



**Southern Grampians**  
SHIRE COUNCIL

# Draft Budget

2021/22 – 2024/25

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## Mayor's introduction

*On behalf of your elected Council, it is with pleasure that I present the 2021/22 budget to the community of Southern Grampians Shire.*

*In 2017, Council developed an aspirational whilst deliverable Council Plan 2017-21 that informed the development of the Strategic Resource Plan 2017-21. Over the past four years Council commenced turning these plans and aspirations into reality and this 2021/22 Budget finalises much of that work.*

*Council has spent the past 6 months consulting with the community to develop a new Council Vision 2041 and Council Plan 2021-2025 to build on the previous 2017-21 Plan.*

*The outbreak of COVID-19 has impacted Council operations during the 2019/20 and 2020/21 years and continues to provide challenges both for the delivery of services and the funding of them into the 2021/22 year. In response to these uncertain times, Council has proposed rates to increase by 1.5% (rate cap has been set by the Minister for Local Government at 1.5%).*

*In direct response to the COVID Pandemic, both the Federal and State Governments provided targeted assistance in the 2020/21 year. One of these programs was the Local Roads and Community Infrastructure Program providing \$1.985m. Whilst most of these projects will be complete prior to 30 June 2021, some final expenditure is included. A further round of funding has been provided - \$1.784m which will go towards the Pedrina Park Netball Courts and Drainage projects.*

*Council continues to be focussed on delivering quality services for the community whilst being conscious of the longer term financial impacts. Council also understands that the community has high expectations and it is important that Council continues to identify efficiencies and reviews all activities against community identified priorities.*

*We will also continue our focus on partnerships and collaboration, both with providers locally and regionally with our neighbouring Councils to review service models, increase efficiencies and drive down costs whilst continuing to explore other revenue streams.*

*The 2021/22 budget includes a number of key initiatives that continue to deliver on the Council Plan 2017-21:*

- *Deliver the Waste & Resource Recovery Strategy as adopted by Council including landfill, transfer stations and collection initiatives*
- *Complete detailed design and commence construction of Melville Oval Stage 2 CBD project*
- *Continue the next steps in the feasibility of a new Hamilton Gallery*
- *Commence the delivery of priority improvements of recreation and leisure facilities in response to the findings of the Recreation and Leisure Strategy*
- *Develop revised Advocacy and Partnership Priorities and an implementation approach, generally in accordance with feedback collected through community visioning work*
- *Implement an investment attraction program that focuses on the key industries of agriculture, manufacturing, retail, tourism and the digital economy*
- *Invest in the appropriate systems, processes and training to support an environment which delivers a seamless customer experience*
- *Create the capacity to leverage and deliver Federal and State Government stimulus initiatives*

*The total Capital Works program of over \$22 million is a significant investment in roads, bridges, footpaths and associated infrastructure works. The program includes significant Government investment into projects which must be delivered to meet community and funding objectives. Highlights of the Capital Works Program include:*

- *Continued significant investment into local roads, bridges and other Council owned infrastructure*
- *Delivery of essential works at the Hamilton Transfer Station,*
- *Continuation of the staged redevelopment of the Hamilton Region Livestock Exchange, and*
- *Implement works associated with Council Buildings Asset Management Strategy*

*On behalf of my Councillor colleagues and the Southern Grampians Shire Council organisation, I commend this 2021/22 Budget to the community and look forward to delivering and reporting back to the community in 12 months on our achievements and successes.*

**Cr Bruach Colliton**  
**Mayor**

## Executive Summary

Council has prepared a Budget for 2021/22 which is aligned to the vision in the Council Plan 2017-21. It seeks to ensure our services meet community needs and delivers infrastructure that supports our services as well as deliver projects that are valued by our community, within the rate increase mandated by the State Government.

This Budget projects a surplus of \$1.697 million for 2021/22. It should be noted that the adjusted underlying result is a deficit of \$0.480m when adjusting for non-recurrent capital grants or contributions of \$2.177m.

Council will continue to consider the impacts of COVID-19 both through the response and the recovery and will look to plan and respond accordingly.

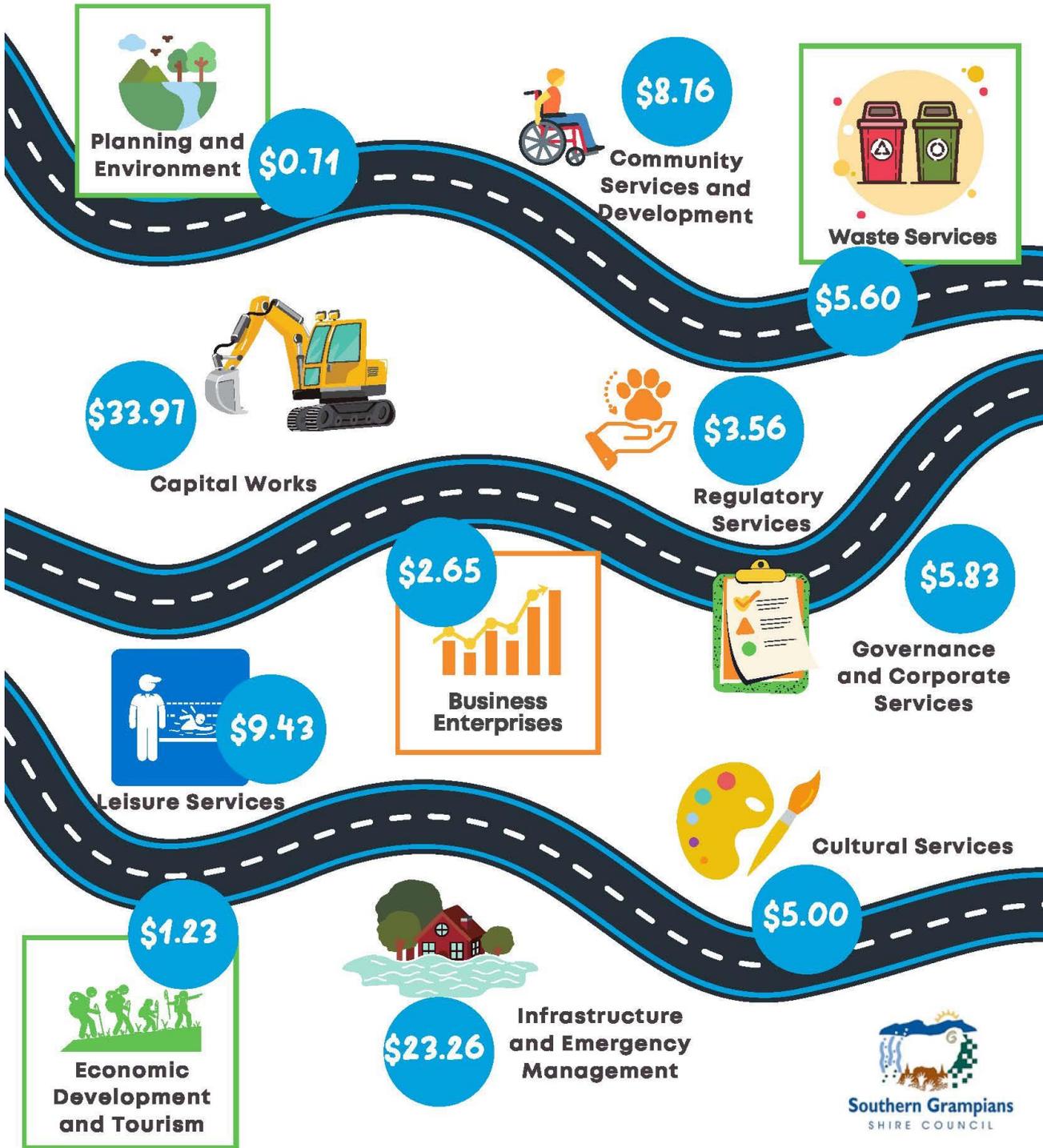
This section includes the following reports and statements in accordance with the Local Government Acts of 1989 and 2020 (where applicable) and the Local Government Model Budget.

- E1 – How Much Money is spent in the Service areas?
- E2 – Council Expenditure and Sources of Revenue
- E3 – Budget Influences
- E4 – Budget Principles

E1. What investment is made in our service areas?

# WHAT ARE WE SPENDING?

For every \$100 of rates spent, this is where it goes:



E2. Council Expenditure and Sources of Revenue

# SOUTHERN GRAMPIANS SHIRE COUNCIL

## 2021/22 BUDGET



*At a glance...*



**Enables the delivery of over 70 services to our community**



## E3. Budget influences

This section sets out the key budget influences arising from the internal and external environment within which the Council operates.

### External influences

In preparing the 2021/22 Budget, a number of external influences have been taken into consideration because they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- The need to renegotiate Enterprise Bargaining Agreements (EBA) every 3 years.
- The increased demand for Council services and the need to review all services to ensure they are responsive, appropriate and efficient.
- Irregular funding from Victoria Grants Commission. A static period of 3 years together with only modest increases prior to and after this period, has eroded the index base. A conservative increase of 1% has been assumed in this budget.
- Roads to Recovery funding from 2019–2024 - \$9.926m over the five years.
- Continuing escalation of utility costs essential for carrying out services (water, power, gas, communications and insurances).
- Significant changes to funding regimes for community services involving the implementation of the NDIS (National Disability Insurance Scheme), CHSP (Commonwealth Home Support Programme) and other funding streams coupled with the competitive requirements and in some cases market failure to provide these essential services has left Council needing to review its role in this service area.
- Continuing increases in the demand and associated costs to improve waste management service levels (Landfills, Transfer Stations and Refuse/Recycling collections) along with imposition of strict guidelines from government in regard to management practices.
- The continuation of rate-capping by the State Government – set at 1.5% for 2021/22.
- The increased costs across the organisation of meeting compliance standards set by other levels of government.
- The implementation of the Victorian Local Government Act 2020.

### Internal influences

As well as external influences, there are also a number of internal influences which are expected to have a significant impact on the preparation of the 2021/22 Budget.

- The need for improved asset management practices to ensure efficient and effective use of Council's physical resources.
- Continuing escalation of costs in relation to the maintenance and renewal of Council's ageing infrastructure assets.
- The need for more detailed planning of major developments to ensure optimum asset longevity.

In an effort to reduce the impact of these matters, Council continues on a service delivery realignment to ensure resources align with the services provided and compliment the direction of the Council Plan.

### Exceptional Events

In early 2020, the outbreak of COVID-19 interrupted the business operations of Council for the 2019/20 financial year. Council temporarily suspended a range of services to the community from March 2020. Many of these services have now resumed however, not all services have returned to pre-covid levels. Some services have been adapted to new processes and methods of delivery for all or part of their services. The full impact of operating in a covid impacted environment - financial, economic and social - will not be able to be quantified for many months, if not years as the world struggles to find a new "normal" operating cycle.

Council has developed this budget making the best assumptions available given this uncertain operating environment.

## E4. Budget principles

Guidance is provided to all Council officers with budget responsibilities. These key budget principles upon which the officers were to prepare their budgets included:

- Existing fees and charges only to be increased in line with actual costs.
- Grants to be based on confirmed funding levels.
- Additional revenue sources to be identified where possible.
- Service levels to be maintained at 2020/21 levels with the aim to use less resources with an emphasis on innovation and efficiency.
- Contract labour to be minimised.
- New initiatives or employee proposals to be justified through a business case.
- Real savings in expenditure and increases in revenue identified in 2020/21 to be preserved.
- Operating revenues and expenses arising from completed 2020/21 capital projects to be included.

Cost escalations for the preparation of the 2021/22 budget onwards include:

- Rate revenue to be projected up 1.5% which is the current year rate cap.
- Operating Grants increasing at 2%.
- Capital Grants only included where some level of surety arises and are linked directly to a specific capital project.
- Continuation of the Roads to Recovery program at committed levels.
- User Fees and Charges increasing in line with service reviews and Council's Pricing Policy – 4%.
- Statutory Fees and Charges only increasing where legislation is known.
- Employee costs increasing at 3% (2% base with 1% for on-costs).
- Materials & consumables increasing at 2.5%.
- Utilities and other operating expenses increasing at 2.5%.

## Budget Reports

The following reports include all statutory disclosures of information and are supported by the analysis contained in sections 8 to 15 of this report.

This section includes the following reports and statements in accordance with the Local Government Act 1989 and the Local Government Model Financial Report.

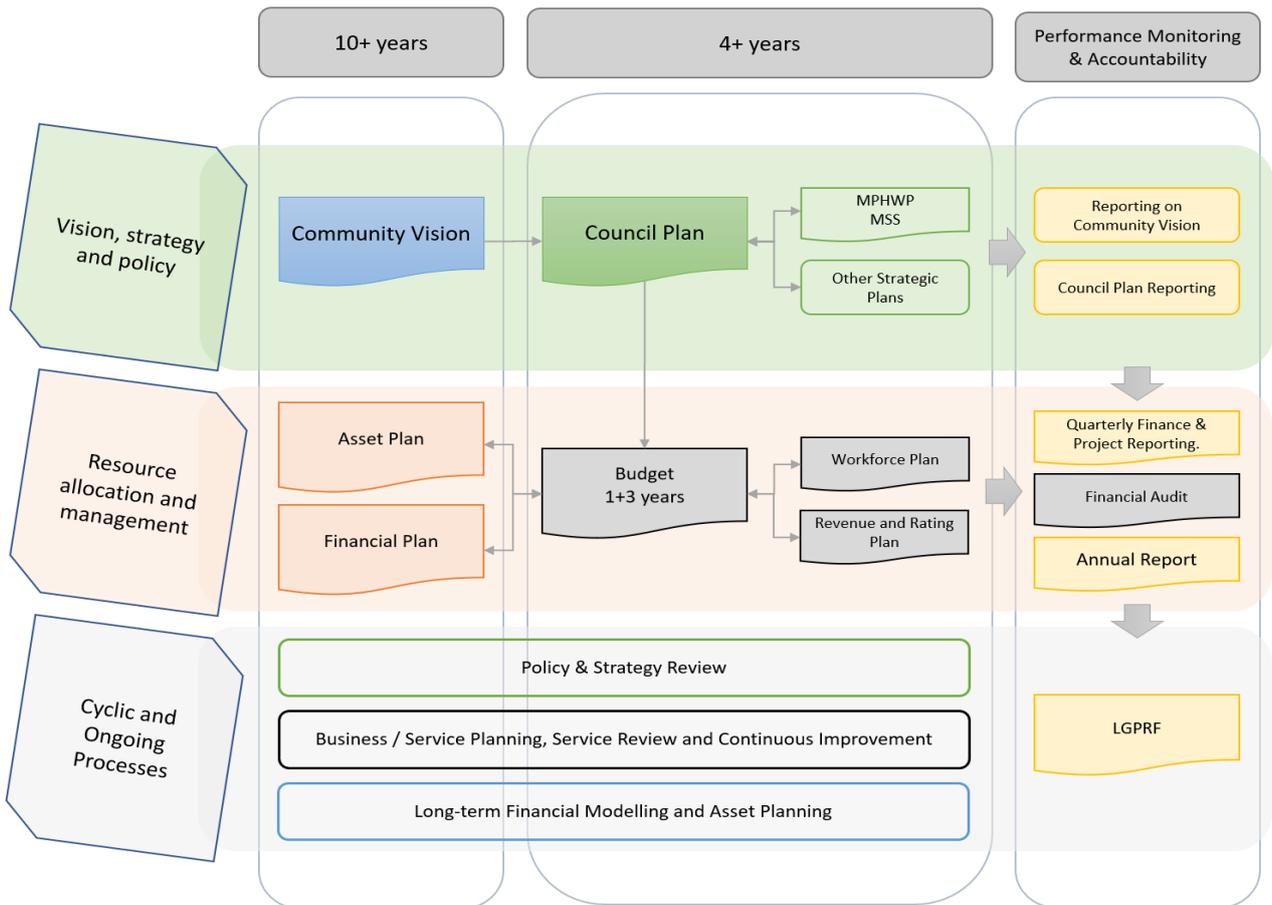
1. Linkage to the Integrated Planning and Reporting Framework.
2. Services and Service Performance Indicators.
3. Financial statements.
4. Notes to the Financial Statements.
5. Detailed Capital Works Statement.
6. Financial Performance Indicators.

# 1. Linkage to the Integrated Planning & 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 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 Jobs, 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.

### 1.1.2 Key Planning Considerations

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 Council needs 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, Council engages with its various communities to determine how to prioritise resources and balance service provision against other responsibilities such as asset maintenance and capital works.

Community consultation is in line with Council’s adopted Community Engagement Policy and Public Transparency Policy.

## 1.2 Our Vision & Values

### Our Vision

**‘That Southern Grampians Shire will be recognised as a well-connected, dynamic Regional Centre, supporting a vibrant, healthy and inclusive community’**

To achieve this vision, we have developed five fundamental priority areas and these themes will guide the development and implementation of Council’s objectives and strategies.

### Our Values

Southern Grampians has a clear strength in the bond and affinity between its Councillors, the community and staff. Staff support the community leadership and governance role of Councillors, and work together to achieve the commitments of the Council Plan.

Having all Southern Grampians staff and Councillors practise the following organisational values, which were identified by staff and Councillors as being of the highest importance, will enhance the quality of this partnership.

- **Innovative:** we will be open to new ideas, will welcome creativity and embrace change.
- **Respectful:** we will be caring, accept difference and value diversity.
- **Collaborative:** together we will work smarter to achieve agreed common goals.
- **Trusting:** we will be open, honest and brave.
- **Empowering:** we will delegate opportunities and develop and inspire success.

### 1.3 Themes and Strategic objectives

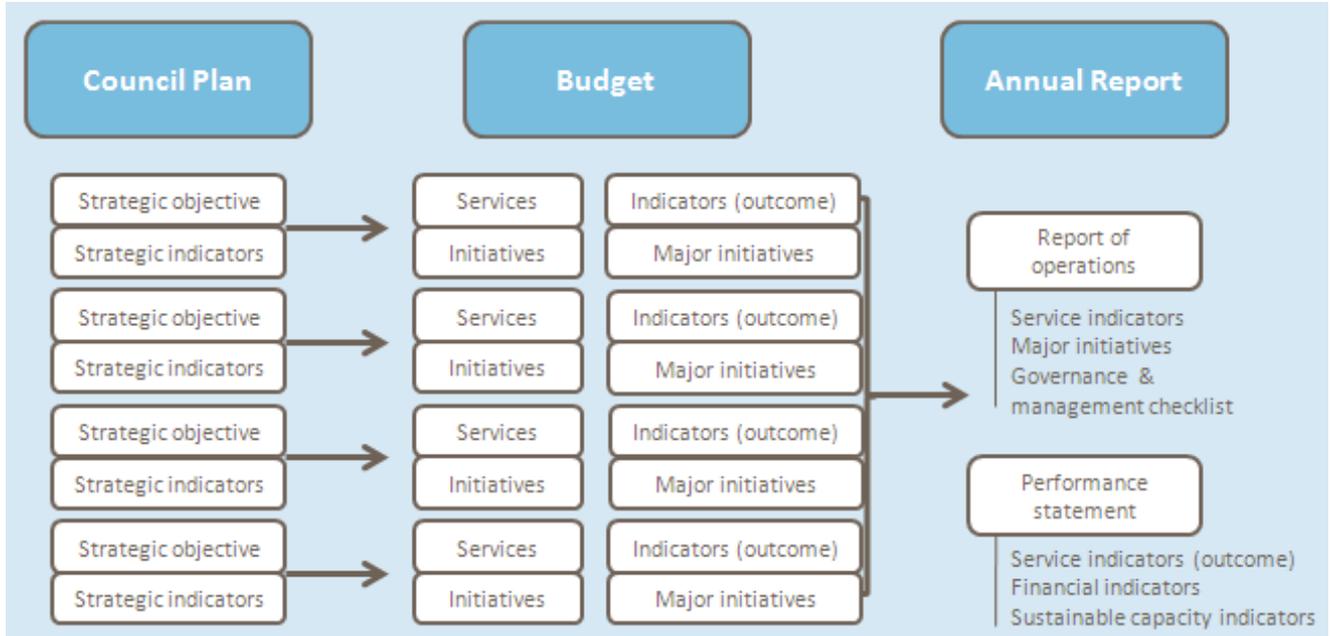
Council delivers services and initiatives to over 70 service categories. Each service contributes to the achievement of the Strategic Objectives as set out in the Council Plan for the years 2017- 21.

The following table lists the five Themes and Strategic Objectives as described in the Council Plan.

Theme	Strategic Objectives
1. Support our Community	1.1 An empowered and resilient community.
	1.2 A healthy and vibrant community.
	1.3 A growing, diverse and inclusive community.
	1.4 A safe community.
2. Develop our Regional Economy and Businesses	2.1 Attract, support and encourage industries that propel economic growth throughout the Shire.
	2.2 Increase the profile of Greater Hamilton regionally and globally.
	2.3 Continue to support the development of a skilled workforce and sustainable businesses in all towns in the Shire.
	2.4 Support, encourage and promote a strong, innovative and distinctive tourism sector that grows the visitor economy.
3. Plan for our Built Environment	3.1 Plan and provide for sustainable assets and infrastructure.
	3.2 Plan, advocate and provide for safe and well maintained transport routes and infrastructure.
	3.3 Develop and maintain attractive and vibrant Council owned and managed open spaces and streetscapes.
	3.4 Encourage and support infrastructure for social inclusion and economic growth.
4. Promote our Natural Environment	4.1 Promote and support improved biodiversity and the health of waterways, wetlands, soil and air.
	4.2 Balance environmental protection with Council's support for growth.
	4.3 Promote and provide sustainable waste management services.
	4.4 Develop and implement climate change adaptation strategies to prepare for climate change, especially extreme weather events.
5. Provide Governance and Leadership	5.1 Provide transparent and responsible governance.
	5.2 Deliver effective advocacy.
	5.3 Create an environment that supports committed and skilled staff.
	5.4 Deliver efficient and customer focused services.

## 2. Services and Service Performance Indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2021/22 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

## 2.1 Council Plan Theme 1: Support our community – a vibrant, growing community that is healthy, inclusive and connected

To support our community to be vibrant, growing, healthy, inclusive and connected, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services.

To achieve this we have set the following Strategic Objectives:

- 1.1 An empowered and resilient community.
- 1.2 A healthy and vibrant community.
- 1.3 A growing, diverse and inclusive community.
- 1.4 A safe community.

The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Service area	Description of services provided	2019/20	2020/21	2021/22
		Actual Expenditure (Revenue) Net Cost \$'000	FY Forecast Expenditure (Revenue) Net Cost \$'000	Budget Expenditure (Revenue) Net Cost \$'000
Aged and Disability Services Coordination	This service provides a range of Home and Community Care services for the aged and disabled including assessment, personal care, domestic assistance and respite care and coordinates delivered meals, community transport and property maintenance.	2,270 (2,040) <b>230</b>	2,472 (2,175) <b>297</b>	2,450 (2,099) <b>351</b>
Senior Citizen Programs and Support	This service offers opportunities for older residents to participate in community and social activities across the Shire.	115 (53) <b>62</b>	109 (50) <b>59</b>	101 (53) <b>48</b>
Community Services Management	This service provides management support to coordinate a whole of organisation approach to service delivery across community and leisure portfolio, particularly in relation to delivering the Municipal Health and Wellbeing Plan.	577 (53) <b>524</b>	690 (16) <b>674</b>	513 (0) <b>513</b>
Community Planning Engagement and Support	This service coordinates Council's approach to community planning and citizen engagement, including skill development and capacity building for Councillors and community.	430 (60) <b>370</b>	451 (84) <b>367</b>	506 (60) <b>446</b>
Rural Access	This service aims to build inclusive communities by mobilising, strengthening and providing support to communities.	64 (38) <b>(26)</b>	0 (0) <b>0</b>	0 (0) <b>0</b>
Children's Services	This service provides quality education and care services i.e. Family Day Care and promotes the early years sector.	610 (563) <b>47</b>	730 (421) <b>309</b>	637 (537) <b>100</b>
Recreation Development and Support	This service is responsible for the management and planning of recreational opportunities in conjunction with the community, using community development processes.	758 (125) <b>633</b>	616 (50) <b>566</b>	489 (40) <b>449</b>
Sports Reserves	This service directly manages or provides operational assistance for 16 recreational reserves across the Shire to support both active and passive participation in sports and recreation.	670 (33) <b>637</b>	684 (33) <b>651</b>	744 (36) <b>708</b>
Lake Hamilton	This service provides a safe, functional, accessible and useable space for leisure and recreational activities, on water and surrounding open space.	294 (3) <b>291</b>	232 (3) <b>229</b>	267 (3) <b>264</b>
Aquatic Facilities	This service provides a geographic spread of aquatic facilities that deliver recreation, health, wellbeing, education, social and tourism/economic opportunities to our communities.	615 (30) <b>585</b>	573 (13) <b>560</b>	569 (21) <b>548</b>

Service area	Description of services provided	2019/20	2020/21	2021/22
		Actual Expenditure (Revenue) Net Cost \$'000	FY Forecast Expenditure (Revenue) Net Cost \$'000	Budget Expenditure (Revenue) Net Cost \$'000
Hamilton Indoor Leisure & Aquatic Centre	This service provides accessible leisure and aquatic experiences that facilitates and promotes wellbeing outcomes.	2,161 (872) <b>1,289</b>	2,372 (799) <b>1,573</b>	2,828 (1,295) <b>1,533</b>
Art Gallery	This service supports tourism promotion and community engagement with the arts, and acts as custodian of one of the most valuable collections in regional Australia.	858 (225) <b>633</b>	988 (115) <b>873</b>	861 (168) <b>693</b>
Performing Arts Centre	This service provides promotion and support of performing arts, encouraging both appreciation and participation. Also offers a conference and event venue for both the business and community sectors.	857 (208) <b>649</b>	729 (108) <b>621</b>	1,007 (271) <b>736</b>
Library	This service aims to be an effective and dynamic library service inspiring and connecting our community by providing diverse, accessible and creative collections, programs, spaces and experiences.	783 (198) <b>585</b>	706 (188) <b>518</b>	711 (219) <b>492</b>
Cinema	This service provides the community with a high quality cinema experience.	330 (229) <b>101</b>	168 (81) <b>87</b>	324 (275) <b>49</b>
Civic & Community Arts	This service aims to increase visibility and activity of arts and culture in the community through a range of community programs or projects.	105 (0) <b>105</b>	85 (0) <b>85</b>	238 (0) <b>238</b>
Parks and Urban Spaces	This service provides and maintains appropriate parks and urban space areas across the Shire to support inclusive recreation activities for the whole community.	654 (3) <b>651</b>	712 (3) <b>709</b>	744 (2) <b>742</b>
Local Laws Operations	This service implements and enforces the Community Local Law No.1 (2015), provides parking control, coordinates domestic animal management including the operation of a Council owned pound facility, and supports the provision of law and order in the community.	593 (356) <b>237</b>	575 (306) <b>269</b>	622 (387) <b>235</b>
Maternal & Child Health	This service provides a primary health care service for the Shire's families with children from birth to school age.	379 (354) <b>25</b>	396 (394) <b>2</b>	414 (392) <b>22</b>
Emergency Management	This service coordinates emergency management planning to enable Council to coordinate and respond to emergencies in cooperation with other agencies.	603 (278) <b>325</b>	561 (110) <b>451</b>	233 (60) <b>173</b>
Botanic Gardens	This service maintains the historically significant Botanic Gardens in Hamilton (& Peshurst) and provides responsible management of flora, open spaces and built facilities on the grounds.	374 (286) <b>88</b>	392 (0) <b>392</b>	358 (1) <b>357</b>

**Major Initiatives**

- 1) Progress the new Hamilton Art Gallery project including community engagement on design concepts, supporting business case documentation, advocacy and fundraising.
- 2) Build effective partnerships with First Nations – via Reconciliation Action Plan or partnership agreement.
- 3) Implement and comply with legislated and policy requirements of Gender Equality Act and Regulations internally for Council and external for the community.
- 4) As part of the Arts and Culture Strategy implementation, undertake short and medium term priorities to both attract and invest in the regions creative communities and industries across all areas, including cultural and artistic pursuits.

**Minor Initiatives**

- 5) Working with local communities to develop their capacity to identify priorities and opportunities under the integrated planning framework
- 6) Council to examine its volunteer policies and frameworks & provide recognition of volunteers
- 7) Continue service reviews in context of the other key strategic documents including the Long-Term Financial Plan and asset management plans.

**Service Performance Outcome Indicators**

Service	Indicator	Performance Measure	2019/20 Actual	2020/21 Forecast	2021/22 Target
Maternal and Child Health	Participation	Participation in the MCH service	76.99%	70.00%	70.00%
		Participation in the MCH service by Aboriginal children	63.89%	55.00%	50.00%
Libraries	Participation	Active library members	13.15%	12.00%	15.00%
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities	7.56%	7.00%	9.00%
Animal Management	Health and safety	Animal management prosecutions	0	0	0

\*Note - COVID-19 has substantially impacted this service

## 2.2 Council Plan Theme 2: Develop our regional economy and businesses - a strong, diversified local and regional economy

To develop our regional economy and businesses and achieve a strong, diversified local and regional economy.

We have set the following Strategic Objectives:

- 2.1 Attract, support and encourage industries that propel economic growth throughout the Shire.
- 2.2 Increase the profile of Greater Hamilton regionally and globally.
- 2.3 Continue to support the development of a skilled workforce and sustainable businesses in all towns in the Shire.
- 2.4 Support, encourage and promote a strong, innovative and distinctive tourism sector that grows the visitor economy.

The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Service area	Description of services provided	2019/20	2020/21	2021/22
		Actual Expenditure (Revenue) Net Cost \$'000	FY Forecast Expenditure (Revenue) Net Cost \$'000	Budget Expenditure (Revenue) Net Cost \$'000
Economic Development	This service seeks, in conjunction with key stakeholders, to promote an environment that is conducive to a sustainable and growing local economy.	1,131 <u>(332)</u> <b>799</b>	1,048 <u>(347)</u> <b>701</b>	865 <u>(112)</u> <b>753</b>
Airport	This service is responsible for the management and operation of the Hamilton Airport.	429 <u>(27)</u> <b>402</b>	433 <u>(21)</u> <b>412</b>	446 <u>(22)</u> <b>424</b>
Livestock Exchange	This service is responsible for the management and operation of the Hamilton Regional Livestock Exchange (HRLX).	1,587 <u>(1,618)</u> <b>31</b>	1,266 <u>(1,743)</u> <b>(477)</b>	1,308 <u>(1,761)</u> <b>(453)</b>
Tourism & Visitor Experience	This service aims to connect the visitor to the Greater Hamilton experience, encouraging them to stay longer and contribute more to the local economy.	712 <u>(128)</u> <b>584</b>	735 <u>(5)</u> <b>730</b>	641 <u>(15)</u> <b>626</b>
Business Development	The business development service seeks to facilitate an environment that is conducive to a sustainable and growing local business sector.	181 <u>0</u> <b>181</b>	136 <u>0</u> <b>136</b>	143 <u>0</u> <b>143</b>
Events Support	This services purpose is to increase visitation and visitor yield and increase quality visitor experiences through the support and marketing of events within the Shire.	248 <u>(3)</u> <b>245</b>	251 <u>(24)</u> <b>227</b>	283 <u>(4)</u> <b>279</b>
Caravan Parks	This service provides low cost camping and caravan park accommodation facilities in Coleraine and Peshurst.	67 <u>(29)</u> <b>38</b>	56 <u>(31)</u> <b>25</b>	46 <u>(32)</u> <b>14</b>
Land Development	This service provides management of Council owned land to promote economic and industrial development and may also secure industrial land for potential development.	22 <u>(25)</u> <b>(3)</b>	24 <u>(0)</u> <b>24</b>	33 <u>(0)</u> <b>33</b>

**Major Initiatives**

- 8) Complete construction of the serviced industrial land in Port Fairy Road and commence the sales and marketing campaign.
- 9) Deliver Stage 1 of the Dunkeld Visitor Hub including Grampians Peak Trail Head.
- 10) Complete Greater Hamilton Volcanic Trails Masterplan and commence implementation phase.
- 11) Review and develop new 10 year economic development strategy
- 12) Commence upgrades of Peshurst Volcanoes Discovery Centre

**Minor Initiatives**

- 13) Implement an investment attraction program that focuses on the key industries of agriculture, manufacturing, retail, tourism and the digital economy.
- 14) Monitor the impact of the Grampians Peak Trail on Dunkeld Visitor Information Centre
- 15) Finalise implementation of HRLX structure and operations as per Council adopted report
- 16) Review the Business Greater Hamilton Website to support population and investment attraction programs.

**Service Performance Outcome Indicators**

Service	Indicator	Performance Measure	2019/20 Actual	2020/21 Forecast	2021/22 Target
Livestock Exchange	Utilisation	Number of sheep sold through the Hamilton Regional Livestock Exchange	977,589	1,070,000	1,000,000
Service	Indicator	Performance Measure	2020 Calendar Year	2021 Calendar Year	2022 Calendar Year
Visitor Services	Participation	Number of visitors to the region	674,000	750,000	850,000

## 2.3 Council Plan Theme 3: Plan for our built environment and infrastructure – provide access to infrastructure that meets community needs

To plan for our built environment and infrastructure that is accessible and meets the needs of the community.

We have the set the following objectives:

- 3.1 Plan and provide for sustainable assets and infrastructure.
- 3.2 Plan, advocate and provide for safe and well maintained transport routes and infrastructure.
- 3.3 Develop and maintain attractive and vibrant Council owned and managed open spaces and streetscapes.
- 3.4 Encourage and support infrastructure for social inclusion and economic growth.

We will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services, initiatives, major initiatives and service performance indicators for each business area described below.

Service areas	Description of services provided	2019/20	2020/21	2021/22
		Actual Expenditure (Revenue) Net Cost \$'000	FY Forecast Expenditure (Revenue) Net Cost \$'000	Budget Expenditure (Revenue) Net Cost \$'000
Community Buildings	This service supports the use of community buildings, including halls and showgrounds throughout the Shire by ensuring they are maintained adequately.	338 (16) <b>322</b>	326 (16) <b>310</b>	397 (17) <b>377</b>
Strategic Planning	This service monitors the Council's Planning Scheme as well as preparing major policy documents shaping the future of the Shire. It prepares and processes amendments to the Council Planning Scheme and carries out research on urban development issues.	858 (0) <b>858</b>	836 (11) <b>825</b>	825 (15) <b>810</b>
Building Services	This service provides statutory building services including enforcement of the Building Act and Regulation to ensure community safety in the built environment.	305 (114) <b>191</b>	257 (104) <b>153</b>	257 (79) <b>178</b>
Bridges & Culverts	This service ensures the development and maintenance of the Shires bridges and culverts.	643 (0) <b>643</b>	814 0 <b>814</b>	724 0 <b>724</b>
Footpaths and Cycle Ways	This service ensures the development and maintenance of the Shires footpaths and cycle ways.	595 (0) <b>595</b>	836 (0) <b>836</b>	735 0 <b>735</b>
Facilities Management and Property Services	This service ensures Council owned buildings are maintained to acceptable standards, are fit for purpose and compliant with building regulations.	29 (35) <b>(6)</b>	228 (58) <b>170</b>	475 (57) <b>418</b>
Playground and Skate Parks	This service creates social spaces for younger people and their families to recreate, and includes provision of age appropriate play activities (including skate parks) and safe playground equipment across the Shire.	38 (0) <b>38</b>	49 (0) <b>49</b>	52 0 <b>52</b>
Infrastructure Management	This service undertakes design, tendering, contract management and supervision of various works within Council's capital works program.	2,479 (29) <b>2,450</b>	2,249 (7) <b>2,242</b>	1,654 (10) <b>1,644</b>
Statutory Planning	This service processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit.	188 (136) <b>52</b>	321 (170) <b>151</b>	338 (134) <b>204</b>
Plant Management & Operations	This service purchases and maintains Council vehicles, plant and equipment to meet functionality and safety needs and to maximise the performance and minimise operational cost of the fleet.	(220) (100) <b>(320)</b>	24 (75) <b>(51)</b>	111 (101) <b>10</b>
Roads	This service aims to ensure responsible management of Council's road infrastructure and compliance with regulatory requirements.	10,727 (388) <b>10,339</b>	10,714 (48) <b>10,666</b>	10,522 (28) <b>10,494</b>

Service areas	Description of services provided	2019/20	2020/21	2021/22
		Actual Expenditure (Revenue) Net Cost \$'000	FY Forecast Expenditure (Revenue) Net Cost \$'000	Budget Expenditure (Revenue) Net Cost \$'000
Public Infrastructure	This service provides community and visitors with appropriate public infrastructure to meet community needs in relation to location, safety, hygiene, quality and environmental sustainability of public toilets.	508 (1) <b>507</b>	516 (0) <b>516</b>	475 (0) <b>475</b>
Private Works	This service is provided on a case by case basis for private requests for minor works that may not be readily available to the community, for example sealing driveways.	30 (14) <b>16</b>	4 (0) <b>4</b>	4 (0) <b>4</b>
VicRoads Contract Management	This service ensures responsible contract management of Council's VicRoads contract.	67 (28) <b>39</b>	17 (13) <b>4</b>	46 (28) <b>18</b>

#### Major Initiatives

- 17) Deliver on the CBD revitalisation plan by completing the endorsed Cox Street redevelopment.
- 18) Deliver the Local Roads and Community Infrastructure Program.
- 19) Deliver the approved major upgrades at Pedrina Park Sporting Facility
- 20) Complete Hamilton Network Operating Plan to confirm alternate heavy vehicle route
- 21) Complete bike strategy for Shire in two parts: 1) Recreational (tourism focused) and 2) Community(transit focused)
- 22) Complete detailed design and commence construction of Melville Oval stage 2 CBD project

#### Minor Initiatives

- 23) Design and implement in stages the Hamilton Structure Plan town entrances project.
- 24) Increase diversion of recyclables through Transfer Station upgrades (subject to State-wide direction).
- 25) Exhibit, finalise and implement the Rural Land Use Strategy
- 26) Develop an approach to partner with Wannon Water and State Government on pilot waste water management system for Peshurst and other initiatives.

#### Service Performance Outcome Indicators

Service	Indicator	Performance Measure	2019/20 Actual	2020/21 Forecast	2021/22Target
Statutory planning	Decision making	Council planning decisions upheld at VCAT	100%	100%	100%
Roads	Satisfaction	Satisfaction with sealed local roads	43%	43%	45%

## 2.4 Council Plan Theme 4: Promote our natural environment – promote a culture that sustains a clean, green and sustainable environment

To promote our natural environment and achieve a culture that sustains a clean, green and sustainable environment.

We have set the following objectives:

- 4.1 Promote and support improved biodiversity and the health of waterways, wetlands, soil and air.
- 4.2 Balance environmental protection with Council's support for growth.
- 4.3 Promote and provide sustainable waste management services.
- 4.4 Develop and implement climate change adaptation strategies to prepare for climate change, especially extreme weather events.

We will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services, initiatives, major initiatives and service performance indicators for each business area described below.

Service areas	Description of services provided	2019/20	2020/21	2021/22
		Actual Expenditure (Revenue) Net Cost \$'000	FY Forecast Expenditure (Revenue) Net Cost \$'000	Budget Expenditure (Revenue) Net Cost \$'000
Transfer Stations and Landfill sites	This service manages the waste and recyclables collection process at the designated transfer stations within the Shire as well as any costs associated with landfill sites.	1,957 <u>(2,393)</u> <b>(436)</b>	1,503 <u>(1,065)</u> <b>438</b>	1,664 <u>(1,094)</u> <b>570</b>
Waste & Recycling Collection	This service manages the waste and recyclables collection process within the Shire, including the collection of kerbside bins.	1,935 <u>(23)</u> <b>1,912</b>	1,868 <u>(115)</u> <b>1,753</b>	2,052 <u>(110)</u> <b>1,942</b>
Natural Asset Management	This service develops environmental policy, coordinates and implements environmental projects and works with other services to improve Council's environmental performance.	283 <u>(92)</u> <b>191</b>	243 <u>(73)</u> <b>170</b>	251 <u>(40)</u> <b>211</b>
Stormwater / Drainage	This service manages the maintenance and environmental issues associated with the stormwater/drainage networks throughout the Shire.	433 <u>(0)</u> <b>433</b>	663 <u>(0)</u> <b>663</b>	451 <u>(0)</u> <b>451</b>
Yatchaw Drainage Authority	This service is responsible for the management and maintenance of the Yatchaw Drainage Scheme.	6 <u>(6)</u> <b>0</b>	6 <u>(6)</u> <b>(0)</b>	6 <u>(5)</u> <b>1</b>
Quarry	This service is responsible for the sustainability in the supply of materials for road management and the realisation of returns from an economic asset.	8 <u>(209)</u> <b>(201)</b>	106 <u>(456)</u> <b>(350)</b>	4 <u>(242)</u> <b>(238)</b>
Environmental Sustainability	This service implements Council's Sustainability Strategy and acts as a catalyst for Council and community sustainability actions within the Shire.	233 <u>(53)</u> <b>180</b>	158 <u>(0)</u> <b>158</b>	222 <u>(0)</u> <b>222</b>
Fire Prevention	This service coordinates fire prevention planning and works in cooperation with other agencies.	77 <u>(11)</u> <b>66</b>	58 <u>(61)</u> <b>(3)</b>	80 <u>(25)</u> <b>55</b>
Water	This service manages the Old Hamilton Reservoir and provides a source of non-potable water for irrigation purposes, maintaining sporting grounds and the amenity of the Hamilton Botanic Gardens.	1,238 <u>(518)</u> <b>720</b>	482 <u>(0)</u> <b>482</b>	14 <u>(5)</u> <b>9</b>
Environmental Health	This service improves the health and wellbeing of the community and protects the Shire's environment.	291 <u>(117)</u> <b>174</b>	286 <u>(113)</u> <b>173</b>	319 <u>(115)</u> <b>204</b>

**Major Initiatives**

- 27) Deliver the Waste & Resource Recovery Strategy as adopted by Council including landfill, transfer stations and collection initiatives.
- 28) New Sustainability Strategy addressing renewables, climate adaptation, waste management/recycling, Integrated Water Management etc
- 29) Finalise and adopt Natural Asset Strategy as the basis for a natural asset/biodiversity hierarchy for the Shire together with action and resource plans.

**Minor Initiatives**

- 30) Actively participate in the Barwon South West Resource Recovery Group to leverage funding and project opportunities in waste.
- 31) Continue to support the Municipal Emergency Management Planning Committee (MEMPC) and implement State and Regional actions

**Service Performance Outcome Indicators**

Service	Indicator	Performance Measure	2019/20 Actual	2020/21 Forecast	2021/22 Target
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill	43.01%	64.00%	64.00%
Food safety	Health and safety	Critical and major non-compliance notifications	93.33%	100.00%	100.00%

## 2.5 Council Plan Theme 5: Provide governance and leadership – strong leadership, good governance and effective service delivery

To provide good governance and strong leadership and to achieve effective service delivery.

We have set the following objectives:

- 5.1 Provide transparent and responsible governance.
- 5.2 Deliver effective advocacy.
- 5.3 Create an environment that supports committed and skilled staff.
- 5.4 Deliver efficient and customer focused services.

The services, initiatives, major initiatives and service performance indicators for each business area are described below.

Service area	Description of services provided	2019/20	2020/21	2021/22
		Actual Expenditure (Revenue) Net Cost \$'000	FY Forecast Expenditure (Revenue) Net Cost \$'000	Budget Expenditure (Revenue) Net Cost \$'000
Executive and Councillor Support	This area of governance includes the Mayor, Councillors, Chief Executive Officer and Executive Leadership Team and associated support.	2,322 (158) <b>2,164</b>	2,077 (22) <b>2,055</b>	1,972 (0) <b>1,972</b>
Governance Administration	This service has the responsibility to provide the organisation with appropriate strategic advice on Governance and Property related matters, enabling the organisation to be responsive to the needs of the Council and the community.	341 (86) <b>255</b>	280 (0) <b>280</b>	330 (0) <b>330</b>
Financial Services	This service has the responsibility to provide the organisation with appropriate strategic advice, reporting and internal control on finance related matters. Financial services also provide accounts payable, receivable and rating administration.	1,011 (435) <b>576</b>	992 (146) <b>846</b>	1,081 (141) <b>940</b>
Organisational Development	This service has the responsibility to provide the organisation with appropriate advice and administration for all human resource requirements and workforce management including policy development. The Unit also provides a mechanism for continual review and improvement.	811 (1) <b>810</b>	779 (0) <b>779</b>	760 (15) <b>745</b>
Risk Management	This service has the responsibility to provide the organisation with appropriate advice and management of risk and OHS in relation to legal and other community requirements.	381 (16) <b>365</b>	332 (0) <b>332</b>	356 (0) <b>356</b>
Procurement	This service has the responsibility to provide the organisation with appropriate advice, administration and policy on all procurement matters as specified in Section 186A of the Local Government Act 1989.	211 (0) <b>211</b>	235 (0) <b>235</b>	279 (0) <b>279</b>
Communications	The Communications service assists the organisation to facilitate communication across both internal and external stakeholders, and provide high quality information to the community.	359 (0) <b>359</b>	317 (0) <b>317</b>	342 (0) <b>342</b>
Customer Service	Customer Service is the first point of contact for all communications with Council. This unit aims to provide accurate and a high quality of service to all customers.	419 (0) <b>419</b>	369 (0) <b>369</b>	379 (15) <b>364</b>
Business Systems	The Business Systems unit aims to maximise the organisation's capacity to utilise all of its many and diverse systems and is also responsible for the ongoing support of Councils IT requirements necessary to deliver effective services.	2,015 (3) <b>2,012</b>	1,845 (102) <b>1,743</b>	2,046 (16) <b>2,030</b>

Service area	Description of services provided	2019/20	2020/21	2021/22
		Actual Expenditure (Revenue) Net Cost \$'000	FY Forecast Expenditure (Revenue) Net Cost \$'000	Budget Expenditure (Revenue) Net Cost \$'000
Corporate Buildings and Overheads	This service maintains buildings and grounds of corporate buildings, supports the whole organisation administration functions and coordinates centralised purchasing of corporate consumables. These expenses are offset by the recoup of internal charges to all services	(2,925) (1) <b>(2,926)</b>	(3,963) (0) <b>(3,963)</b>	(3,959) (1) <b>(3,960)</b>
Depot Operations and Maintenance	This service coordinates the operation of Council's depots in Hamilton, Coleraine, Balmoral, Cavendish, Dunkeld and Penshurst to support works teams to deliver capital and maintenance programs.	470 (23) <b>447</b>	425 (22) <b>403</b>	405 (23) <b>382</b>
Corporate Funding Programs	Delivery of the Working for Victoria program and project management of the Local Roads and Community Infrastructure Program.	412 (1,313) <b>(901)</b>	3,249 (3,549) <b>(300)</b>	177 (1,747) <b>(1,570)</b>

### Major Initiatives

- 32) Finalise the development of the Council Plan 2021-2025
- 33) Develop revised Advocacy and Partnership Priorities and implementation approach generally in accord with feedback collected in recently completed community visioning. Invest in the appropriate systems, processes and training to support an environment which delivers a seamless Customer Experience.
- 34) Deliver a Liveability Framework linked with Health and Wellbeing Plan based on either 20 minute or 10 minutes neighbourhoods.
- 35) Develop and implement the Community Infrastructure Framework to guide decisions on building asset management.

### Minor Initiatives

- 36) Invest in our staff and systems to ensure an efficient and effective organisation.

### Service Performance Outcome Indicators

Service	Indicator	Performance Measure	2019/20 Actual	2020/21 Forecast	2021/22 Target
Governance	Satisfaction	Satisfaction with Council decisions	52%	52%	53%

## 2.6 Service Performance Outcome Indicators

The service performance outcome indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year and included in the 2021/22 Annual Report.

The Performance Statement will also include reporting on prescribed indicators of financial performance and sustainable capacity, which are included in Section 6 of this budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement.

The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

## 2.7 Performance Outcome Indicators – Definitions

Service	Indicator	Performance Measure	Computation
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] x100
		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
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (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
Livestock Exchange	Utilisation	Number of sheep sold through the Hamilton Regional Livestock Exchange	Number of Sheep sold through the Livestock Exchange
Visitor Services	Participation	Number of Visitors to the region	Number of Actual overnight visitors as per National Visitor Survey by Tourism Research Australia.
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.
Waste Collection	Waste diversion	Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and FOGO collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and FOGO collected from kerbside bins / Weight of garbage, recyclables and FOGO collected from kerbside bins] x100
Food Safety	Health and safety	Critical and major non-compliance notifications (Percentage of critical and major non-compliance 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
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 how Council has performed in making decisions in the interests of the community

## 2.8 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Support our Community	8,694	14,614	(5,920)
Develop our Regional Economy and Businesses	1,879	3,824	(1,945)
Plan for our Built Environment	16,143	16,611	(468)
Promote our Natural Environment	3,369	5,004	(1,635)
Provide Governance and Leadership	2,210	4,167	(1,957)
<b>Total services and initiatives</b>	<b>32,295</b>	<b>44,220</b>	<b>(11,925)</b>
<b>Funding sources</b>			
Rates and charges	(22,006)		
Victoria Grants Commission	(7,923)		
Capital grants	(4,162)		
<b>Total funding sources</b>	<b>(34,091)</b>		
<b>Corporate Expenses</b>			
Loan Servicing	99		
<b>Total Corporate Expenses</b>	<b>99</b>		
<b>(Surplus)/Deficit for the year</b>	<b>(1,697)</b>		

### 3. Financial statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the years 2021/22 has been supplemented with projections to 2024/25.

The financial statements are 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

## 3.1 Comprehensive Income Statement

**Budgeted Comprehensive Income Statement**

For the four years ending 30 June 2025

	Forecast Actual 2020/21 \$'000	Budget		Projections	
		2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
<b>Income</b>					
Rates and charges	21,664	21,800	22,127	22,459	22,796
Statutory fees and fines	634	556	562	567	573
User fees	5,391	6,207	6,455	6,713	6,982
Grants - Operating	10,847	12,626	11,030	11,251	11,476
Grants - Capital	5,133	4,162	5,292	3,055	2,125
Contributions - monetary	-	-	-	-	2
Other income	501	665	699	716	734
<b>Total Income</b>	44,170	46,016	46,165	44,762	44,688
<b>Expenses</b>					
Employee costs	(20,267)	(19,096)	(19,669)	(20,259)	(20,867)
Materials and services	(11,691)	(10,053)	(10,304)	(10,562)	(10,826)
Depreciation	(11,084)	(10,907)	(11,052)	(11,052)	(11,052)
Borrowing costs	(126)	(99)	(206)	(209)	(177)
Other expenses	(4,646)	(4,164)	(4,535)	(4,721)	(4,986)
<b>Total Expenses</b>	(47,814)	(44,319)	(45,766)	(46,803)	(47,908)
<b>Surplus/(deficit) for the year</b>	(3,644)	1,697	399	(2,040)	(3,220)
<b>Other comprehensive income</b>					
Items that will not be reclassified to surplus or deficit in future periods:					
Items that may be reclassified to surplus or deficit in future periods	-	-	-	-	-
<b>Total comprehensive result</b>	(3,644)	1,697	399	(2,040)	(3,220)

## 3.2 Balance Sheet

**Budgeted Balance Sheet**

For the four years ending 30 June 2025

	Forecast	Budget	Projections		
	Actual 2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	13,726	7,172	7,225	4,207	3,471
Trade and other receivables	4,432	4,432	2,990	2,880	2,876
Inventories	634	634	640	647	653
Non-current assets classified as held for sale	185	4,185	2,965	1,728	803
Other assets	382	382	382	382	382
<b>Total current assets</b>	<b>19,359</b>	<b>16,805</b>	<b>14,202</b>	<b>9,843</b>	<b>8,185</b>
<b>Non-current assets</b>					
Trade and other receivables	62	62	59	56	53
Property, infrastructure, plant & equipment	357,359	363,081	368,458	369,968	369,980
Investment property	2,300	2,300	2,300	2,300	2,300
<b>Total non-current assets</b>	<b>359,721</b>	<b>365,443</b>	<b>370,817</b>	<b>372,324</b>	<b>372,334</b>
<b>Total assets</b>	<b>379,080</b>	<b>382,248</b>	<b>385,020</b>	<b>382,167</b>	<b>380,518</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	2,565	2,565	3,645	3,744	3,872
Trust funds and deposits	1,478	1,478	1,486	1,494	1,502
Provisions	7,053	7,053	5,229	5,229	5,229
Interest-bearing loans and borrowings	573	529	919	550	752
<b>Total current liabilities</b>	<b>11,669</b>	<b>11,625</b>	<b>11,279</b>	<b>11,017</b>	<b>11,355</b>
<b>Non-current liabilities</b>					
Provisions	3,573	3,573	5,397	5,397	5,397
Interest-bearing loans and borrowings	2,340	3,855	4,750	4,200	5,433
<b>Total non-current liabilities</b>	<b>5,913</b>	<b>7,428</b>	<b>10,147</b>	<b>9,597</b>	<b>10,830</b>
<b>Total liabilities</b>	<b>17,582</b>	<b>19,053</b>	<b>21,426</b>	<b>20,614</b>	<b>22,185</b>
<b>Net assets</b>	<b>361,498</b>	<b>363,195</b>	<b>363,594</b>	<b>361,553</b>	<b>358,333</b>
<b>Equity</b>					
Accumulated surplus	140,040	141,737	142,136	140,095	136,875
Reserves	221,458	221,458	221,458	221,458	221,458
<b>Total equity</b>	<b>361,498</b>	<b>363,195</b>	<b>363,594</b>	<b>361,553</b>	<b>358,333</b>

## 3.3 Statement of Changes in Equity

## Budgeted Statement of Changes in Equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2020/21</b>				
Balance at beginning of the financial year	365,142	143,684	220,976	482
Surplus/(deficit) for the year	(3,644)	(3,644)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
<b>Balance at end of financial year</b>	<b>361,498</b>	<b>140,040</b>	<b>220,976</b>	<b>482</b>
<b>2021/22</b>				
Balance at beginning of the financial year	361,498	140,040	220,976	482
Surplus/(deficit) for the year	1,697	1,697	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
<b>Balance at end of financial year</b>	<b>363,195</b>	<b>141,737</b>	<b>220,976</b>	<b>482</b>
<b>2022/23</b>				
Balance at beginning of the financial year	363,195	141,737	220,976	482
Surplus/(deficit) for the year	399	399	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
<b>Balance at end of financial year</b>	<b>363,594</b>	<b>142,136</b>	<b>220,976</b>	<b>482</b>
<b>2023/24</b>				
Balance at beginning of the financial year	363,594	142,136	220,976	482
Surplus/(deficit) for the year	(2,040)	(2,040)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
<b>Balance at end of financial year</b>	<b>361,553</b>	<b>140,095</b>	<b>220,976</b>	<b>482</b>
<b>2024/25</b>				
Balance at beginning of the financial year	361,553	140,095	220,976	482
Surplus/(deficit) for the year	(3,220)	(3,220)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
<b>Balance at end of financial year</b>	<b>358,333</b>	<b>136,875</b>	<b>220,976</b>	<b>482</b>

## 3.4 Statement of Cash Flows

**Budgeted Statement of Cash Flows**

For the four years ending 30 June 2025

	Forecast	Budget	Projections		
	Actual 2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>					
Rates and charges	21,664	21,800	22,860	22,442	22,770
Statutory fees and fines	634	556	574	567	573
User fees	5,391	6,207	6,601	6,703	6,969
Grants - operating	10,847	12,626	11,395	11,239	11,459
Grants - capital	5,133	4,162	5,467	3,209	2,189
Contributions - monetary	-	-	-	-	2
Interest received	196	175	184	188	193
Trust funds and deposits taken	-	-	8	8	8
Other receipts	305	490	529	527	540
Employee costs	(20,267)	(19,096)	(18,951)	(20,193)	(20,785)
Materials and services	(11,691)	(10,053)	(10,060)	(10,550)	(10,808)
Other payments	(4,646)	(4,164)	(4,424)	(4,707)	(4,963)
<b>Net cash provided by/(used in) operating activities</b>	7,566	12,703	14,183	9,433	8,146
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment	(16,535)	(22,554)	(17,076)	(13,224)	(11,744)
Proceeds from sale of property, infrastructure, plant and equipment	876	1,925	1,866	1,900	1,604
Proceeds from investments	15,200	-	-	-	-
<b>Net cash provided by/(used in) investing activities</b>	(459)	(20,629)	(15,210)	(11,324)	(10,140)
<b>Cash flows from financing activities</b>					
Finance costs	(126)	(99)	(206)	(209)	(177)
Proceeds from borrowings	-	2,000	2,000	-	2,000
Repayment of borrowings	(573)	(529)	(714)	(919)	(565)
<b>Net cash provided by/(used in) financing activities</b>	(699)	1,372	1,080	(1,128)	1,258
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	6,408	(6,554)	53	(3,018)	(736)
Cash and cash equivalents at the beginning of the financial year	7,318	13,726	7,172	7,225	4,207
<b>Cash and cash equivalents at the end of the financial year</b>	13,726	7,172	7,225	4,207	3,471

## 3.5 Statement of Capital Works

## Budgeted Capital Works Statement

For the four years ending 30 June 2025

	Forecast	Budget	Projections		
	Actual 2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
<b>Property</b>					
Land improvements	1,410	1,210	-	-	-
<b>Total land</b>	1,410	1,210	-	-	-
Buildings	1,705	2,548	2,405	3,016	2,425
Building improvements	40	-	-	-	-
<b>Total buildings</b>	1,745	2,548	2,405	3,016	2,425
<b>Total property</b>	3,155	3,758	2,405	3,016	2,425
<b>Plant and equipment</b>					
Heritage plant and equipment	13	-	-	-	-
Plant, machinery and equipment	2,389	1,797	-	-	-
Fixtures, fittings and furniture	-	136	-	-	-
Computers and telecommunications	-	-	435	250	161
Library books	70	70	55	55	55
<b>Total plant and equipment</b>	2,472	2,003	490	305	216
<b>Infrastructure</b>					
Roads	5,116	7,755	5,582	5,582	5,582
Bridges	817	800	940	900	900
Footpaths and cycleways	497	51	51	101	151
Drainage	-	-	2,225	1,325	425
Recreational, leisure and community facilities	721	4,362	3,486	1,855	1,762
Waste management	2,366	-	-	-	-
Parks, open space and streetscapes	389	20	100	25	-
Aerodromes	-	-	40	20	23
Off street car parks	-	-	220	50	30
Other infrastructure	1,002	3,805	1,537	45	230
<b>Total infrastructure</b>	10,908	16,793	14,181	9,903	9,103
<b>Total capital works expenditure</b>	16,535	22,554	17,076	13,224	11,744
<b>Represented by:</b>					
New asset expenditure	5,553	5,697	5,375	1,486	315
Asset renewal expenditure	9,964	16,073	11,601	11,738	10,679
Asset expansion expenditure	-	-	-	-	550
Asset upgrade expenditure	1,018	784	100	-	200
<b>Total capital works</b>	16,535	22,554	17,076	13,224	11,744
<b>Funding sources represented by:</b>					
Grants	5,133	4,162	5,292	3,055	2,125
Contributions	-	-	-	-	2
Council Cash	9,402	18,392	9,784	10,168	7,616
Borrowings	2,000	-	2,000	-	2,000
<b>Total capital works expenditure</b>	16,535	22,554	17,076	13,224	11,744

## 3.6 Statement of Human Resources

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
<b>Staff Expenditure</b>					
Employee Costs – Operating	20,325*	19,166	19,741	20,333	20,943
Employee Costs – Capital	1,547	2,069	2,131	2,195	2,261
<b>Total Staff Expenditure</b>	<b>21,872</b>	<b>21,235</b>	<b>18,996</b>	<b>19,565</b>	<b>20,152</b>
<b>Staff Numbers</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>
Employees	261*	241	241	241	241

A summary of human resource expenditure categorised according to the organisational structure of Council is included below:

Department	Budget 2021/22 \$'000	Permanent Full Time \$'000	Part Time, Casual & Temporary \$'000
1. Support our Community	7,629	3,647	3,982
2. Regional Economy	1,485	817	668
3. Built Environment	4,110	3,256	854
4. Natural Environment	749	426	323
5. Governance	5,193	4,705	488
<b>Total Permanent Staff Expenditure</b>	<b>19,166</b>	<b>12,851</b>	<b>6,315</b>
Capitalised Labour Costs	2,069		
<b>Total Expenditure</b>	<b>21,235</b>		

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

Department	Budget 2021/22 FTE	Permanent Full Time FTE	Part Time, Casual & Temporary FTE
1. Support our Community	87.31	40.00	47.31
2. Regional Economy	15.50	8.00	7.50
3. Built Environment	60.10	50.00	10.10
4. Natural Environment	7.69	4.00	3.69
5. Governance	47.47	42.00	5.47
<b>Total Staff FTE</b>	<b>218.07</b>	<b>144.00</b>	<b>74.07</b>
Capitalised Labour Costs - FTE	22.73		
<b>Total FTE</b>	<b>240.80</b>		

\*These figures include staff employed on a temporary basis under the Working for Victoria Program

## 4. Notes to the Financial Statements

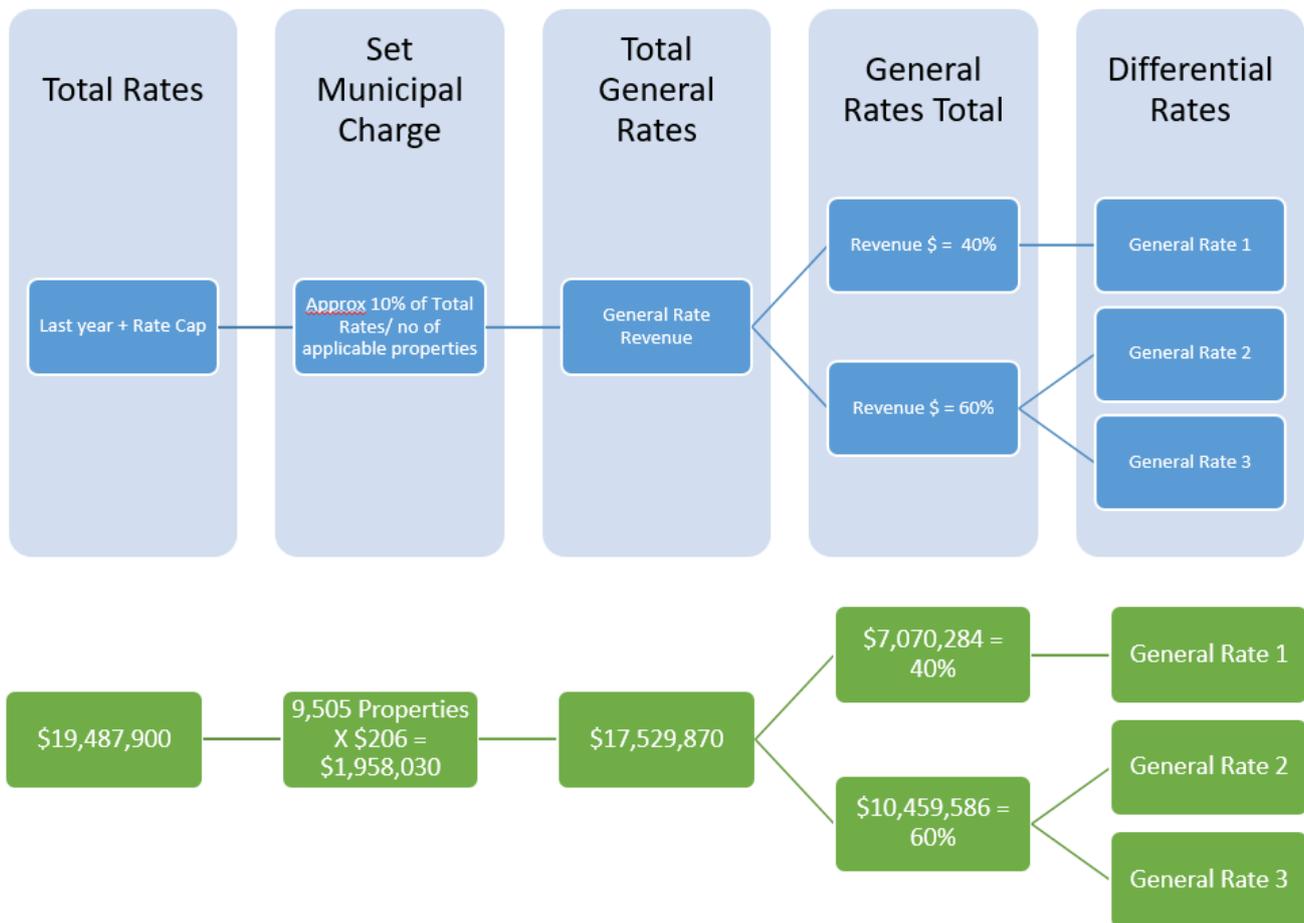
### 4.1 Comprehensive Income Statement

#### 4.1.1 Rates and Charges

Rates and charges are required by the Act and the Regulations to be disclosed in Council’s budget. Council has also prepared a separate document, “Revenue and Rating Plan” which sets out in more detail, information about rating.

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.

The rate increase has been calculated using the following process:



Planning for future rate increases has been an important component of the Strategic Resource Planning process. The State Government have introduced the *Fair Go Rates System* (FGRS) which sets out the maximum amount councils may increase rates in a year. For 2021/22 the FGRS cap has been set at 1.5%. The cap applies to both general rates and municipal charges and is calculated on the basis of Council’s average rates and charges.

In developing the Budget, rates and charges were identified as an important source of revenue, accounting for around half of the total revenue received by Council annually (52% in 2020/21).

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

To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 1.5% in line with the rate cap.

Service charges will not increase this year following the 21%, increase in the last financial year to incorporate an extension of the FOGO waste collection to all developed residential properties within the defined areas and to ensure Council is achieving a cost neutral position for waste management.

This will raise total rates and charges (including kerbside collection) for 2021/22 to \$21,705,860

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

	2020/21	2021/22	Change	
	Forecast Actual \$'000	Budget \$'000	\$'000	%
General Rates – Council	17,199	17,530	331	1.92%
General Rates - Yachaw	4	4	-	-
Municipal Charge	1,913	1,958	45	2.35%
Waste Collection Charge (Compulsory)	2,462	2,218	(244)	(9.91%)
Waste Collection Charge (Voluntary)	86	90	4	4.65%
<b>Total Rates and Charges</b>	<b>21,664</b>	<b>21,800</b>	<b>136</b>	<b>0.63%</b>

#### 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	2020/21 cents/\$CIV	2021/22 cents/\$CIV	Change
General rate 1 for rateable residential properties	0.004180	0.004380	4.79%
General rate 1 for rateable rural properties	0.004180	0.004380	4.79%
General rate 1 for rateable industrial properties	0.004180	0.004380	4.79%
General rate 1 for rateable commercial properties	0.004180	0.004380	4.79%
General rate 2 for rateable rural N/S properties	0.003344	0.002679	(19.89%)
General rate 3 for residential rural properties	0.003344	0.002679	(19.89%)
General rate 3 for rural properties	0.003344	0.002679	(19.89%)
General rate 3 for industrial rural properties	0.003344	0.002679	(19.89%)
General rate 3 for commercial rural properties	0.003344	0.002679	(19.89%)

#### 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	2020/21 \$	2021/22 \$	Change \$	Change %
Residential	6,259,435	6,959,112	699,677	11.17%
Rural	9,978,181	9,523,051	(455,130)	(4.56%)
Industrial	244,276	253,830	9,554	3.91%
Commercial	789,698	793,877	4,179	0.53%
<b>Total amount to be raised by general rates</b>	<b>17,271,590</b>	<b>17,529,870</b>	<b>258,280</b>	<b>1.49%</b>

#### Alternate view - By Rate Code

Type or class of land	2020/21 \$	2021/22 \$	Change \$	Change %
General Rate 1	6,206,287	7,070,284	863,997	13.92%
General Rate 2	361,227	316,143	(45,084)	(12.48%)
General Rate 3	10,704,076	10,143,443	(560,633)	(5.24%)
<b>Total amount to be raised by general rates</b>	<b>17,271,590</b>	<b>17,529,870</b>	<b>258,280</b>	<b>1.49%</b>

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	2020/21 Number	2021/22 Number	Change No.	Change %
Residential	7,314	<b>7,315</b>	1	0.00%
Rural	3,036	<b>3,036</b>	0	0.00%
Industrial	253	<b>253</b>	0	0.00%
Commercial	454	<b>454</b>	0	0.00%
<b>Total number of assessments</b>	11,057	<b>11,058</b>	1	0.00%

4.1.1(e) The basis of valuation to be used is: 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	2020/21 \$	2021/22 \$	Change \$	Change %
Residential	1,562,758,500	<b>1,729,678,500</b>	166,920,000	10.68%
Rural	2,978,276,500	<b>3,539,073,000</b>	560,796,500	18.83%
Industrial	60,359,000	<b>61,865,500</b>	1,506,500	2.50%
Commercial	192,365,900	<b>187,890,500</b>	(4,475,400)	(2.33)%
<b>Total value of land</b>	4,793,759,900	<b>5,518,507,500</b>	724,747,600	15.12%

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 2020/21 \$	Per Rateable Property 2021/22 \$	Change \$	Change %
Municipal	203	<b>206</b>	3	1.5%

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

Type of Charge	2020/21 \$	2021/22 \$	Change \$	Change %
Municipal	1,929,515	<b>1,958,030</b>	28,515	1.48%

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

Type of Charge	Per Rateable Residential Property 2020/21 \$	Per Rateable Residential Property 2021/22 \$	Change \$	Change %
Kerbside Collection – Refuse, Recycling & FOGO	360	<b>360</b>	N/A	N/A
Kerbside Collection – Refuse, Recycling & FOGO (where not previously receiving FOGO collection)	415	<b>N/A</b>	N/A	N/A

#### 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	2020/21 \$	2021/22 \$	Change \$	Change %
Kerbside Collection – Refuse, Recycling & FOGO	478,080	<b>2,217,960</b>		
Kerbside Collection – Refuse, Recycling & FOGO <sup>*See Note</sup> (where not previously receiving FOGO collection)	1,984,115	<b>N/A</b>		
<b>Total</b>	<b>2,462,195</b>	<b>2,217,960</b>	<b>(224,235)</b>	<b>(9.9%)</b>

Note: 2020/21 Fee includes provision of bin in year 1 of service. Charge will then default to standard charge.

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

	2020/21 \$	2021/22 \$	Change \$	Change %
General rates	17,271,590	<b>17,529,870</b>	258,280	1.49%
Municipal charge	1,929,515	<b>1,958,030</b>	28,515	1.48%
<b>Total Rates</b>	<b>19,201,105</b>	<b>19,487,900</b>	<b>286,795</b>	<b>1.49%</b>
Kerbside Collection – Refuse, Recycling & FOGO	2,462,195	<b>2,217,960</b>	<b>(244,235)</b>	<b>(9.9%)</b>
<b>Rates and charges</b>	<b>21,663,300</b>	<b>21,705,860</b>	<b>42,560</b>	<b>0.19%</b>

#### 4.1.1(l) Fair Go Rates System Compliance

Southern Grampians Shire Council is required to comply with the State Governments Fair Go Rates System (FGRS). The table below details the budget assumptions consistent with the requirements of the Fair Go Rates System.

	* 2020/21 \$	2021/22 \$
Total Rates (includes Municipal Charge) – Prior Year	\$18,782,560	\$19,201,106
Number of rateable properties	11,011	11,058
Base Average Rate	\$1,705.64	\$1,736.40
Maximum Rate Increase (set by the State Government)	<b>2.00%</b>	<b>1.50%</b>
Capped Average Rate	\$1,739.75	\$1,762.44
Maximum General Rates and Municipal Charges Revenue	\$19,158,211	\$19,489,123
<b>Budgeted</b>		
General Rates and Municipal Charges Revenue	\$19,111,597	\$19,487,900
Number of rateable properties	11,018	11,058
Average Rate	\$1,734.58	\$1,762.33
Rate Increase	<b>1.70%</b>	<b>1.50%</b>

\*based on ESC return for 2020/21

#### 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 appeals);
- Changes in use of land such that rateable land becomes non-rateable land and vice versa;
- Changes in use of land such that residential land becomes business land and vice versa.

#### 4.1.1(l) Differential rates

##### General Rate 1

A differential general rate of 0.004380 cents in the dollar on the capital improved value of all rateable land in the parishes of North Hamilton and South Hamilton, excluding all farm land which comprises part of a single farm enterprise with an area of 40 hectares or more;

## General Rate 2

A differential general rate of 0.002679 cents in the dollar on the capital improved value of all rateable farm land in the parishes of North Hamilton and South Hamilton and which comprises part of a single farm enterprise with an area of 40 hectares or more;

## General Rate 3

A differential general rate of 0.002679 cents in the dollar on the capital improved value of all other rateable land in the Shire;

## Objective of Differential Rating

Council believes each differential rate will contribute to the equitable and efficient delivery of Council functions. The purpose of levying differential general rates is to recognise the following inherent characteristics and historical circumstances:

- the different standard of municipal services provided to the residents and ratepayers in different areas of the Shire,
- the different range of municipal services available to the residents and ratepayers in different areas of the Shire,
- differences in the accessibility to municipal services for the residents and ratepayers in different areas of the Shire.

### 4.1.1(m) Special Rate – Yatchaw Drainage Authority

A Special Rate of 0.000209 cents in the dollar on the capital improved value of all rateable land in the Yatchaw Drainage Area.

## 4.1.2 Statutory fees and fines

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include such items as building permits, animal registrations and parking fines.

	Forecast 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000	Change %
Building Services	99	72	(27)	(27%)
Environmental Health	98	111	13	13%
Local Laws Operations	194	196	2	1%
Mayor & Councillors	18	0	(18)	(100%)
Rates & Charges	17	20	3	15%
Roads & Streets	8	8	0	0%
Statutory Planning	200	149	(51)	(25%)
<b>Total</b>	<b>634</b>	<b>556</b>	<b>(86)</b>	<b>(14%)</b>

## 4.1.3 User fees

User charges relate to the recovery of service delivery costs through the charges of fees to users of Council services. These include use of leisure, entertainment and other community facilities and the provision of human services such as family day care and home care services.

	Forecast 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000	Change %
Livestock Exchange	1,743	1,757	14	1%
Waste & Transfer Stations	1,068	1,114	46	4%
Hamilton Indoor Leisure & Aquatic Centre	744	1,235	491	66%
Community & Children's Services	942	1,019	77	8%
Cultural Services	104	306	202	194%
Quarry	456	242	(214)	(47%)
Regulatory & Compliance	114	171	56	49%
Other User Fees	221	363	142	64%
<b>Total</b>	<b>5,392</b>	<b>6,208</b>	<b>816</b>	<b>15%</b>

## 4.1.4 Grants - Operating

Operating Grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council services to ratepayers. A list of operating grants by service and source, classified into current & non-recurrent are included below.

Operating Grants	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Variance \$'000	Variance %
<b>Recurrent - Commonwealth Government</b>				
Financial Assistance Grant ( allocated by Victoria Grants Commission)	3,822	7,923	4,101	107%
Community Services (CHSP & HACC PYP)	1,043	1,068	25	2%
Children's Services (Child Care Rebate & Immunisations)	305	336	31	10%
Plant Management (Fuel Tax Credits)	75	100	25	33%
<b>Recurrent - State Government</b>				
Art Gallery (Arts Victoria – Operational Grant)	110	110	0	0%
Community Planning, Engagement & Support (L2P Program)	60	60	0	0%
Environmental Health	15	3	(12)	(80%)
Community Services (HACC)	315	308	(7)	(2%)
Senior Citizen Programs & Support	3	3	0	0%
Library (DEWLP - Public Libraries Funding)	168	170	2	1%
Local Laws Operations (School Crossings)	48	48	0	0%
Maternal & Child Health (Operational Grant)	394	413	19	5%
Emergency Management	60	60	0	0%
Performing Arts Centre (Arts Victoria - Operational Grant)	80	80	0	0%
<b>Total recurrent grants</b>	<b>6,497</b>	<b>10,681</b>	<b>4,185</b>	<b>76%</b>
<b>Non-recurrent - Commonwealth Government</b>				
Economic Development	70	0	(70)	(100%)
Community Support	34	0	(34)	(100%)
Local Roads and Community Infrastructure Program	1,985	1,747	(239)	(12%)
<b>Non-recurrent - State Government</b>				
Community Services	44	25	(19)	(43%)
Economic Development	250	45	(205)	(82%)
Art Gallery	0	20	20	100%
Environmental Sustainability	10	0	(10)	(100%)
Infrastructure	157	20	(137)	(87%)
Flood Recovery	11	0	(11)	(100%)
Library (DEWLP - Public Libraries Funding)	7	8	(1)	(5%)
Local Government Bushfire Grant	50	0	(50)	(100%)
Maternal & Child Health	46	0	(46)	(100%)
Natural Asset Management	73	40	(33)	(45%)
Recreation Development & Support	50	40	(10)	(20%)
Working for Victoria Program	1,564	0	(1,564)	(100%)
<b>Total non-recurrent operating grants</b>	<b>4,350</b>	<b>1,945</b>	<b>(2,405)</b>	<b>(55%)</b>
<b>Total operating grants</b>	<b>10,847</b>	<b>12,626</b>	<b>1,779</b>	<b>16%</b>

## 4.1.5 Grants - Capital

Capital Grants include all money received from State, Federal and Community sources for the purposes of funding the capital works program. A list of capital grants by service and source, classified into current & non-recurrent are included below.

Capital Grants	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Variance \$'000	Variance %
<b>Recurrent - Commonwealth Government</b>				
Roads to Recovery	1,985	1,985	0	0%
<b>Recurrent - State Government</b>	0	0	0	0%
<b>Total recurrent capital grants</b>	1,985	1,985	0	0%
<b>Non-recurrent - Commonwealth Government</b>				
Footpaths & Cycle ways (Dunkeld-Mt Sturgeon Loop Walk)	200	0	(200)	(100%)
Local Roads and Community Infrastructure Program	430	0	(430)	(100%)
<b>Non-recurrent - State Government</b>				
Regional Development Victoria – Dunkeld Visitor Hub	346	135	(191)	(55%)
Pedrina Park - Inclusive Sports Hub	300	0	(300)	(100%)
Emergency Management - Storm Event October 2020	0	750	750	100%
Melville Oval - Facilities Upgrade Project	225	1,123	898	400%
Cox Street` Front Door` Precinct Streetscape	1,200	0	1,200	(100%)
AgriLinks Road Upgrade	448	149	(298)	(67%)
<b>Total non-recurrent capital grants</b>	3,148	2,177	(971)	(22%)
<b>Total capital grants</b>	5,133	4,162	(971)	(44%)

#### 4.1.6 Other Revenue

Other revenue includes Contributions, reimbursements and other minor sources of revenue for various services provided by Council.

Contributions relate to money received from community groups or other bodies to assist in the funding of both capital and operating Projects. A list of Contributions by service and purpose, classified into capital and operating are shown below.

Reimbursements are expenditure that is incurred by Council on behalf of another organisation and then recompensed after the event.

	Forecast 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000	Change %
Interest Revenue	196	176	(20)	(10%)
Donations	0	10	10	100%
Reimbursements	8	46	38	497%
Revenue in Lieu of Rates	183	190	2	1%
Contributions	71	49	(22)	(31%)
Other Operating Revenue	44	195	151	248%
<b>Total</b>	<b>502</b>	<b>665</b>	<b>163</b>	<b>32%</b>

#### 4.1.7 Employee costs

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employer superannuation, rostered days off, etc.

Operational Employee costs are estimated to decrease by \$1.172 million to \$19.096 million compared to 2020/21 forecast Budget (\$20.268m). This amount varies from year to year due to the impact of a number of matters including additional works, resignations, redundancies, recruitment expenses, industrial relations advice and other associated on-costs as the workforce expands and contracts in line with service demands. However the major impact for these two years has been the receipt of funds for the Working for Victoria Program in 2020/21 which is a direct response to the COVID Pandemic from the State Government.

Other factors impacting employee costs are:

- Annual increment under Council's Enterprise Bargaining Agreement (EBA) currently 2%;
- Movement of staff through the banding system; and
- The balance of work carried out between operational projects and capital works.

Employees who work on capital works have their wages and associated on-costs charged to the asset category in the balance sheet of the projects.

	Forecast 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000	Change %
Wages & Salaries (Including casuals & Allowances)	15,312	13,839	(1,473)	(10%)
Public Holidays, Sick, Annual & Long Service Leave	2,589	2,931	342	13%
Superannuation	1,750	1,725	(25)	(1%)
Work Cover Premium & Expenses	505	515	10	2%
Fringe Benefits Tax	112	87	(25)	(22%)
<b>Total</b>	<b>20,268</b>	<b>19,096</b>	<b>(1,172)</b>	<b>(6%)</b>

#### 4.1.8 Materials and services

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

Whilst utility costs continue to escalate, Council has been implementing a number of energy efficient measures which will see the reduction of utilities in some services areas.

	Forecast 2020/21	Budget 2021/22	Change	Change
	\$'000	\$'000	\$'000	%
Contractors	5,841	5,637	(204)	(3%)
Service charges & Consumables	3,552	2,740	(812)	(23%)
Utilities	942	952	10	1%
External Consultants & Professionals	1,356	724	(632)	(47%)
<b>Total</b>	<b>11,691</b>	<b>10,053</b>	<b>(1,638)</b>	<b>(14%)</b>

#### 4.1.9 Bad and doubtful debts

Bad and doubtful debts are negligible for Council.

#### 4.1.10 Depreciation and amortisation

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. Council has estimated the depreciation expense for the 2020/21 year and used this as the basis for the 2021/22 year. This amount is an estimate only as Council constantly re-values assets; however these calculations will not be processed until the end of the 2020/21 financial year.

The majority of the reduction relates to assets which have reached the end of their lives and have been fully depreciated, but still in use.

	Forecast 2020/21	Budget 2021/22	Change	Change
	\$'000	\$'000	\$'000	%
Property, Furniture & Fittings	1,409	1,340	(69)	(5%)
Plant & Equipment	1,169	1,169	0	0%
Infrastructure	7,443	7,422	(21)	0%
Yatchaw Drainage Scheme	6	6	0	0%
Other Assets	1,057	969	(87)	(8%)
<b>Total</b>	<b>11,084</b>	<b>10,907</b>	<b>(177)</b>	<b>(2%)</b>

#### 4.1.11 Borrowing costs

Borrowing costs relate to interest charged by financial institutions on funds borrowed. The reduction in borrowing costs results from the planned reduction in borrowings due to repayment of principal in accordance with loan agreements.

A new loan of \$2 million is incorporated in the 2021/22 budget.

#### 4.1.12 Other items of expense

Other items of expense relate to a range of unclassified items including contributions to community groups, advertising, insurances and other miscellaneous expenditure items.

	Forecast 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000	Change %
Waste Disposal expenses	979	628	(350)	(36%)
Communications & Software licences	917	908	(9)	(1%)
Contributions & Grants to other organisations	714	546	(168)	(24%)
Insurances	612	588	(24)	(4%)
Elected Members	195	195	0	0%
Rates Discount	165	177	13	8%
Audit & Legal	178	161	(17)	(9%)
Other Expenses	887	961	74	8%
<b>Total</b>	<b>4,647</b>	<b>4,164</b>	<b>(482)</b>	<b>(10%)</b>

#### 4.1.13 Adjusted underlying surplus/deficit

The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions, and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result.

The adjusted underlying result for the 2021/22 year is a deficit of \$0.480 million which is an increase of \$6.312 million from the projected 2020/21 year. In calculating the adjusted underlying result, Council has excluded grants received for capital purposes which are non-recurrent or are not matched to operating expenses and capital contributions from other sources. Contributions of non-monetary assets are excluded as the value of assets assumed by Council is dependent on the level of development activity each year.

See Note 4.1.5 for a detailed listing of all capital grants.

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Variance \$'000
Total income	44,170	46,016	1,846
Total expenses	(47,814)	(44,319)	3,495
<b>Surplus (deficit) for the year</b>	<b>(3,644)</b>	<b>1,697</b>	<b>5,341</b>
Grants – capital non-recurrent	(3,148)	(2,177)	971
Contributions - non-monetary assets	0	0	0
Capital contributions - other sources	0	0	0
<b>Adjusted underlying surplus (deficit)</b>	<b>(6,792)</b>	<b>(480)</b>	<b>6,312</b>

## 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 \$6.554 million during the year mainly due to the value of capital works and capital funding received for multiple year projects.

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 and principal and interest debtors for private streets, Kerb & Channel and Footpath Schemes will decrease 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 the land, buildings, roads, vehicles, equipment, etc. which has been built up by Council over many years. The \$3.168 million increase in this balance is attributable to the net result of the capital works program (\$22.554 million of additional asset value), less depreciation of assets (\$10.907 million), sale of industrial land (\$1.625m) and sale of plant and equipment (\$0.300 million) and the transfer of \$5.625m of completed assets transfer to be held for sale.

### 4.2.2 Liabilities

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to remain consistent with 2020/21 levels.

Provisions include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are also expected to remain constant due to more active management of entitlements despite factoring in an increase for Collective Agreement outcomes.

Interest-bearing loans and borrowings are borrowings of Council. Council is budgeting to repay loan principal of \$0.528 million over the year. Council is anticipating borrowing \$2 million in the 2021/22 year.

### 4.2.3 Borrowings

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

	2020/21 \$	2021/22 \$
Total amount borrowed as at 30 June of the prior year	3,486	2,913
Total amount to be borrowed	0	2,000
Total amount projected to be redeemed	(573)	(528)
Total amount proposed to be borrowed as at 30 June	2,913	4,385

### 4.2.4 Working Capital

Working capital is the excess of current assets above current liabilities. This calculation recognises that although Council has current assets, some of those assets are already committed to the future settlement of liabilities in the following 12 months, and are therefore not available for discretionary spending.

Council anticipates to have working capital at year end 2021/22 of \$5.516 million (current assets \$17.185 million less current liabilities \$11.669 million). Council will need to manage its cash payments and receipts carefully to maintain a positive cash balance. It should be noted that \$5.810m of this is land held for sale and may take several years to convert to cash.

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.

### 4.3 Statement of Changes in Equity

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

- Asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations; and
- Other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council to be separately disclosed.

	Forecast 2020/21 \$'000	Budget 2021/22 \$'000	Variance \$'000
Accumulated Surplus	140,040	141,737	1,697
Reserve – Asset Revaluation	220,976	220,976	0
Reserve – Open Space/Subdividers Contributions	287	287	0
Reserve – Parking Development	98	98	0
Reserve – Drainage Headworks	97	97	0
	<b>361,498</b>	<b>363,195</b>	1,697

Subdividers Contributions are in lieu of provision of recreational land within a subdivision. These funds are used to develop strategically located parks and reserves for the benefit of residents in the general area, as provided in the Subdivision Act 1988 and Planning and Environment Act 1987.

The Parking Development Reserve is in lieu of provision of off-site parking as part of a development. These funds are used for the purchase and development of public access parking in the general area.

The Drainage Headworks Reserve is in lieu of meeting the cost to develop, upgrade and/or renew drainage infrastructure downstream of any subdivision development, a charge is levied on subdivision developers.

## 4.4 Statement of Cash Flows

### 4.4.1 Operating activities

The increase in cash inflows from operating activities is due mainly to increases in operating grants and capital grants.

The net cash flows from operating activities does not equal the surplus (deficit) for the year as the expected revenues and expenses of the Council include non-cash items which have been excluded from the Cash Flow Statement. The budgeted operating result is reconciled to budgeted cash flows available from operating activities as set out in the following table.

	Forecast 2020/21 \$'000	Budget 2021/22 \$'000	Variance \$'000
<b>Surplus (deficit) for the year</b>	<b>(3,644)</b>	<b>1,697</b>	5,341
Depreciation	11,084	10,907	(177)
Loss (gain) on disposal Assets	0	0	0
Loss on impairment of Assets	0	0	0
Net movement in current assets and liabilities	126	99	(27)
<b>Cash flows available from operating activities</b>	<b>7,566</b>	<b>12,703</b>	5,137

### 4.4.2 Investing activities

The increase in payments for investing activities (\$20.170 million) represents the planned increase in net capital works expenditure which in a number of high value assets and the movement of \$15.200 million to cash at bank to fund these activities

Proceeds from the sale of assets are forecast to increase by \$1.049 million, and includes the commencement of sales from the Hamilton Industrial Estate commence.

### 4.4.3 Financing activities

For 2021/22 the total of principal repayments is projected to be \$0.528 million and finance charges are projected to be \$0.099 million. Council is also budgeting to take up a new loan of \$2 million.

### 4.4.4 Cash and cash equivalents at end of the year

Overall, total cash and investments is forecast to decrease by \$6.554 million to \$7.172 million as at 30 June 2022, reflecting Council's strategy of using cash and investments to enhance existing and create new infrastructure before borrowing.

#### 4.4.5 Restricted and unrestricted cash and investments

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 2022 it will have cash and investments of \$5.927 million, which has been restricted as shown in the following table.

There are also a number of discretionary reserves which Council desires to have backed by cash, however there is no requirement to do so.

	Forecast 2020/21 \$'000	Budget 2021/22 \$'000	Variance \$'000
<b>Total cash and investments</b>	<b>13,726</b>	<b>7,172</b>	<b>(6,554)</b>
Restricted cash and investments			
- Statutory reserves	287	287	0
- Trust funds and deposits	530	530	0
<b>Unrestricted cash and investments</b>	<b>12,909</b>	<b>6,355</b>	<b>(6,554)</b>
<b>Discretionary Reserves/Funds</b>			
- Discretionary reserves – See Note 4.3	195	195	0
- Sir Irving Benson Bequest	656	656	0
- Defined Benefit Shortfall	2,000	2,000	0
- Landfill Rehabilitation	500	500	0
- Long Service Leave Entitlement	3,000	3,000	0
<b>Total Discretionary Reserves/Funds</b>	<b>6,351</b>	<b>6,351</b>	<b>0</b>
<b>Unrestricted cash adjusted for discretionary Reserves</b>	<b>6,558</b>	<b>4</b>	<b>(6,554)</b>

##### 4.4.5a Statutory Reserves

These funds must be applied for specified statutory purposes in accordance with various legislative requirements. While these funds earn interest revenues for Council, the funds are not available for other purposes.

##### 4.4.5b Trust Funds & Deposits

These funds must be applied for specified statutory purposes in accordance with various legislative requirements. While these funds earn interest revenues for Council, the funds are not available for other purposes.

##### 4.4.5c Discretionary reserves/Funds

These funds are shown as discretionary reserves as, 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 should be used for those earmarked purposes. Each of these reserves/funds are backed by cash investments.

Council may need to utilise the defined benefit shortfall funds until land sales are realised for the industrial estate.

##### 4.4.5d Unrestricted cash adjusted for discretionary reserves

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.

## 4.5 Capital Works Program

### 4.5.1 Funding sources

Sources of Funding	Forecast 2020/21 \$'000	Budget 2021/22 \$'000	Variance \$'000	Variance %
Grants	5,133	4,162	(971)	
Contributions	0	0	0	
Reimbursements	0	0	0	
Borrowings	0	2,000	2,000	
Council cash				
- proceeds from sale of assets	876	1,925	1,049	
- reserve cash and investments (Statutory)	0	0	0	
- reserve cash and investments (Discretionary)	0	0	0	
- unrestricted cash and investments	10,526	14,467	3,941	
<b>Total funding sources</b>	<b>16,535</b>	<b>22,554</b>	<b>6,019</b>	

#### 4.5.1a Grants

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Council is anticipating government grant funding from Roads to Recovery for local roads, \$1.123 for Melville Oval, \$155k for Dunkeld Visitor Precinct, \$149k completion of Agrilinks road upgrade and \$750k for restorative works from a storm event in October 2020.

#### 4.5.1b Council cash - proceeds from sale of assets

Proceeds from sale of assets include construction fleet and motor vehicle sales.

#### 4.5.1c Council cash - unrestricted cash and investments

In addition to reserve investments, Council has uncommitted cash and investments which represent unrestricted cash and investments.

5. Detailed capital works

	Carry Forward/ Continuing	New Project	Renewal	Upgrade	New	Expansion	Grants	Contrib/Reimb/ Sales	Council Cash
<b>Property</b>									
<b>Land Improvements</b>									
Hamilton Industrial Land Development	1,210,088	-	-	-	1,210,088	-	-	-	1,210,088
Hamilton Industrial Land Sales	-	-	-	-	-	-	-	1,625,000	(1,625,000)
	<b>1,210,088</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>1,210,088</b>	<b>-</b>	<b>0</b>	<b>1,625,000</b>	<b>(414,912)</b>
<b>Buildings</b>									
Dunkeld Visitor Hub	1,000,000	0	1,000,000	-	-	-	154,500	-	845,500
Melville Oval - Facilities Upgrade Project	2,302,341	0	0	2,302,341	-	-	1,123,055	-	1,179,286
HILAC Floor Resurfacing	-	10,000	10,000	-	-	-	-	-	10,000
HILAC - corridor floor covering replacement	-	30,000	30,000	-	-	-	-	-	30,000
Hamilton Livestock Exchange - Cattle Yard Roof	-	15,000	0	-	15,000	-	-	-	15,000
Hamilton Livestock Exchange - Recladding Circular sale building	-	15,000	15,000	-	-	-	-	-	15,000
Hamilton Livestock Exchange - Toilet Port Fairy Road - south end of Pens	-	15,000	0	-	-	15,000	-	-	15,000
Hamilton Transfer Station - Re-use Shed	-	35,000	0	-	35,000	-	-	-	35,000
Market Place - Roof renewal and various restoration works	-	361,200	361,200	-	-	-	-	-	361,200
Martin Hynes Auditorium - roof and window renewal	-	327,800	327,800	-	-	-	-	-	327,800
Silvester Oval - Football Pavilion - various renewal works	-	137,000	137,000	-	-	-	-	-	137,000
Silvester Oval - Netball Pavilion - various renewal works	-	42,000	42,000	-	-	-	-	-	42,000
	<b>3,302,341</b>	<b>988,000</b>	<b>1,923,000</b>	<b>2,302,341</b>	<b>50,000</b>	<b>15,000</b>	<b>1,277,555</b>	<b>-</b>	<b>3,012,786</b>
<b>Building Improvements</b>									
HILAC - Air Control System	-	35,000	35,000	-	-	-	-	-	35,000
HILAC - Fountain VSD replacement	-	7,000	7,000	-	-	-	-	-	7,000
Hamilton Livestock Exchange - Replacement of Stove in Canteen Kitchen	-	14,000	14,000	-	-	-	-	-	14,000
	<b>-</b>	<b>56,000</b>	<b>56,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>56,000</b>
<b>Total Property</b>	<b>4,512,429</b>	<b>1,044,000</b>	<b>1,979,000</b>	<b>2,302,341</b>	<b>1,260,088</b>	<b>15,000</b>	<b>1,277,555</b>	<b>1,625,000</b>	<b>2,653,874</b>
<b>Plant &amp; Equipment</b>									
<b>Plant Machinery &amp; Equipment</b>									
Light Fleet Renewals	-	995,000	995,000	-	-	-	-	300,000	695,000
Plant Replacement - Hook Truck	320,000	0	320,000	-	-	-	-	-	320,000
Plant Replacement - Truck - Patching	350,000	0	350,000	-	-	-	-	-	350,000
Plant Replacement - Street Tree Chipper	-	100,000	0	-	100,000	-	-	-	100,000
	<b>670,000</b>	<b>1,095,000</b>	<b>1,665,000</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>0</b>	<b>300,000</b>	<b>1,465,000</b>
<b>Computers &amp; Telecommunications</b>									
Contract Management Software	-	50,000	50,000	-	-	-	-	-	50,000
	<b>-</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>50,000</b>
<b>Library Books</b>									
Library Books	-	55,000	55,000	-	-	-	-	-	55,000
	<b>-</b>	<b>55,000</b>	<b>55,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>55,000</b>
<b>Art Collection</b>									
AAR - Art Collection	-	15,000	0	-	15,000	-	-	-	15,000
	<b>-</b>	<b>15,000</b>	<b>0</b>	<b>-</b>	<b>15,000</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>15,000</b>
<b>Total Plant &amp; Equipment</b>	<b>670,000</b>	<b>1,215,000</b>	<b>1,770,000</b>	<b>-</b>	<b>115,000</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>1,585,000</b>

	Carry Forward/ Continuing	New Project	Renewal	Upgrade	New	Expansion	Grants	Contrib/Reimb/ Sales	Council Cash
<b>Infrastructure</b>									
<b>Roads</b>									
RTR Funding							1,985,289	-	(1,985,289)
Storm Event October 2020 - Restration Works	1,000,000	-	1,000,000	-	-	-	750,000	-	250,000
Heavy Vehicle Route	-	500,000	-	500,000	-	-	-	-	500,000
	<b>1,000,000</b>	<b>500,000</b>	<b>1,000,000</b>	<b>500,000</b>	-	-	<b>2,735,289</b>	-	<b>750,000</b>
<b>Rural Road Rehabilitations</b>									
AgriLinks Road Upgrade_Cavendish-Coleraine Road (6550m - 8450m)	660,000	-	-	660,000	-	-	149,167	-	510,833
Victoria Point Road (13755 - 18950)	-	520,000	520,000	-	-	-	-	-	520,000
	<b>660,000</b>	<b>520,000</b>	<b>520,000</b>	<b>660,000</b>	-	-	<b>149,167</b>	-	<b>1,030,833</b>
<b>Urban Road Rehabilitations</b>									
North Boundary Rd (03126 - 03337) (Width Change - McArthur)	-	37,136	37,136	-	-	-	-	-	37,136
Branxholme-Byaduk Rd (10515 - 12525) (9.52 Kinghorns - Seal Change)	-	226,125	226,125	-	-	-	-	-	226,125
Branxholme-Byaduk Rd (2000 - 2580) (1.39 Toms - Wallacedale North-Hamilton)	-	54,810	54,810	-	-	-	-	-	54,810
Branxholme-Byaduk Rd (2580 - 3800) (Wallacedale North-Hamilton - Seal Change)	-	137,250	137,250	-	-	-	-	-	137,250
Branxholme-Byaduk Rd (7410 - 7605) (Seal Change - Seal Change)	-	21,938	21,938	-	-	-	-	-	21,938
Cavendish Coleraine Rd (8450 - 10245) (8.57 H Hufs - 9.97 Red Rd)	-	199,918	199,918	-	-	-	-	-	199,918
Petschells La (3720 - 5810) (Mibus - Hamilton Chatsworth Rd)	-	197,505	197,505	-	-	-	-	-	197,505
South Boundary Rd (3033 - 3820) (Surface Change - Rifle)	-	146,087	146,087	-	-	-	-	-	146,087
Twomeys Bridge Rd (2470 - 4720) (Gellerts Rd - Seal Change)	-	212,625	212,625	-	-	-	-	-	212,625
Twomeys Bridge Rd (4720 - 5100) (Seal Change - Pave Change)	-	35,910	35,910	-	-	-	-	-	35,910
South Boundary Rd (1270 - 1815) (Portland Rd - Seal Change)	-	66,000	66,000	-	-	-	-	-	66,000
Petschells La Hamilton (350 - 1170) (0.42 Rippon St - Margaret Rd) (1170 - 1440) (Margaret Rd - Kannenbergs)	-	283,500	283,500	-	-	-	-	-	283,500
Hamilton Chatsworth Rd Pt 1 (3555 - 4270) (Seal Change - Tarrington)	-	363,150	363,150	-	-	-	-	-	363,150
	-	<b>3,021,954</b>	<b>2,701,954</b>	<b>1,320,000</b>	-	-	-	-	<b>4,043,620</b>
<b>Rural Road Reseals</b>									
Partridges Road Hamilton 3545 - 3745	-	5,700	5,700	-	-	-	-	-	5,700
Nigretta Road Hamilton 2570 - 4505	-	95,783	95,783	-	-	-	-	-	95,783
Mt Napier Road Byaduk North 9140 - 9600	-	22,426	22,426	-	-	-	-	-	22,426
Gellerts Road Yatchaw 790 - 1800	-	31,057	31,057	-	-	-	-	-	31,057
Loats Road Yulecart 0 - 715	-	19,841	19,841	-	-	-	-	-	19,841
Loats Road Yulecart 2665 - 3000	-	13,066	13,066	-	-	-	-	-	13,066
Quigleys Road Wannon 0 - 1185	-	38,217	38,217	-	-	-	-	-	38,217
McGregors Road Wannon 0 - 460	-	11,040	11,040	-	-	-	-	-	11,040
Brung Brungle Road Wannon 0 - 790	-	20,737	20,737	-	-	-	-	-	20,737
Chrome Road Branxholme 4885 - 7730	-	82,137	82,137	-	-	-	-	-	82,137
Murndal-Branxholme Road Branxholme 5355 - 11095	-	81,187	81,187	-	-	-	-	-	81,187
Yarramyjup Road Balmoral 0 - 3640	-	118,523	118,523	-	-	-	-	-	118,523
Caramut-Glenthompson Road Nareeb 12090 - 14870	-	134,587	134,587	-	-	-	-	-	134,587
Caramut-Glenthompson Road Glenthompson 18090 - 34955	-	560,760	560,760	-	-	-	-	-	560,760
Cavendish-Coleraine Road Melville Forest 11235 - 12820	-	45,173	45,173	-	-	-	-	-	45,173
Back Road Mirranatwa 0 - 3310	-	94,336	94,336	-	-	-	-	-	94,336
Middletons Crossing Road Victoria Valley 3280 - 5300	-	56,056	56,056	-	-	-	-	-	56,056
	-	<b>1,430,626</b>	<b>1,430,626</b>	-	-	-	-	-	<b>1,430,626</b>

	Carry Forward	New Project	Renewal	Upgrade	New	Expansion	Grants	Contrib/Reimb/Sales	Council Cash
<b>Urban Road Reseals</b>									
Kenny Street Hamilton 0 - 1821	-	104,267	104,267	-	-	-	-	-	104,267
Andrews Street Hamilton 0 - 526	-	29,920	29,920	-	-	-	-	-	29,920
West Boundary Road Hamilton 90 - 1430	-	50,610	50,610	-	-	-	-	-	50,610
McPhee Street Hamilton 0 - 644	-	31,547	31,547	-	-	-	-	-	31,547
Miller Crescent Hamilton 0 - 145	-	6,503	6,503	-	-	-	-	-	6,503
Kent Road Hamilton 1557 - 1951	-	23,560	23,560	-	-	-	-	-	23,560
Mason Court Hamilton 0 - 134	-	6,446	6,446	-	-	-	-	-	6,446
King Street Extension Hamilton 0 - 54	-	4,213	4,213	-	-	-	-	-	4,213
Alexandra Parade Reverse Hamilton 210 - 645	-	31,910	31,910	-	-	-	-	-	31,910
Millman Street Hamilton 0 - 106	-	6,477	6,477	-	-	-	-	-	6,477
Ballarat Road S/R Forward Hamilton 485 - 2198	-	9,374	9,374	-	-	-	-	-	9,374
Jessop Street Hamilton 0 - 65	-	4,310	4,310	-	-	-	-	-	4,310
Riley Street Hamilton 0 - 442	-	31,890	31,890	-	-	-	-	-	31,890
Grosvenor Place Hamilton 0 - 144	-	5,710	5,710	-	-	-	-	-	5,710
Chelsea Place Hamilton 0 - 85	-	3,814	3,814	-	-	-	-	-	3,814
Clifford Street Hamilton 0 - 133	-	5,620	5,620	-	-	-	-	-	5,620
Wells Street Hamilton 0 - 133	-	5,706	5,706	-	-	-	-	-	5,706
College Street Hamilton 0 - 202	-	12,210	12,210	-	-	-	-	-	12,210
Condon Court Hamilton 0 - 173	-	10,457	10,457	-	-	-	-	-	10,457
Casuarina Court Hamilton 0 - 124	-	4,513	4,513	-	-	-	-	-	4,513
Mt Baimbridge Road Hamilton 1085 - 1996	-	40,483	40,483	-	-	-	-	-	40,483
Officer Street Hamilton 360 - 760	-	15,600	15,600	-	-	-	-	-	15,600
Pierrepoint Street Hamilton 0 - 137	-	4,720	4,720	-	-	-	-	-	4,720
Francis Street Forward Hamilton 0 - 299	-	26,431	26,431	-	-	-	-	-	26,431
McLeod Street Coleraine 0 - 1251	-	112,676	112,676	-	-	-	-	-	112,676
Laidlaw Street Coleraine 420 - 810	-	16,250	16,250	-	-	-	-	-	16,250
Pilleau Street Coleraine 0 - 200	-	4,680	4,680	-	-	-	-	-	4,680
Young St Coleraine 387 - 495	-	3,000	3,000	-	-	-	-	-	3,000
Pilleau Street Coleraine 280 - 883	-	59,693	59,693	-	-	-	-	-	59,693
Wyndham Street Branxholme 230 - 446	-	5,194	5,194	-	-	-	-	-	5,194
Best Street Branxholme 228 - 445	-	8,323	8,323	-	-	-	-	-	8,323
Railway Avenue Branxholme 0 - 288	-	6,740	6,740	-	-	-	-	-	6,740
Scott Street Branxholme 0 - 680	-	16,796	16,796	-	-	-	-	-	16,796
	-	<b>709,643</b>	<b>709,643</b>	-	-	-	-	-	<b>709,643</b>
<b>Final Seals</b>									
Mill Rd Hamilton 30 - 1320	-	71,596	71,596	-	-	-	-	-	71,596
Hamilton Chatsworth Rd Tarrington 4900 - 6250	-	73,913	73,913	-	-	-	-	-	73,913
Featherstonhaugh Rd Muntham 0 - 2295	-	70,571	70,571	-	-	-	-	-	70,571
Caramut Glenthompson Rd Glenthompson 15710 - 32240	-	159,586	159,586	-	-	-	-	-	159,586
	-	<b>375,666</b>	<b>375,666</b>	-	-	-	-	-	<b>375,666</b>
<b>Gravel Road Resheets</b>									
Old Adelaide Rd (4507-5507) (Victoria Point Rd - Change) (5507-6507)	-	98,800	98,800	-	-	-	-	-	98,800
Kurtzes Rd (0-240) (Hamilton-Chatsworth Rd - Start Seal) (310 - 810) (End Seal - w/ Schultz Rd)	-	28,120	28,120	-	-	-	-	-	28,120
Kinnanes Rd (0-830) (Hensley Park Rd - E Gibbons Rd)	-	25,232	25,232	-	-	-	-	-	25,232
	-	<b>152,152</b>	<b>152,152</b>	-	-	-	-	-	<b>152,152</b>
<b>Kerb &amp; Channel</b>									
Kerb & Channel	-	225,000	225,000	-	-	-	-	-	225,000
	<b>1,660,000</b>	<b>6,095,040</b>	<b>6,595,040</b>	<b>1,160,000</b>	-	-	<b>2,884,456</b>	-	<b>4,870,584</b>

	Carry Forward/ Continuing	New Project	Renewal	Upgrade	New	Expansion	Grants	Contrib/Reimb/ Sales	Council Cash
<b>Bridges &amp; Culverts</b>									
Blackwood Rd Bridge (30204) - Widening guard fence	-	250,000	-	250,000	-	-	-	-	250,000
Mokanger Road (02175) Bridge - Corrosion prevention	-	126,000	126,000	-	-	-	-	-	126,000
Robsons Road (1855) Grange Burn - Bridge - Guard rail installation	-	50,000	50,000	-	-	-	-	-	50,000
Glendinning Road (00085) Green Creek - Bridge - Corrosion prevention	-	122,850	122,850	-	-	-	-	-	122,850
Hyde Park Road (0330) Dundas River - Bridge - Corrosion prevention	-	94,500	94,500	-	-	-	-	-	94,500
Mt Napier Rd Grange Burn Bridge (14254) - Guard rail installation	-	56,650	56,650	-	-	-	-	-	56,650
Twomeys Bridge Road (05000) Bridge	-	100,000	100,000	-	-	-	-	-	100,000
	<b>100,000</b>	<b>700,000</b>	<b>550,000</b>	<b>250,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>800,000</b>
<b>Footpaths &amp; Cycleways</b>									
Footpath - Annual Budget	-	51,000	51,000	-	-	-	-	-	51,000
	<b>-</b>	<b>51,000</b>	<b>51,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,000</b>
<b>Recreational, Leisure &amp; Community Facilities</b>									
Pedrina Park - Netball Courts	-	1,600,000	1,600,000	-	-	-	-	-	1,600,000
Pedrina Park - Soccer Drainage	-	450,000	450,000	-	-	-	-	-	450,000
	<b>-</b>	<b>2,050,000</b>	<b>2,050,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,050,000</b>
<b>Waste Management</b>									
Waste Options Implementation	600,000	-	-	-	600,000	-	-	-	600,000
Hamilton Landfill - Leachate Bores and Pumps	-	75,000	-	-	75,000	-	-	-	75,000
	<b>600,000</b>	<b>75,000</b>	<b>-</b>	<b>-</b>	<b>675,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>675,000</b>
<b>Parks, Open Space &amp; Streetscapes</b>									
Cox Street 'Front Door' Precinct	3,400,000	-	-	3,400,000	-	-	-	-	3,400,000
Hewitt Park - Vegetation Offset site	-	20,000	-	-	20,000	-	-	-	20,000
	<b>3,400,000</b>	<b>20,000</b>	<b>-</b>	<b>3,400,000</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,420,000</b>
<b>Other Infrastructure</b>									
Lake Hamilton - Dam Wall Reinstatement	130,000	-	130,000	-	-	-	-	-	130,000
Livestock Exchange - Road Underpass	200,000	-	-	-	200,000	-	-	-	200,000
Livestock Exchange - Water Tank	-	32,000	-	-	-	32,000	-	-	32,000
	<b>330,000</b>	<b>32,000</b>	<b>130,000</b>	<b>-</b>	<b>200,000</b>	<b>32,000</b>	<b>-</b>	<b>-</b>	<b>362,000</b>
<b>Total Infrastructure</b>	<b>6,090,000</b>	<b>9,023,040</b>	<b>9,376,040</b>	<b>4,810,000</b>	<b>895,000</b>	<b>32,000</b>	<b>2,884,456</b>	<b>-</b>	<b>12,228,584</b>
<b>Total Capital Works</b>	<b>11,272,429</b>	<b>11,282,040</b>	<b>13,125,040</b>	<b>7,112,341</b>	<b>2,270,088</b>	<b>47,000</b>	<b>4,162,011</b>	<b>1,925,000</b>	<b>16,467,458</b>
	<b>22,554,469</b>			<b>22,554,469</b>			<b>22,554,469</b>		

## 6. Financial performance indicators

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

Indicator	Measure	Notes	Forecast Actual 2020/21	Budget 2021/22	Strategic Resource Plan Projections			Trend +/-
					2022/23	2023/24	2024/25	
<b>Operating position</b>								
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	(16.6%)	(1.1%)	(6.8%)	(7.1%)	(7.5%)	o
<b>Liquidity</b>								
Working Capital	Current assets / current liabilities	2	166%	145%	126%	89%	72%	-
Unrestricted cash	Unrestricted cash / current liabilities		111%	55%	57%	31%	23%	-
<b>Obligations</b>								
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	13%	20%	26%	21%	27%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		3%	3%	4%	5%	3%	+
Indebtedness	Non-current liabilities / own source revenue		21%	25%	34%	32%	35%	+
Asset renewal	Asset renewal expenses / Asset depreciation	4	99%	155%	106%	106%	98%	o
<b>Stability</b>								
Rates concentration	Rate revenue / adjusted underlying revenue	5	53%	50%	51%	50%	50%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality							
<b>Efficiency</b>								
Expenditure level	Total expenses/ No. of property assessments							
Revenue level	Total rate revenue / No. of property assessments							
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year							

Key to Forecast Trend:

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

**Notes to indicators –**

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

**2. Working Capital** – The proportion of current liabilities represented by current assets. Working capital is forecast to decrease in 2021/22 after a high levels in past years. This decrease is to fund the capital program. The trend in later years is declining to a lower than acceptable level. It should also be noted that Council holds land held for resale which is classified as a current asset, but make take a number of years to convert to cash.

**3. Debt compared to rates** - Trend indicates Council is balancing debt against its annual rate revenue as a planned lever to allow additional capital investment whilst maintaining a conservative percentage of borrowing. Currently, Council debt is only 13%, rising to 26% at the end of 2024/25 of rate revenue which is well below the prudential level of 80%.

**4. Asset renewal** - This percentage indicates the extent of Council's renewal of assets against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates 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.

This indicator shows Council generally investing above its requirement, however these amounts are reliant upon substantial grant funding which may not be achievable.

Generally over the longer term, Council has been achieving around 80% of its renewal target, however, some of the renewal gap is absorbed into asset upgrade and expansion works. Council is also reviewing its asset portfolio to reveal any assets that are not required to be renewed which are inflating the required renewal target and incurring depreciation charges.

**5. Rates concentration** - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates Council is continuing to be reliant on rate revenue compared to all other revenue sources.