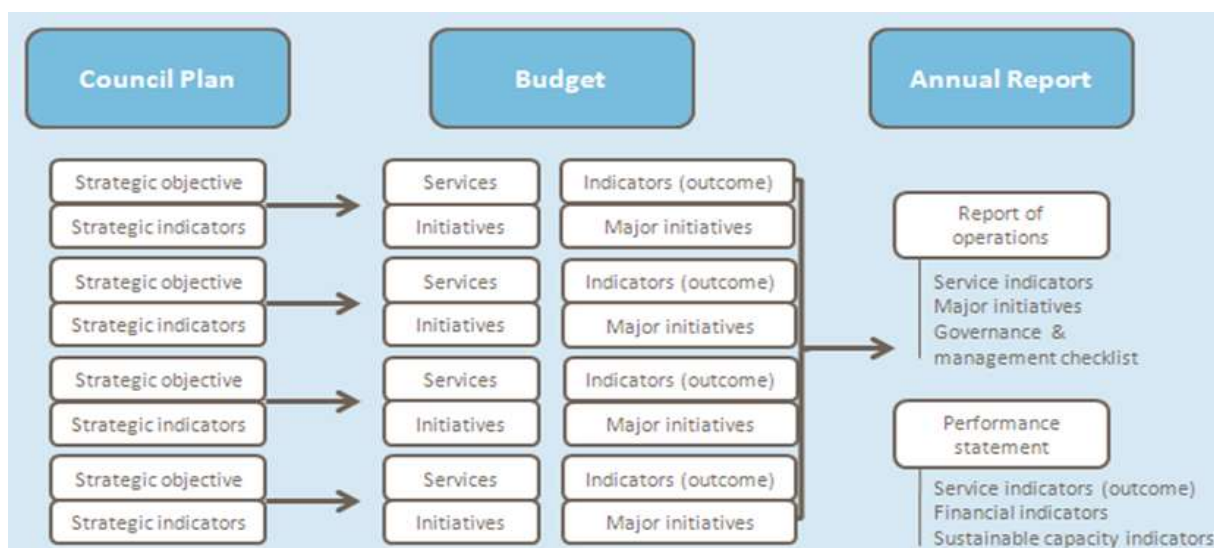
A growing and vibrant community

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 2024/25 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	(896,330)	-	896,330
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	(13,793)	5,000	18,793
Grants and community planning	(310,000)	-	310,000
Project and contract management	(383,473)	-	383,473
Roads to recovery	2,507,112	2,507,112	-
Parks and townships	(1,047,785)	-	1,047,785
Waste management	(2,105,346)	44,679	2,150,025
Waterways management	(51,811)	11,751	63,562
Gravel pits	114,057	170,809	56,752
Total	(2,437,369)	2,739,351	5,176,720

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	(258,660)	81,925	340,585
Community wellbeing projects	-	-	-
Youth	-	-	0
Risk management	(1,006,426)	14,744	1,021,170
Building regulation	(221,070)	86,312	307,382
Local laws and animal management	(403,778)	76,867	480,645
Public health	(155,646)	52,321	207,967
Total	(2,045,580)	312,169	2,357,749

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	(110,399)	39,912	150,311
Caravan parks	81,520	131,969	50,449
Loddon Discovery Tours	-	-	-
Tourism	(441,763)	-	441,763
Total	(470,642)	171,881	642,523

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	(3,129,416)	-	3,129,416
Council administration	(564,781)	110,030	674,811
Library services	(238,425)	-	238,425
Media	(121,553)	-	121,553
Aged care services	(455,477)	-	455,477
Elderly persons units	(16,404)	67,113	83,517
Rural access	(40,000)	-	40,000
Seniors	(54,554)	5,790	60,344
Municipal health and wellbeing	(8,700)	1,500	10,200
Swimming pools	(715,045)	-	715,045
Maternal and child health	(177,631)	268,034	445,665
Early years	(44,234)	143,913	188,147
Immunisation	(34,947)	6,800	41,747
Global kinders	12,350	753,968	741,618
Corporate governance	(570,283)	239,742	810,025
Financial services	6,022,470	7,175,625	1,153,155
Rates and property	(145,128)	63,082	208,210
Customer service	(272,387)	-	272,387
Information management	(105,491)	-	105,491
Information technology	(1,755,422)	-	1,755,422
Human resources and development	(1,595,909)	49,196	1,645,105
Council engineering and technical services	(164,332)	58,799	223,131
Local roads and community infrastructure program	-	-	-
Management and administration	(491,028)	-	491,028
Air strips	(12,882)	-	12,882
Building and property maintenance	(1,018,125)	109	1,018,234
Plant and fleet	1,763,357	-	(1,763,357)
Roads	(2,301,994)	5,006,408	7,308,402
DoT routine maintenance contract	-	-	-
Total	(6,235,971)	33,950,109	40,186,080

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	(3,129,416)	-	3,129,416
Economic development	(110,399)	39,912	150,311
Council administration	(564,781)	110,030	674,811
Library services	(238,425)	-	238,425
Media	(121,553)	-	121,553
Caravan parks	81,520	131,969	50,449
Loddon Discovery Tours	-	0	0
Tourism	(441,763)	-	441,763
Aged care services	(455,477)	0	455,477
Elderly persons units	(16,404)	67,113	83,517
Rural access	(40,000)	-	40,000
Seniors	(54,554)	5,790	60,344
Community wellbeing projects	-	-	-
Community support	(896,330)	-	896,330
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	(13,793)	5,000	18,793

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.4 Reconciliation with budgeted operating result (continued)

Activity	Surplus/(deficit) \$	Income \$	Expenditure \$
Grants and community planning	(310,000)	-	310,000
Municipal health and wellbeing	(8,700)	1,500	10,200
Swimming pools	(715,045)	-	715,045
Maternal and child health	(177,631)	268,034	445,665
Early years	(44,234)	143,913	188,147
Immunisation	(34,947)	6,800	41,747
Global kinders	12,350	753,968	741,618
Youth	-	-	0
Corporate governance	(570,283)	239,742	810,025
Financial services	6,022,470	7,175,625	1,153,155
Rates and property	(145,128)	63,082	208,210
Customer service	(272,387)	-	272,387
Information management	(105,491)	-	105,491
Information technology	(1,755,422)	-	1,755,422
Human resources and development	(1,595,909)	49,196	1,645,105
Local roads and community infrastructure program	-	0	0
Risk management	(1,006,426)	14,744	1,021,170
Council engineering and technical services	(164,332)	58,799	223,131
Project and contract management	(383,473)	-	383,473
Roads to recovery	2,507,112	2,507,112	
Building regulation	(221,070)	86,312	307,382
Local laws and animal management	(403,778)	76,867	480,645
Public health	(155,646)	52,321	207,967
Strategic and statutory planning	(258,660)	81,925	340,585
Air strips	(12,882)	-	12,882
Building and property maintenance	(1,018,125)	109	1,018,234
Plant and fleet	1,763,357	0	(1,763,357)
Gravel pits	114,057	170,809	56,752
Management and administration	(491,028)	-	491,028
Parks and townships	(1,047,785)	-	1,047,785
Roads	(2,301,994)	5,006,408	7,308,402
DoT routine maintenance contract	-	0	0
Waste management	(2,105,346)	44,679	2,150,025
Waterways management	(51,811)	11,751	63,562
Total	(11,189,562)	37,173,510	48,363,072
Expenses added in:			
Depreciation			(10,514,936)
Surplus/(deficit) before funding sources			(21,704,497)
Funding sources added in:			
Rates and charges revenue			10,966,663
Waste charge revenue			2,148,367
Operating surplus/(deficit) for the year			(8,589,468)

3 FINANCIAL STATEMENTS

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2024/25 has been supplemented with projections to 2027/28.

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 2028

	NOTES	Forecast Actual 2023/24	Budget 2024/25	Projections		
		\$	\$	2025/26 \$	2026/27 \$	2027/28 \$
Income / Revenue						
Rates and charges	4.1.1	12,756,419	13,115,030	13,617,487	14,234,349	14,808,858
Statutory fees and fines	4.1.2	272,543	300,412	308,693	317,179	325,901
User fees	4.1.3	594,435	610,970	660,597	689,006	697,933
Grants - operating	4.1.4	21,833,563	32,962,484	13,105,492	13,464,193	13,920,012
Grants - capital	4.1.4	17,657,219	2,507,112	2,507,112	2,507,112	2,507,112
Contributions - monetary	4.1.5	30,000	-	-	-	-
Reimbursements	4.1.6	398,152	357,532	172,602	177,141	181,807
Regional Roads Victoria	4.1.7	357,882	-	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		-	-	-	-	-
Other income	4.1.8	1,635,000	435,000	435,000	435,000	435,000
Total income / revenue		55,535,214	50,288,540	30,806,984	31,823,980	32,876,623
Expenses						
Employee costs	4.1.9	14,264,282	15,826,019	14,529,675	14,860,056	15,277,487
Materials and services	4.1.10	38,543,000	32,160,468	12,664,285	13,577,725	13,984,831
Allowance for impairment losses		-	-	-	-	-
Depreciation - right of use assets	4.1.11	10,308,760	10,514,936	10,725,234	10,939,657	11,158,202
Borrowing costs		-	-	-	-	-
Finance costs - leases		-	-	-	-	-
Other expenses	4.1.12	364,176	376,584	389,114	415,485	429,387
Total expenses		63,480,219	58,878,008	38,308,308	39,792,923	40,849,908
Surplus/(deficit) for the year		(7,945,004)	(8,589,468)	(7,501,324)	(7,968,942)	(7,973,285)
Other comprehensive income						
Other comprehensive income		-	-	-	-	-
Total other comprehensive income		-	-	-	-	-
Total comprehensive result		(7,945,004)	(8,589,468)	(7,501,324)	(7,968,942)	(7,973,285)

3 FINANCIAL STATEMENTS (Continued)

3.2 BALANCE SHEET FOR THE FOUR YEARS ENDED 30 JUNE 2028

	NOTES	Forecast Actual 2023/24 \$	Budget 2024/25 \$	Projections		
				2025/26 \$	2026/27 \$	2027/28 \$
Assets						
Current assets						
Cash and cash equivalents		19,814,333	15,114,814	12,372,209	7,841,337	3,981,939
Trade and other receivables		1,062,884	989,920	603,988	624,237	645,196
Other financial assets		2,807,790	2,807,790	2,807,790	2,807,790	2,807,790
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	23,996,965	19,224,482	16,095,945	11,585,322	7,746,883
Non-current assets						
Trade and other receivables		-	-	-	-	-
Property, infrastructure, plant and equipment		412,884,088	421,509,675	429,435,747	439,135,491	448,443,108
Right of use assets		-	-	-	-	-
Intangible assets		292,782	292,782	292,782	292,782	292,782
Total non-current assets	4.2.1	413,176,870	421,802,457	429,728,529	439,428,273	448,735,890
Total assets		437,173,835	441,026,939	445,824,474	451,013,595	456,482,773
Liabilities						
Current liabilities						
Trade and other payables		1,167,215	976,111	391,602	419,796	432,426
Trust funds and deposits		349,379	331,910	315,314	299,549	284,571
Provisions		2,686,101	2,598,013	2,516,875	2,433,869	2,348,952
Interest bearing loans and borrowings	4.2.3	-	-	-	-	-
Lease liabilities		-	-	-	-	-
Total current liabilities	4.2.2	4,202,695	3,906,034	3,223,791	3,153,214	3,065,949
Non-current liabilities						
Provisions		2,156,094	2,499,446	2,825,900	3,162,110	3,508,414
Interest bearing loans and borrowings	4.2.3	-	-	-	-	-
Unearned income/revenue		-	-	-	-	-
Lease liabilities		-	-	-	-	-
Total non-current liabilities	4.2.2	2,156,094	2,499,446	2,825,900	3,162,110	3,508,414
Total liabilities		6,358,789	6,405,480	6,049,691	6,315,324	6,574,363
NET ASSETS		430,815,046	434,621,459	439,774,783	444,698,271	449,908,410
Equity						
Accumulated surplus		108,721,964	97,425,806	88,684,806	81,384,427	73,107,682
Asset revaluation reserve		313,333,466	325,729,347	338,383,996	351,276,427	364,459,851
Other reserves		8,759,616	11,466,306	12,705,981	12,037,417	12,340,877
TOTAL EQUITY		430,815,046	434,621,459	439,774,783	444,698,271	449,908,410

3 FINANCIAL STATEMENTS (Continued)

3.3 STATEMENT OF CHANGES IN EQUITY FOR THE FOUR YEARS ENDED 30 JUNE 2028

2024 Forecast Actual	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	427,276,599	91,709,883	301,850,014	33,716,702
Surplus / (deficit) for the year	(7,945,004)	(7,945,004)	-	-
Net asset revaluation gain / (loss)	11,483,452	-	11,483,452	-
Transfer to other reserves	-	(2,256,953)	-	2,256,953
Transfer from other reserves	-	27,214,038	-	(27,214,038)
Balance at end of financial year	430,815,046	108,721,964	313,333,466	8,759,616

2025 Budget	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	430,815,046	108,721,964	313,333,466	8,759,616
Surplus / (deficit) for the year	(8,589,468)	(8,589,468)	-	-
Net asset revaluation gain / (loss)	12,395,881	-	12,395,881	-
Transfer to other reserves	-	(4,387,267)	-	4,387,267
Transfer from other reserves	-	1,680,577	-	(1,680,577)
Balance at end of financial year	434,621,459	97,425,806	325,729,347	11,466,306

2026 Projection	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	434,621,459	97,425,806	325,729,347	11,466,306
Surplus / (deficit) for the year	(7,501,324)	(7,501,324)	-	-
Net asset revaluation gain / (loss)	12,654,649	-	12,654,649	-
Transfer to other reserves	-	(1,892,936)	-	1,892,936
Transfer from other reserves	-	653,261	-	(653,261)
Balance at end of financial year	439,774,783	88,684,806	338,383,996	12,705,981

2027 Projection	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	439,774,783	88,684,806	338,383,996	12,705,981
Surplus / (deficit) for the year	(7,968,942)	(7,968,942)	-	-
Net asset revaluation gain / (loss)	12,892,431	-	12,892,431	-
Transfer to other reserves	-	(1,908,761)	-	1,908,761
Transfer from other reserves	-	2,577,325	-	(2,577,325)
Balance at end of financial year	444,698,271	81,384,427	351,276,427	12,037,417

2028 Projection	Total \$	Accumulated surplus \$	Revaluation reserve \$	Other reserves \$
Balance at beginning of the financial year	444,698,271	81,384,427	351,276,427	12,037,417
Surplus / (deficit) for the year	(7,973,285)	(7,973,285)	-	-
Net asset revaluation gain / (loss)	13,183,424	-	13,183,424	-
Transfer to other reserves	-	(1,904,746)	-	1,904,746
Transfer from other reserves	-	1,601,286	-	(1,601,286)
Balance at end of financial year	449,908,410	73,107,682	364,459,851	12,340,877

3 FINANCIAL STATEMENTS (Continued)

3.4 STATEMENT OF CASH FLOWS FOR THE FOUR YEARS ENDED 30 JUNE 2028

	NOTES	Forecast Actual 2023/24 \$	Budget 2024/25 \$	Projections		
				2025/26 \$	2026/27 \$	2027/28 \$
Cash flows from operating activities						
Receipts						
Rates and charges		13,267,190	13,436,871	13,994,856	14,446,554	15,023,852
Statutory fees and fines		255,711	313,717	353,460	321,498	330,323
User fees		1,438,587	656,023	847,478	693,674	702,460
Grants - operating		22,270,234	33,621,734	13,367,602	13,733,477	14,198,412
Grants - capital		14,834,087	2,557,254	2,557,254	2,557,254	2,557,254
Contributions - monetary		30,600	-	-	-	-
Interest received		2,346,733	435,000	435,000	435,000	435,000
Trust funds and deposits taken		-	-	-	-	-
Other receipts		771,155	364,683	176,054	180,684	185,443
Net GST refund/payment		(208,270)	(210,352)	(212,456)	(214,580)	(216,726)
Operating receipts		55,006,027	51,174,930	31,519,248	32,153,561	33,216,018
Payments						
Employee costs		(14,537,836)	(15,601,486)	(14,315,704)	(14,638,824)	(15,048,712)
Materials and services		(40,576,569)	(33,510,852)	(13,932,896)	(14,282,874)	(14,729,331)
Trust funds and deposits repaid		(18,388)	(17,469)	(16,596)	(15,765)	(14,978)
Short-term, low value and variable lease payments		-	-	-	-	-
Other payments		-	-	-	-	-
Operating payments		(55,132,793)	(49,129,807)	(28,265,196)	(28,937,463)	(29,793,021)
Net cash provided by/(used in) operating activities	4.4.1	(126,766)	2,045,123	3,254,052	3,216,098	3,422,997
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment		(29,239,623)	(6,744,642)	(5,996,657)	(7,746,970)	(7,282,395)
Decrease in term deposits		-	-	-	-	-
Loans and advances made		-	-	-	-	-
Payments of loans and advances		-	-	-	-	-
Net cash provided by/(used in) investing activities	4.4.2	(29,239,623)	(6,744,642)	(5,996,657)	(7,746,970)	(7,282,395)
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		(29,366,389)	(4,699,519)	(2,742,605)	(4,530,872)	(3,859,398)
Cash and cash equivalents at the beginning of the year		49,180,722	19,814,333	15,114,814	12,372,209	7,841,337
Cash and cash equivalents at the end of the year		19,814,333	15,114,814	12,372,209	7,841,337	3,981,939

3 FINANCIAL STATEMENTS (Continued)

3.5 STATEMENT OF CAPITAL WORKS FOR THE FOUR YEARS ENDED 30 JUNE 2028

	NOTES	Forecast Actual 2023/24 \$	Budget 2024/25 \$	Projections		
				2025/26 \$	2026/27 \$	2027/28 \$
Capital works areas						
Land and buildings		1,742,750	305,000	405,000	405,000	405,000
Office furniture and equipment		190,700	157,200	100,000	100,000	100,000
Plant and equipment		3,990,299	1,318,296	427,008	1,853,308	1,186,857
Footpaths		2,202,301	716,343	532,217	547,670	551,938
Roadworks		9,239,146	3,510,222	3,873,679	4,154,475	4,191,671
Urban and road drainage		2,383,600	350,000	350,000	350,000	350,000
Recreation, leisure and community facilities		7,699,435	500,000	500,000	500,000	500,000
Parks, open space and streetscapes		2,474,080	100,000	100,000	100,000	100,000
Other infrastructure		-	-	-	-	-
Total capital works	4.5.1	29,922,311	6,957,061	6,287,904	8,010,453	7,385,466
Represented by:						
New asset expenditure		4,198,999	1,475,496	527,008	1,953,308	1,286,857
Asset renewal expenditure		12,335,703	4,981,565	5,260,896	5,557,145	5,598,609
Asset expansion expenditure		10,074,983	-	-	-	-
Asset upgrade expenditure		3,312,626	500,000	500,000	500,000	500,000
Total capital works expenditure		29,922,311	6,957,061	6,287,904	8,010,453	7,385,466

	Forecast Actual 2023/24 \$	Budget 2024/25 \$	Projections		
			2025/26 \$	2026/27 \$	2027/28 \$
Expenditure type					
Labour	252,107	238,700	265,025	295,700	-
Creditors	19,115,343	4,427,636	3,794,657	5,422,133	4,220,257
Contractors	10,554,861	2,290,725	2,228,222	2,292,620	3,165,209
Total capital works expenditure	29,922,311	6,957,061	6,287,904	8,010,453	7,385,466

	Forecast Actual 2023/24 \$	Budget 2024/25 \$	Projections		
			2025/26 \$	2026/27 \$	2027/28 \$
Funding sourced represented by					
Grants / contributions	14,902,613	2,507,112	2,507,112	2,507,112	2,507,112
Council cash	6,660,069	2,994,453	3,273,784	3,570,033	3,611,497
Reserves	2,389,682	1,243,077	215,761	1,669,825	1,163,786
Sale of assets	327,989	212,419	291,247	263,483	103,071
Total capital works expenditure	24,280,353	6,957,061	6,287,904	8,010,453	7,385,466

3 FINANCIAL STATEMENTS (Continued)

3.6 STATEMENT OF HUMAN RESOURCES FOR THE FOUR YEARS ENDED 30 JUNE 2028

	Forecast Actual 2023/24 \$	Budget 2024/25 \$	Projections		
			2025/26 \$	2026/27 \$	2027/28 \$
Staff expenditure					
Employee labour - operating	12,453,894	13,715,824	12,575,220	12,861,681	13,234,125
Employee labour - capital	252,107	238,700	265,025	295,700	-
Total staff expenditure*	12,706,001	13,954,524	12,840,245	13,157,381	13,234,125
Staff numbers EFT**	EFT	EFT	EFT	EFT	EFT
Employees	147.86	150.80	137.80	137.80	137.80
Total staff numbers EFT	147.86	150.80	137.80	137.80	137.80

* 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 2024/25	Permanent Full Time	Permanent Part Time
Staff cost			
Executive and commercial services	1,334,417	888,180	446,238
Community wellbeing	2,752,066	1,573,914	1,178,152
Corporate services	2,300,097	1,818,159	481,938
Operations	7,329,243	7,022,805	306,438
Total permanent staff expenditure	13,715,824	11,303,057	2,412,766
Other employee related expenditure	-		
Capitalised labour costs	238,700		
Total expenditure	13,954,524		

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

Directorate	Budget 2024/25	Permanent Full Time	Permanent Part Time
Staff EFT			
Executive and commercial services	9.79	5.00	4.79
Community wellbeing	28.66	15.00	13.66
Corporate services	24.07	18.00	6.07
Operations	88.28	85.00	3.28
Total staff	150.80	123.00	27.80

3 FINANCIAL STATEMENTS (Continued)

3.6 STATEMENT OF HUMAN RESOURCES (Continued) FOR THE FOUR YEARS ENDED 30 JUNE 2028

	Budget 2024/25 \$	Projections		
		2025/26 \$	2026/27 \$	2027/28 \$
Executive and commercial services				
Permanent - Full time				
- Female	342,970	353,259	363,857	374,773
- Male	545,210	561,566	578,413	595,765
Permanent - Part time				
- Female	300,966	309,995	319,295	328,874
- Male	145,272	149,630	154,119	158,742
Total executive and commercial services	1,334,417	1,374,450	1,415,683	1,458,154
Community support				
Permanent - Full time				
- Female	493,463	708,267	729,515	751,401
- Male	916,727	264,229	272,155	280,320
Permanent - Part time				
- Female	1,069,434	1,101,517	1,134,562	1,168,599
- Male	108,719	111,980	115,340	118,800
Total community support	2,588,342	2,185,993	2,251,573	2,319,120
Corporate services				
Permanent - Full time				
- Female	1,407,209	1,149,425	1,183,908	1,219,425
- Male	410,950	423,278	435,977	449,056
Permanent - Part time				
- Female	444,873	458,219	471,965	486,124
- Male	37,066	38,178	39,323	40,503
Total corporate services	2,300,097	2,069,100	2,131,173	2,195,108
Operations				
Permanent - Full time				
- Female	863,323	889,223	915,899	943,376
- Male	6,323,206	5,740,824	5,822,253	5,983,514
Permanent - Part time				
- Female	133,605	137,613	141,742	145,994
- Male	172,833	178,018	183,358	188,859
Total operations	7,492,967	6,945,678	7,063,252	7,261,743
Casuals and temporary staff	-	-	-	-
Capitalised labour costs	238,700	265,025	295,700	-
Total staff expenditure	13,954,524	12,840,245	13,157,381	13,234,125

3 FINANCIAL STATEMENTS (Continued)

3.6 STATEMENT OF HUMAN RESOURCES (Continued) FOR THE FOUR YEARS ENDED 30 JUNE 2028

	Budget 2024/25 EFT	Projections		
		2025/26 EFT	2026/27 EFT	2027/28 EFT
Executive and commercial services				
Permanent - Full time				
- Female	2.00	2.00	2.00	2.00
- Male	3.00	3.00	3.00	3.00
Permanent - Part time				
- Female	3.42	3.42	3.42	3.42
- Male	1.37	1.37	1.37	1.37
Total executive and commercial services	9.79	9.79	9.79	9.79
Community support				
Permanent - Full time				
- Female	6.00	4.00	4.00	4.00
- Male	9.00	4.00	4.00	4.00
Permanent - Part time				
- Female	12.56	12.56	12.56	12.56
- Male	1.10	1.10	1.10	1.10
Total community support	28.66	21.66	21.66	21.66
Corporate services				
Permanent - Full time				
- Female	14.00	8.00	8.00	8.00
- Male	4.00	4.00	4.00	4.00
Permanent - Part time				
- Female	5.80	5.80	5.80	5.80
- Male	0.27	0.27	0.27	0.27
Total corporate services	24.07	18.07	18.07	18.07
Operations				
Permanent - Full time				
- Female	10.00	10.00	10.00	10.00
- Male	70.00	70.00	70.00	70.00
Permanent - Part time				
- Female	1.63	1.63	1.63	1.63
- Male	1.65	1.65	1.65	1.65
Total operations	83.28	83.28	83.28	83.28
Casuals and temporary staff	0.00	0.00	0.00	0.00
Capitalised labour costs	5.00	5.00	5.00	5.00
Total staff expenditure	150.80	137.80	137.80	137.80

3 FINANCIAL STATEMENTS (Continued)

3.7 STATEMENT OF RESERVES FOR THE FOUR YEARS ENDED 30 JUNE 2028

	Forecast Actual 2023/24 \$	Budget 2024/25 \$	Projections		
			2025/26 \$	2026/27 \$	2027/28 \$
Discretionary					
Capital expenditure reserve	8,784	8,784	8,784	8,784	8,784
Caravan park development reserve	383,834	465,354	549,191	635,405	724,056
Community planning reserve	969,030	969,030	969,030	969,030	969,030
Gravel and sand pit reserve	108,043	222,100	339,509	366	124,771
Heritage loan scheme reserve	100,000	100,000	100,000	100,000	100,000
Land and buildings reserve	1,229,592	1,229,592	1,229,592	1,229,592	1,229,592
Little Lake Boort water reserve	17,604	17,604	17,604	17,604	17,604
Major projects reserve	298,485	298,485	298,485	298,485	298,485
Community loans scheme 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
Unsuitably premises enforcement reserve	100,000	100,000	100,000	100,000	100,000
Unspent grants reserve	958,829	958,829	958,829	958,829	958,829
Waste management reserve	345,320	379,510	413,700	447,890	482,080
Fleet replacement reserve	704,570	691,227	711,760	674,893	739,879
Information technology reserve	521,057	433,857	403,857	373,857	343,857
Plant replacement reserve	308,570	336,036	1,299,742	866,784	838,012
Professional development reserve	18,214	18,214	18,214	18,214	18,214
Swimming pool major projects reserve	-	50,000	100,000	150,000	200,000
Urban drainage reserve	1,587,684	1,587,684	1,587,684	1,587,684	1,587,684
Flood restoration reserve	-	2,500,000	2,500,000	2,500,000	2,500,000
Total discretionary reserves	4.3.2	8,759,616	11,466,306	12,705,981	12,340,877

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 2024/25 the FGRS cap has been set at 2.75%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

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

To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 2.75% in line with the rate cap.

This will raise total rates and charges for 2024/25 of \$13.12 million.

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

	Forecast Actual 2023/24 \$	Budget 2024/25 \$	Change \$	Change %
General rates*	9,256,189	9,503,074	246,885	2.7%
Municipal charge*	1,416,962	1,463,589	46,627	3.3%
Garbage charge	1,536,577	1,594,801	58,224	3.8%
Kerbside recycling charge	546,691	553,566	6,875	1.3%
Total rates and charges	12,756,419	13,115,030	358,611	2.8%
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	2023/24 cents/\$CIV	2024/25 cents/\$CIV	Change
General	0.213716	0.194080	-9.2%
Rural	0.188070	0.170831	-9.2%

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	2023/24 \$	2024/25 \$	Change
General	2,532,418	2,448,182	-3.3%
Rural	6,723,771	7,054,892	4.9%
Total amount to be raised by rates	9,256,189	9,503,074	2.7%

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	2023/24 number	2024/25 number	Change
General	4,444	4,444	0.0%
Rural	3,595	3,595	0.0%
Total number of assessments	8,039	8,039	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	2023/24 \$	2024/25 \$	Change
General	1,179,268,100	1,261,428,300	7.0%
Rural	3,573,036,200	4,129,761,200	15.6%
Total value of land	4,752,304,300	5,391,189,500	13.4%

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 2023/24 \$	Per rateable property 2024/25 \$	Change
Municipal	237	243	2.5%

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

Type of charge	2023/24 \$	2024/25 \$	Change
Municipal	1,416,962	1,463,589	3.3%

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 2023/24 \$	Per rateable property 2024/25 \$	Change
Garbage collection 140 litre	401	401	0.0%
Garbage collection 240 litre	545	545	0.0%
Kerbside recycling 240 litre	151	151	0.0%

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	2023/24 \$	2024/25 \$	Change
Garbage charge	1,536,577	1,594,801	3.8%
Kerbside recycling charge	546,691	553,566	1.3%
Total	2,083,268	2,148,367	3.1%

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

	2023/24 \$	2024/25 \$	Change
General rates	9,256,189	9,503,074	2.7%
Municipal charge	1,416,962	1,463,589	3.3%
Garbage and kerbside recycling charge	2,083,268	2,148,367	3.1%
Total rates and charges	12,756,419	13,115,030	2.8%

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.

	2023/24 \$	2024/25 \$
Total rates base	10,077,936	10,673,151
Number of rateable properties	7,981	8,039
Base average rate	1,262.74	1,327.67
Maximum rate increase (set by State Government)	3.50%	2.75%
Capped average rate	1,306.94	1,364.18
Maximum general rates and municipal charges revenue	10,430,664	10,966,663
Budgeted general rates and municipal charges revenue	10,430,664	10,966,663

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 0.001941 cents in the dollar of CIV for all rateable general properties
- a rural rate of 0.001708 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 2024/25 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 2023/24 \$	Budget 2024/25 \$	Change \$	Change %
Rates and property	14,414	14,810	396	2.7%
Risk management	12,257	12,594	337	2.7%
Building regulation	63,951	83,984	20,033	31.3%
Local laws and animal management	57,510	61,192	3,682	6.4%
Public health	44,678	45,907	1,229	2.8%
Strategic and statutory planning	79,733	81,925	2,192	2.7%
Total statutory fees and fines	272,543	300,412	25,677	10.2%

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 2023/24 \$	Budget 2024/25 \$	Change \$	Change %
Economic development	38,844	39,912	1,068	2.7%
Caravan parks	128,436	131,969	3,533	2.8%
Elderly persons units	70,154	67,113	(3,041)	-4.3%
Seniors	3,605	3,190	(415)	-11.5%
Emergency management	7,376	5,000	(2,376)	-32.2%
Municipal health and wellbeing	1,500	1,500	-	0.0%
Early years	2,300	2,300	-	0.0%
Financial services	500	500	-	0.0%
Human resources and development	42,419	43,586	1,167	2.8%
Council engineering and technical services	50,400	58,799	8,399	16.7%
Building regulation	2,212	2,328	116	5.2%
Building and property maintenance	106	109	3	2.8%
Gravel pits	165,834	170,809	4,975	3.0%
Roads	42,098	43,256	1,158	2.8%
Waste management	38,651	40,599	1,948	5.0%
Total user fees	594,435	610,970	16,535	2.8%

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 2023/24 \$	Budget 2024/25 \$	Change \$	Change %
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	23,139,341	34,125,389	10,986,048	47.5%
State funded grants	16,351,441	1,344,207	(15,007,234)	-91.8%
Total grants received	39,490,782	35,469,596	(4,021,186)	-10.2%

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.4 Grants (Continued)

	Forecast Actual 2023/24 \$	Budget 2024/25 \$	Change \$	Change %
(a) Operating grants				
Recurrent - Commonwealth Government				
VLGGC - local roads	196,638	4,878,152	4,681,514	2380.8%
VLGGC - general	268,148	6,740,125	6,471,977	2413.6%
Recurrent - State Government				
Seniors	2,600	2,600	-	100.0%
Maternal and child health	262,779	268,035	5,256	2.0%
Early years	66,866	112,853	45,987	68.8%
Pre-schools	521,625	541,502	19,877	3.8%
Immunisation	6,667	6,800	133	2.0%
Rates and property	47,325	48,272	947	2.0%
Local laws and animal management	13,118	15,675	2,557	19.5%
Public health	6,289	6,414	125	2.0%
Roads	85,000	85,000	-	0.0%
Waste management	4,000	4,080	80	2.0%
Waterways management	11,750	11,750	-	0.0%
Total recurrent grants	1,492,805	12,721,258	11,228,453	752.2%
Non-recurrent - Commonwealth Government				
Flood management	20,000,000	20,000,000	-	0.0%
Non-recurrent State Government				
Community wellbeing	100,000	-	(100,000)	-100.0%
Community support	3,000	-	(3,000)	-100.0%
Grants and community planning	30,000	-	(30,000)	-100.0%
Pre-schools	167,573	241,226	73,653	44.0%
Project and contact management	21,500	-	(21,500)	-100.0%
Public health	18,685	-	(18,685)	-100.0%
Total non-recurrent grants	340,758	241,226	468	-29.2%
Total operating grants	21,833,563	32,962,484	11,228,921	51.0%

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 2023/24 \$	Budget 2024/25 \$	Change \$	Change %
(b) Capital grants				
Recurrent - Commonwealth Government				
Roads to Recovery	2,674,555	2,507,112	(167,443)	-6.3%
Recurrent - State Government				
Caravan parks	273,968	-	(273,968)	0.0%
Total - recurrent capital grants	2,948,523	2,507,112	(441,411)	-15.0%
Non-recurrent - Commonwealth Government				
Nil	-	-	-	0.0%
Non-recurrent - State Government				
Grants and community planning	5,366,974	-	(5,366,974)	-100.0%
Local roads community infrastructure funding	7,514,950	-	(7,514,950)	-100.0%
Projects and contract management	1,826,772	-	(1,826,772)	-100.0%
Total - non-recurrent capital grants	14,708,696	-	(14,708,696)	-100.0%
Total - capital grants	17,657,219	2,507,112	(15,150,107)	-85.8%

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 2023/24 \$	Budget 2024/25 \$	Change \$	Change %
Monetary	30,000	-	(30,000)	100.0%
Non-monetary	-	-	-	0.0%
Total contributions	30,000	-	30,000	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 2023/24 \$	Budget 2024/25 \$	Change \$	Change %
Council administration	107,373	110,030	2,657	2.5%
Corporate governance	-	239,742	239,742	#DIV/0!
Human resources and development	55,000	5,610	(49,390)	-89.8%
Risk management	88,137	2,150	(85,987)	-97.6%
Plant and fleet	147,642	-	(147,642)	-100.0%
Total reimbursements	398,152	357,532	(40,620)	-10.2%

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 2023/24 \$	Budget 2024/25 \$	Change \$	Change %
Approved maintenance	29,713	-	(29,713)	-100.0%
Provisional sum items	52,381	-	(52,381)	-100.0%
Routine maintenance	275,788	-	(275,788)	-100.0%
Total Regional Roads Victoria	357,882	-	(357,882)	-100.0%

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

4.1.8 Other income

	Forecast Actual 2023/24 \$	Budget 2024/25 \$	Change \$	Change %
Interest	1,600,000	400,000	(1,200,000)	-75.0%
Reversal of impairment losses	-	-	-	0.0%
Total other income	1,600,000	400,000	(1,200,000)	-75.0%

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

4.1.9 Employee costs

	Forecast Actual 2023/24 \$	Budget 2024/25 \$	Change \$	Change %
Wages and salaries	12,453,894	13,715,824	1,261,930	10.1%
Workcover	362,232	406,563	44,331	12.2%
Superannuation	1,339,640	1,565,632	225,992	16.9%
Fringe benefits tax	108,516	138,000	29,484	27.2%
Total employee costs	14,264,282	15,826,019	1,561,737	10.9%

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 2023/24 \$	Budget 2024/25 \$	Change \$	Change %
Administration and management	178,893	96,682	(82,211)	-46.0%
Flood management	22,905,633	19,258,899	(3,646,734)	-15.9%
Economic development	159,053	150,311	(8,742)	-5.5%
Council administration	274,838	333,573	58,735	21.4%
Library services	229,918	238,425	8,507	3.7%
Media	76,730	79,421	2,691	3.5%
Caravan parks	99,355	46,364	(52,991)	-53.3%
Tourism	255,134	205,653	(49,481)	-19.4%
Elderly persons units	73,382	76,628	3,246	4.4%
Rural access	85,031	40,000	(45,031)	-53.0%
Seniors	44,018	54,493	10,475	23.8%
Community wellbeing projects	118,515	0	(118,515)	-100.0%
Community support	441,515	246,724	(194,791)	-44.1%
Emergency management	42,954	14,736	(28,218)	-65.7%
Grants and community planning	1,619,825	560,000	(1,059,825)	-65.4%
Municipal health and wellbeing	53,253	10,200	(43,053)	-80.8%
Swimming pools	651,539	658,501	6,962	1.1%
Maternal and child health	352,475	105,832	(246,643)	-70.0%
Early years	460,830	43,461	(417,369)	-90.6%
Pre-schools	30,504	25,413	(5,091)	-16.7%
Immunisation	196,175	118,977	(77,198)	100.0%
Youth	14,557	-	(14,557)	-100.0%
Corporate Governance	118,577	358,441	239,864	202.3%
Financial services	451,845	358,657	(93,188)	-20.6%
Rates and property	41,053	42,017	964	2.3%
Customer service	60,893	63,146	2,253	3.7%
Information management	10,090	10,463	373	3.7%
Information technology	1,356,911	1,449,729	92,818	6.8%
Human resources and development	639,637	595,981	(43,656)	-6.8%
Risk management	910,141	847,725	(62,416)	-6.9%
Local roads and community infrastructure projects	295,599	-	(295,599)	-100.0%
Council engineering and technical services	200,720	223,131	22,411	11.2%
Project and contract management	250,500	151,110	(99,390)	-39.7%
Building regulation	10,527	10,547	20	0.2%
Local laws and animal management	135,891	29,850	(106,041)	-78.0%
Public health	109,570	51,713	(57,857)	-52.8%
Strategic and statutory planning	68,186	8,304	(59,882)	-87.8%
Air strips	8,863	9,220	357	4.0%
Building and property maintenance	719,207	765,680	46,473	6.5%
Plant and fleet	(2,329,542)	(2,122,777)	206,765	-8.9%
Gravel pits	214,950	42,019	(172,931)	-80.5%
Management and administration	72,000	-	(72,000)	-100.0%
Parks and townships	414,728	435,258	20,530	5.0%

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.10 Materials, services and contracts

	Forecast Actual 2023/24 \$	Budget 2024/25 \$	Change \$	Change %
Roads	4,367,461	4,501,067	133,606	3.1%
DOT routine maintenance contract	156,847	-	(156,847)	-100.0%
Waste management	1,832,645	1,902,498	69,853	3.8%
Waterways management	61,574	62,396	822	1.3%
Total materials, services and contracts	38,543,000	32,160,468	(6,382,532)	-16.6%

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

4.1.11 Depreciation - right of use assets

	Forecast Actual 2023/24 \$	Budget 2024/25 \$	Change \$	Change %
Roads	5,630,505	5,743,116	112,611	2.0%
Buildings	1,994,457	2,034,346	39,889	2.0%
Plant and equipment	1,382,917	1,410,576	27,658	2.0%
Bridges	373,708	381,182	7,474	2.0%
Urban drains	256,884	262,022	5,138	2.0%
Furniture and equipment	119,791	122,186	2,396	2.0%
Footpaths	202,826	206,882	4,057	2.0%
Kerb and channel	131,984	134,624	2,640	2.0%
Landfills	179,685	183,279	3,594	2.0%
Street furniture	33,341	34,007	667	2.0%
Quarries	2,661	2,715	53	2.0%
Total depreciation - right of use assets	10,308,760	10,514,936	206,176	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 2023/24 \$	Budget 2024/25 \$	Change \$	Change %
Councillors' emoluments	272,555	281,974	9,419	3.5%
Internal audit remuneration	43,827	45,287	1,460	3.3%
External audit remuneration	47,794	49,323	1,529	3.2%
Impairment of interest free loans	-	-	-	0.0%
Total other expenses	364,176	376,584	12,408	3.4%

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

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.2 Balance sheet

4.2.1 Assets

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to decrease by \$4.70 million during the year mainly due the expectation to have most capital projects complete by 30 June offset by the timing of income as to when some grants income will be received.

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

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

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all land, buildings, roads, vehicles, equipment, etc. which has been built up by Council over many years. The \$8.63 million increase in this balance is attributable to the net result of the capital works program (\$29.92 million in 2023/24 and \$6.96 million in 2024/25), depreciation of assets (\$10.31 million in 2023/24 and \$10.51 million in 2024/25) 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 \$0.19 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 \$0.09 million (current liability) and increase by \$0.34 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 2023/24 \$	Budget 2024/25 \$
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 2024/25 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 2023/24 \$	Budget 2024/25 \$
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 4.43%.

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 \$500K 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 unsightly premises with costs recouped via legal or other action.

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.

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.

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.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.1 Reserves (continued)

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.

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.

Flood restoration reserve

The Flood Restoration Reserve is used to assist with the delivery of unfunded flood restoration projects. Council transfers to the reserve annually a budgeted amount, and transfers from the reserve the cost unfunded restoration projects.

4.3.2 Transfers to and from reserves

The following is a summary of the projected reserves position for the year ended 30 June 2024:

2023/24 reserves - as per projected forecast				
Name of reserve	Balance at 1 July 2023 \$	Transfers to reserves \$	Transfers from reserves \$	Balance at 30 June 2024 \$
Capital expenditure reserve	3,776,304	-	3,767,520	8,784
Caravan park development reserve	358,750	32,584	7,500	383,834
Community planning reserve	3,592,145	-	2,623,115	969,030
Gravel and sand pit reserve	171,575	110,843	174,375	108,043
Heritage loan scheme reserve	100,000	-	-	100,000
Land and buildings reserve	1,247,592	-	18,000	1,229,592
Little Lake Boort water reserve	17,604	-	-	17,604
Major projects reserve	398,485	-	100,000	298,485
Community loans scheme reserve	100,000	-	-	100,000
Superannuation liability reserve	1,000,000	-	-	1,000,000
Unightly premises enforcement	100,000	-	-	100,000
Unspent grants reserve	17,288,935	73,714	16,403,820	958,829
Waste management reserve	311,130	34,190	-	345,320
Fleet replacement reserve	897,753	150,000	343,183	704,570
Information technology reserve	641,757	150,000	270,700	521,057
Plant replacement reserve	2,364,395	950,000	3,005,825	308,570
Professional development reserve	12,214	6,000	-	18,214
Swimming pool major projects reserve	200,000	50,000	250,000	-
Urban drainage reserve	1,138,062	699,622	250,000	1,587,684
Flood restoration reserve	-	-	-	-
TOTAL	33,716,701	2,256,953	27,214,038	8,759,616

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:

2024/25 reserves - as per budget				
Name of reserve	Balance at 1 July 2024 \$	Transfers to reserves \$	Transfers from reserves \$	Balance at 30 June 2025 \$
Capital expenditure reserve	8,784	-	-	8,784
Caravan park development reserve	383,834	89,020	7,500	465,354
Community planning reserve	969,030	-	-	969,030
Gravel and sand pit reserve	108,043	114,057	-	222,100
Heritage loan scheme reserve	100,000	-	-	100,000
Land and buildings reserve	1,229,592	-	-	1,229,592
Little Lake Boort water reserve	17,604	-	-	17,604
Major projects reserve	298,485	-	-	298,485
Community loans scheme reserve	100,000	-	-	100,000
Superannuation liability reserve	1,000,000	-	-	1,000,000
Unsuitably premises enforcement	100,000	-	-	100,000
Unspent grants reserve	958,829	-	-	958,829
Waste management reserve	345,320	34,190	-	379,510
Fleet replacement reserve	704,570	150,000	163,343	691,227
Information technology reserve	521,057	150,000	237,200	433,857
Plant replacement reserve	308,570	950,000	922,534	336,036
Professional development reserve	18,214	-	-	18,214
Swimming pool major projects reserve	-	50,000	-	50,000
Urban drainage reserve	1,587,684	350,000	350,000	1,587,684
Flood restoration reserve	-	2,500,000	-	2,500,000
TOTAL	8,759,616	4,387,267	1,680,577	11,466,306

By including the above transfers from reserves it is expected that reserve levels increase by approximately \$2.7M million, leaving a balance of \$11.47 million in the reserves account.

4.3.3 Details of reserves

The following schedule provides details of each of the reserve transfers for 2024/25:

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
Caravan park development reserve			
Opening balance			383,834
ADD transfer to reserve			
Surplus of caravan park operations		89,020	89,020
LESS transfer from reserve			
Tree works		(7,500)	(7,500)
Closing balance			465,354

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.3 Details of reserves (continued)

Community planning reserve			
Opening balance			969,030
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			969,030
GSP restoration reserve			
Opening balance			108,043
ADD transfer to reserve			
Surplus of GSP operations		114,057	114,057
LESS transfer from reserve			
Nil		-	-
Closing balance			222,100
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			1,229,592
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			1,229,592
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			298,485
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			298,485

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.3 Details of reserves (continued)

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
Unspent grants reserve			
Opening balance			958,829
ADD transfer to reserve			
Nil		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			958,829
Waste management reserve			
Opening balance			345,320
ADD transfer to reserve			
Allocation to reserve		34,190	34,190
LESS transfer from reserve			
Nil		-	-
Closing balance			379,510

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			704,570
ADD transfer to reserve			
Annual allocation to reserve		150,000	150,000
LESS transfer from reserve			
Net cost of fleet replacement		(163,343)	(163,343)
Closing balance			691,227
Information technology reserve			
Opening balance			521,057
ADD transfer to reserve			
Annual allocations for major purchases		150,000	150,000
LESS transfer from reserve			
IT equipment purchases		(237,200)	(237,200)
Closing balance			433,857
Plant replacement reserve			
Opening balance			308,570
ADD transfer to reserve			
Annual allocation to reserve		950,000	950,000
LESS transfer from reserve			
Net cost of plant replacement		(922,534)	(922,534)
Closing balance			336,036
Professional development reserve			
Opening balance			18,214
ADD transfer to reserve			
Annual allocation		-	-
LESS transfer from reserve			
Nil		-	-
Closing balance			18,214
Swimming pool major projects reserve			
Opening balance			-
ADD transfer to reserve			
Annual allocation to reserve		50,000	50,000
LESS transfer from reserve			
Capital works program		-	-
Closing balance			50,000

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.3 Details of reserves (continued)

Urban drainage reserve			
Opening balance			1,587,684
ADD transfer to reserve			
Annual allocation		350,000	350,000
LESS transfer from reserve			
Drainage program		(350,000)	(350,000)
Closing balance			1,587,684

Flood restoration reserve			
Opening balance			-
ADD transfer to reserve			
Annual allocation		2,500,000	2,500,000
LESS transfer from reserve			
Nil		-	-
Closing balance			2,500,000

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 2023/24 \$	Budget 2024/25 \$	Variance \$
Current assets	23,996,965	19,224,482	4,772,483
Current liabilities	4,202,695	3,906,034	296,661
Working capital	19,794,270	15,318,448	4,475,822
Intended allocation assets			
- Discretionary reserves	(8,759,616)	(11,466,306)	2,706,690
- Leave allocations	(2,999,717)	(3,059,711)	59,994
Restricted allocation assets			
- Trust funds and deposits	(349,379)	(331,910)	(17,469)
Unrestricted working capital	7,685,558	460,521	7,225,037

In addition to the restricted assets above, Council is also projected to hold \$11.47 million in discretionary reserves at 30 June 2025. 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 2024/25 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 2.75%.

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 2024/25.

4.4.4 Cash and cash equivalents at the end of the year

Overall, total cash and investments is forecast to decrease by \$4.7 million to \$15.1.0 million as at 30 June 2025, 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 2025 it will have unrestricted cash and investments of \$2.76 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 2023/24 \$	Budget 2024/25 \$	Variance \$
Total cash and investments		19,814,333	15,114,814	(4,699,519)
Intended allocation assets				
Leave allocations	4.4.5	(2,999,717)	(3,059,711)	(59,994)
Discretionary reserves	4.4.6	(8,759,616)	(11,466,306)	(2,706,690)
Restricted allocation assets				
Trust funds and deposits		(349,379)	(331,910)	17,469
Unrestricted cash adjusted for discretionary reserves	4.4.7	7,705,621	256,887	(7,448,734)

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 2024/25 year.

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

- new works for 2024/25
- works carried forward from the 2023/24 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	300,000	-	300,000	-	-
Total buildings	300,000	-	300,000	-	-
Total property	305,000	-	305,000	-	-
Plant and equipment					
Plant, machinery and equipment	1,318,296	1,318,296	-	-	-
Computers and telecommunications	157,200	157,200	-	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	1,475,496	1,475,496	-	-	-
Infrastructure					
Roads	3,199,776	-	3,199,776	-	-
Bridges	310,446	-	310,446	-	-
Footpaths	716,343	-	716,343	-	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	500,000	-	-	500,000	-
Parks, open space and streetscapes	100,000	-	100,000	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,176,565	-	4,676,565	500,000	-
Total new works	6,957,061	1,475,496	4,981,565	500,000	-

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.2 New works by funding source

Capital works area	Project cost	Funding sources			
		Grants / contributions \$	Reserves \$	Council funded \$	Sale of assets \$
Property					
Land	-	-	-	-	-
Land improvements	5,000	-	-	5,000	-
Total land	5,000	-	-	5,000	-
Buildings					
Building improvements	300,000	-	-	300,000	-
Total buildings	300,000	-	-	300,000	-
Total property	305,000	-	-	305,000	-
Plant and equipment					
Plant, machinery and equipment	1,318,296	-	1,085,877	20,000	212,419
Computers and telecommunications	157,200	-	157,200	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	1,475,496	-	1,243,077	20,000	212,419
Infrastructure					
Roads	3,199,776	2,258,156	-	941,620	-
Bridges	310,446	155,223	-	155,223	-
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	100,000	-	-	100,000	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,176,565	2,507,112	-	2,669,453	-
Total new works	6,957,061	2,507,112	1,243,077	2,994,453	212,419

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.3 Works carried forward from the 2023/24 year by asset expenditure type

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

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.4 Works carried forward from the 2023/24 year by funding source

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

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.4 Summary of planned capital works expenditure by asset type

Capital works 2025/26	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	400,000	-	400,000	-	-
Total buildings	400,000	-	400,000	-	-
Total property	405,000	-	405,000	-	-
Plant and equipment					
Plant, machinery and equipment	427,008	427,008	-	-	-
Computers and telecommunications	100,000	100,000	-	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	527,008	527,008	-	-	-
Infrastructure					
Roads	3,557,335	-	3,557,335	-	-
Bridges	316,344	-	316,344	-	-
Footpaths	532,217	-	532,217	-	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	500,000	-	-	500,000	-
Parks, open space and streetscapes	100,000	-	100,000	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,355,896	-	4,855,896	500,000	-
Total capital works 2025/26	6,287,904	527,008	5,260,896	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	5,000	-	5,000	-	-
Total land	5,000	-	5,000	-	-
Buildings					
Building improvements	400,000	-	400,000	-	-
Total buildings	400,000	-	400,000	-	-
Total property	405,000	-	405,000	-	-
Plant and equipment					
Plant, machinery and equipment	1,853,308	1,853,308	-	-	-
Computers and telecommunications	100,000	100,000	-	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	1,953,308	1,953,308	-	-	-
Infrastructure					
Roads	3,832,121	-	3,832,121	-	-
Bridges	322,354	-	322,354	-	-
Footpaths	547,670	-	547,670	-	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	500,000	-	-	500,000	-
Parks, open space and streetscapes	100,000	-	100,000	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,652,145	-	5,152,145	500,000	-
Total capital works 2026/27	8,010,453	1,953,308	5,557,145	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 2027/28	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	400,000	-	400,000	-	-
Total buildings	400,000	-	400,000	-	-
Total property	405,000	-	405,000	-	-
Plant and equipment					
Plant, machinery and equipment	1,186,857	1,186,857	-	-	-
Computers and telecommunications	100,000	100,000	-	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	1,286,857	1,286,857	-	-	-
Infrastructure					
Roads	3,863,193	-	3,863,193	-	-
Bridges	328,478	-	328,478	-	-
Footpaths	551,938	-	551,938	-	-
Drainage	350,000	-	350,000	-	-
Recreation, leisure and community facilities	500,000	-	-	500,000	-
Parks, open space and streetscapes	100,000	-	100,000	-	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,693,609	-	5,193,609	500,000	-
Total capital works 2027/28	7,385,466	1,286,857	5,598,609	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 2025/26	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	400,000	-	-	400,000	-
Total buildings	400,000	-	-	400,000	-
Total property	405,000	-	-	405,000	-
Plant and equipment					
Plant, machinery and equipment	427,008	-	115,761	20,000	291,247
Computers and telecommunications	100,000	-	100,000	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	527,008	-	215,761	20,000	291,247
Infrastructure					
Roads	3,557,335	2,249,747	-	1,307,588	-
Bridges	316,344	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	100,000	-	-	100,000	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,355,896	2,507,112	-	2,848,784	-
Total capital works 2025/26	6,287,904	2,507,112	215,761	3,273,784	291,247

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	5,000	-	-	5,000	-
Total land	5,000	-	-	5,000	-
Buildings	-	-	-	-	-
Building improvements	400,000	-	-	400,000	-
Total buildings	400,000	-	-	400,000	-
Total property	405,000	-	-	405,000	-
Plant and equipment					
Plant, machinery and equipment	1,853,308	-	1,569,825	20,000	263,483
Computers and telecommunications	100,000	-	100,000	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	1,953,308	-	1,669,825	20,000	263,483
Infrastructure					
Roads	3,832,121	2,241,101	-	1,591,020	-
Bridges	322,354	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	100,000	-	-	100,000	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,652,145	2,507,112	-	3,145,033	-
Total capital works 2026/27	8,010,453	2,507,112	1,669,825	3,570,033	263,483

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 2027/28	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	400,000	-	-	400,000	-
Total buildings	400,000	-	-	400,000	-
Total property	405,000	-	-	405,000	-
Plant and equipment					
Plant, machinery and equipment	1,186,857	-	1,063,786	20,000	103,071
Computers and telecommunications	100,000	-	100,000	-	-
Fixtures fittings and furniture	-	-	-	-	-
Total plant and equipment	1,286,857	-	1,163,786	20,000	103,071
Infrastructure					
Roads	3,876,892	2,249,747	-	1,627,145	-
Bridges	322,411	158,172	-	164,239	-
Footpaths	544,306	99,193	-	445,113	-
Drainage	350,000	-	-	350,000	-
Recreation, leisure and community facilities	500,000	-	-	500,000	-
Parks, open space and streetscapes	100,000	-	-	100,000	-
Other infrastructure	-	-	-	-	-
Total infrastructure	5,693,609	2,507,112	-	3,186,497	-
Total capital works 2027/28	7,385,466	2,507,112	1,163,786	3,611,497	103,071

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.6 Proposals to lease Council land

This section presents a summary of Council's proposals to lease council land to external parties in the 2024/25 financial year.

For 2024/25 there are no leases to be reported.

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
			2022/23	2023/24	2024/25	+ /O /-
Governance						
Consultation and engagement (Council decisions made and implemented with community input)	Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with the consultation and engagement efforts of Council	1	52	56	56	O
Roads						
Condition (sealed roads are maintained at the adopted condition standard)	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						
Service standard (planning application processing and decision are in accordance with legislative requirements)	Planning applications decided within the relevant required time Number of planning application decisions made within the relevant required time / Number of planning applications decisions made	1	97.32%	95.00%	95.00%	O
Waste management						
Waste diversion (amount of waste diverted from landfill is maximised)	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%	28.00%	28.50%	+

Indicator	Measure	Notes	Target Projections			Trend +/O/-
			2025/26	2026/27	2027/28	
Governance						
Consultation and engagement (Council decisions made and implemented with community input)	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						
Condition (sealed roads are maintained at the adopted condition standard)	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

5A TARGETED PERFORMANCE INDICATORS - SERVICE (Continued)

Indicator	Measure	Notes	Target Projections			Trend
			2025/26	2026/27	2027/28	+ /O /-
Statutory planning						
Service standard (planning application processing and decision are in accordance with legislative requirements)	Planning applications decided within the relevant required time Number of planning application decisions made within the relevant required time / Number of planning applications decisions made	1	95.00%	95.00%	95.00%	O
Waste management						
Waste diversion (amount of waste diverted from landfill is maximised)	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	29.00%	29.50%	30.00%	+

5A TARGETED PERFORMANCE INDICATORS - FINANCIAL

Indicator	Measure	Notes	Actual	Forecast	Budget	Trend
			2022/23	2023/24	2024/25	+ / O / -
Liquidity						
Working Capital (sufficient working capital is available to pay bills as and when they fall due)	Current assets compared to current liabilities Current assets / Current liabilities	2	604.47%	570.99%	492.17%	-
Obligations						
Asset renewal (assets are renewed as planned)	Asset renewal compared to depreciation Asset renewal and upgrade expenses / Asset depreciation		60.11%	151.80%	52.13%	O
Stability						
Rates concentration (revenue is generated from a range of sources)	Rates compared to adjusted underlying revenue Rates revenue / Adjusted underlying revenue		36.34%	33.70%	27.45%	O
Efficiency						
Expenditure level (resources are used efficiently in the delivery of services)	Expenses per property assessment Total expenses / No. of property assessments	3	\$3,938	\$7,897	\$7,324	O

Indicator	Measure	Notes	Target Projections			Trend
			2025/26	2026/27	2027/28	+ /O /-
Liquidity						
Working Capital (sufficient working capital is available to pay bills as and when they fall due)	Current assets compared to current liabilities Current assets / Current liabilities	2	499.29%	367.41%	252.67%	-
Obligations						
Asset renewal (assets are renewed as planned)	Asset renewal compared to depreciation Asset renewal and upgrade expenses / Asset depreciation	3	53.71%	55.37%	54.66%	O

5A TARGETED PERFORMANCE INDICATORS - FINANCIAL (Continued)

Indicator	Measure	Notes	Target Projections			Trend
			0	0	0	+ / O / -
Stability						
Rates concentration (revenue is generated from a range of sources)	Rates compared to adjusted underlying revenue Rates revenue / Adjusted underlying revenue		48.12%	48.55%	48.76%	O
Efficiency						
Expenditure level (resources are used efficiently in the delivery of services)	Expenses per property assessment Total expenses / No. of property assessments	4	\$4,765	\$4,950	\$5,081	O

5B FINANCIAL PERFORMANCE INDICATORS

Indicator	Measure	Notes	Actual	Forecast	Budget	Trend
			2022/23	2023/24	2024/25	+ / O / -
Operating position						
Adjusted underlying result (an adjusted underlying surplus is generated in the ordinary course of business)	Adjusted underlying surplus (or deficit) Adjusted underlying surplus (deficit) / Adjusted underlying revenue	5	3.94%	-55.60%	-17.08%	O
Liquidity						
Unrestricted cash (sufficient cash that is free of restrictions is available to pay bills as and when they fall due)	Unrestricted cash compared to current liabilities Unrestricted cash / Current liabilities		53.31%	183.35%	6.58%	-
Obligations						
Loan and borrowings (level of interest bearing loans and borrowings in appropriate to the size and nature of Council's activities)	Loans and borrowings compared to rates Interest bearing loans and borrowings / Rate revenue	6	0.00%	0.00%	0.00%	O
Loan and borrowings (level of interest bearing loans and borrowings in appropriate to the size and nature of Council's activities)	Loans and borrowings repayments compared to rates Interest and principal repayments on interest bearing loans and borrowings / Rate revenue	6	0.00%	0.00%	0.00%	O
Indebtedness (level of long term liabilities is appropriate to the size and nature of a Council's activities)	Non-current liabilities compared to own source revenue Non-current liabilities / Own source revenue		8.32%	13.46%	16.87%	+

5B FINANCIAL PERFORMANCE INDICATORS (Continued)

Indicator	Measure	Notes	Strategic Resource Plan Projections			Trend
			2025/26	2026/27	2027/28	+ / O / -
Stability						
Rates effort (rating level is set based on the community's capacity to pay)	Rates compared to property values Rate revenue / CIV of rateable properties in the municipality		0.44%	0.27%	0.24%	-
Efficiency						
Revenue level (resources are used efficiently in the delivery of services)	Average rate per property assessment General rates and municipal charges / Number of property assessments		\$1,257	\$1,328	\$1,364	O
Operating position						
Adjusted underlying result (an adjusted underlying surplus is generated in the ordinary course of business)	Adjusted underlying surplus (or deficit) Adjusted underlying surplus (deficit) / Adjusted underlying revenue	5	-24.35%	-25.04%	-24.25%	O
Liquidity						
Unrestricted cash (sufficient cash that is free of restrictions is available to pay bills as and when they fall due)	Unrestricted cash compared to current liabilities Unrestricted cash / Current liabilities		-116.94%	-243.53%	-387.82%	+
Obligations						
Loan and borrowings (level of interest bearing loans and borrowings in appropriate to the size and nature of Council's activities)	Loans and borrowings compared to rates Interest bearing loans and borrowings / Rate revenue	6	0.00%	0.00%	0.00%	O
Loan and borrowings (level of interest bearing loans and borrowings in appropriate to the size and nature of Council's activities)	Loans and borrowings repayments compared to rates Interest and principal repayments on interest bearing loans and borrowings / Rate revenue	6	0.00%	0.00%	0.00%	O
Indebtedness (level of long term liabilities is appropriate to the size and nature of a Council's activities)	Non-current liabilities compared to own source revenue Non-current liabilities / Own source revenue		18.60%	19.95%	21.33%	+
Stability						
Rates effort (rating level is set based on the community's capacity to pay)	Rates compared to property values Rate revenue / CIV of rateable properties in the municipality		0.25%	0.25%	0.26%	O

5B FINANCIAL PERFORMANCE INDICATORS (Continued)

Indicator	Measure	Notes	Strategic Resource Plan Projections			Trend
			2022/23	2023/24	2024/25	+ / O / -
Efficiency						
Revenue level (resources are used efficiently in the delivery of services)	Average rate per property assessment General rates and municipal charges / Number of property assessments		\$1,391	\$1,419	\$1,448	+

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 2024/25 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 2023/24 Forecast Actuals, the 2024/25 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 2023/24 \$	Budget 2024/25 \$	Variance \$
Revenues from ordinary activities			
Rates and charges	12,756,419	13,115,030	358,611
Statutory and user fees	866,978	911,382	44,404
Operating grants	21,833,563	32,962,484	11,128,921
Capital grants	17,657,219	2,507,112	(15,150,107)
Operating contributions	30,000	-	(30,000)
Capital contributions	-	-	-
Regional Roads Victoria	357,882	-	(357,882)
Reversal of impairment losses	-	-	-
Reimbursements	398,152	357,532	(40,620)
Interest	1,635,000	435,000	(1,200,000)
Total revenues	55,535,214	50,288,540	(5,246,674)
Expenses from ordinary activities			
Labour	12,453,894	13,715,824	1,261,930
Materials and services	24,985,237	21,204,707	(3,780,530)
Contracts	14,767,011	12,383,937	(2,383,074)
Utilities	601,139	682,019	80,880
Depreciation	10,308,760	10,514,936	206,176
Interest expense	-	-	-
Other expenses	364,176	376,584	12,408
Total expenses	63,480,218	58,878,008	(4,602,210)
Net (gain) / loss on sale of assets	-	-	-
Surplus / (deficit) for the year	(7,945,004)	(8,589,468)	(644,464)

APPENDIX A - AUDIT COMMITTEE FINANCIALS (Continued)

COMPREHENSIVE INCOME STATEMENT BY KEY DIRECTION AREA

	Forecast actual 2023/24 \$	Budget 2024/25 \$	Variance \$
Revenues from ordinary activities			
Rates and charges	12,756,419	13,115,030	358,611
Operating grants	21,833,563	32,962,484	11,128,921
Capital grants	17,657,219	2,507,112	(15,150,107)
Operating contributions	30,000	-	(30,000)
Capital contributions	-	-	-
User fees	866,978	911,382	44,404
Reimbursements	398,152	357,532	(40,620)
Reversal of impairment losses	-	-	-
Regional Roads Victoria	357,882	-	(357,882)
Interest	1,635,000	435,000	(1,200,000)
Total revenues	55,535,213	50,288,540	(5,246,673)
Expenses from ordinary activities			
Commercial services	975,995	861,262	(114,733)
Executive	1,873,686	2,022,197	148,511
Aged care	822,749	639,338	(183,411)
Community support	26,647,361	22,200,369	(4,446,992)
Early years	2,074,061	1,417,177	(656,884)
Corporate services	685,467	973,434	287,967
Financial services	11,615,901	11,876,301	260,400
Information management	2,179,814	2,133,300	(46,514)
Organisational development	2,522,898	2,666,275	143,377
Assets and infrastructure	2,305,393	2,120,055	(185,338)
Development and compliance	1,578,432	1,582,988	4,556
Works	10,198,460	10,385,312	186,852
Total expenses	63,480,218	58,878,008	(4,602,210)
Net (gain) / loss on sale of assets	-	-	-
Surplus / (deficit) for the year	(7,945,004)	(8,589,468)	(644,465)

APPENDIX A - AUDIT COMMITTEE FINANCIALS (Continued)

CAPITAL EXPENDITURE STATEMENT

	Forecast actual 2023/24 \$	Budget 2024/25 \$	Variance \$
Surplus / (deficit) for the year-as per income statement	(7,945,004)	(8,589,468)	(644,465)
Less non-cash income			
Reversal of impairment losses	-	-	-
Add non-cash expenditure			
Net gain on sale of assets	-	-	-
Loan interest accrued	-	-	-
Depreciation	10,308,760	10,514,936	206,176
Total funds available for capital expenditure	2,363,756	1,925,468	- 438,288
Capital expenditure, transfers and loans			
Commercial services	239,912	-	(239,912)
Community support	6,144,146	500,000	(5,644,146)
Information management	190,700	157,200	(33,500)
Assets and infrastructure	18,707,804	4,976,565	(13,731,239)
Development and compliance	102,121	-	(102,121)
Works	4,537,628	1,323,296	(3,214,332)
Total capital works	29,922,311	6,957,061	(22,965,250)
Transfers to reserves	2,256,953	4,387,267	2,130,314
Loan repayments	-	-	-
Total capital, transfers and loans	32,179,264	11,344,328	(20,834,936)
Capital expenditure, transfers and loans will be financed by:			
Asset sales	682,688	212,419	(470,269)
Transfers from reserves	27,214,038	1,680,577	(25,533,461)
Accumulated cash surplus brought forward from previous year	9,852,839	7,934,057	(1,918,782)
Total financing of capital, transfers, and loans	37,749,565	9,827,053	(27,922,512)
Total accumulated cash surplus	7,934,057	408,192	(7,525,865)

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.	Progressing: An audit comparing asset lives in the asset management plans to depreciation rates has been conducted.
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.

APPENDIX B- STRATEGIC ACTIONS - Continued

Action	Description	Impact on the Financial Plan	Progress
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.
6	Revise Strategic Documents Framework to ensure strategies are appropriately costed and indexed, and costs are embedded into this Financial Plan.	Adjustment: Future plans and strategies to further highlight the true cost to deliver actions outlined. Impact: Operating expenditure and capital expenditure where those relevant plans sit. Desired outcome: Improved forward financial planning for major projects within the Capital Works Statement and operating expenditure within the Comprehensive Income Statement.	Not yet commenced
7	Continue development of 'pipeline of projects' to ensure 'shovel ready' projects when funding becomes available.	Adjustment: Allocation of project expenditure and income to reflect more accurate timing. Impact: Operating expenditure, operating income and capital expenditure. Desired outcome: Improved forward financial planning for major projects within the Capital Works Statement and operating expenditure within the Comprehensive Income Statement.	Progressing: A project management framework has been developed and a pipeline of projects has been identified. A project selection tool is currently being finalised which will identify priority projects to progress through the pipeline and subsequently seek funding for.
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).	Adjustment: Offset capital cost against lease operating cost. Impact: Increase to operating expenditure and capital expenditure. 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.	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.	Adjustment: Reflect cost-effective service delivery costs. Impact: Operating expenditure and operating income. Desired outcome: More streamlined processes which will lead to a reduction in operating expenditure with the Comprehensive Income Statement.	Progressing: Preliminary list of service reviews drafted, with a program based on importance to be developed.

APPENDIX B- STRATEGIC ACTIONS - Continued

Action	Description	Impact on the Financial Plan	Progress
10	Complete the Transitioning Towns Policy (Small Towns Strategy) to establish minimum service levels for each town.	Adjustment: Reflect cost-effective service delivery costs. Impact: Operating expenditure and operating income. Desired outcome: Understanding the required service level which should lead to a reduction in operating expenditure with the Comprehensive Income Statement.	Progressing: In progress and expected to be finalised mid 2024.
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.	Adjustment: Reflect cost-effective service delivery costs. Impact: Operating expenditure and operating income. Desired outcome: Understanding the required service level which may lead to a reduction in operating expenditure with the Comprehensive Income Statement.	Progressing: Preliminary list of service reviews completed, with a program based on importance to be developed.
12	Report to Council on the potential to borrow funds (including relevant risk assessment) for strategic and/or intergenerational projects.	Adjustment: Offset the cost of delivering projects using immediate Council funds to a long term borrowing option. Impact: Capital expenditure and balance sheet. 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.	Completed: Discussions held to inform Council of the options available for borrowing and a Borrowing Policy has been developed and adopted.
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.	Adjustment: Increased rate revenue for Council. Impact: Operating income. Desired outcome: Increase to ongoing rate revenue within the Comprehensive Income Statement.	Not yet commenced
14	Explore shared services options available to Council.	Adjustment: Potential to decrease costs or improve services. Impact: Operating expenditure. Desired outcome: Reduction in operating expenditure within the Comprehensive Income Statement.	Completed: Council is a member of the Regional Procurement Network and is informed of any shared services opportunities as they arise.