



# Draft Budget

2022/23 – 2025/26

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## Mayor's introduction

*On behalf of your elected Council, it is with pleasure that I present the 2022/23 budget to the community of Southern Grampians Shire.*

*The past 12 months has seen Council finalise their new Council Vision 2041, the Council Plan 2021-2025, Municipal Public Health and Wellbeing Plan 2021-2025 and its first Long Term Financial Plan 2021-2031. These documents are all required under the Local Government Planning and Reporting Framework and provide excellent reading to see how we are shaping Southern Grampians. These documents have been further enhanced by the development of a Community Investment Plan to assist with advocacy work with the Victorian and Commonwealth Governments in and endeavour to achieve awareness and funding of our community's immediate priorities.*

*Council continues to be impacted by COVID, however services are becoming more adaptable and flexible to meet the changing community needs.*

*The Local Roads and Community Infrastructure Program has continued to provide additional capital funding for new projects in addition to Councils existing budget. These four funding rounds have now provided \$9.6m over a four year period.*

*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 2022/23 budget includes a number of key initiatives identified in the Council Plan 2021-2025:*

- *Complete construction of the serviced industrial land on Port Fairy Road and commence sales,*
- *Develop a new Cultural Arts Strategy for the Shire to direct Council investment and deliver integrated programming across all townships and enrich community and civic life,*
- *Completing a Small Towns Strategy to provide clear direction on future planning and infrastructure priorities in each of the smaller towns within the Shire,*
- *Progress the new Hamilton Art Gallery Project, and*
- *Complete detailed design of CBD as per adopted masterplan (2020) to enable construction in future years (subject to funding)*

*Council has proposed rates to increase by 1.75% (rate cap has been set by the Minister for Local Government at 1.75%).*

*The total Capital Works program of over \$29.4 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*
- *Progress with the construction of an Intergenerational Playground at the Hamilton Botanic Gardens,*
- *Progress the redevelopment of the Melville Oval Precinct, 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 2022/23 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 2022/23 which is aligned to the vision in the Council Plan 2021-25. 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 deficit of \$1.870 million for 2022/23. It should be noted that the adjusted underlying result is a deficit of \$6.135m when adjusting for non-recurrent capital grants or contributions of \$4.265m.

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.

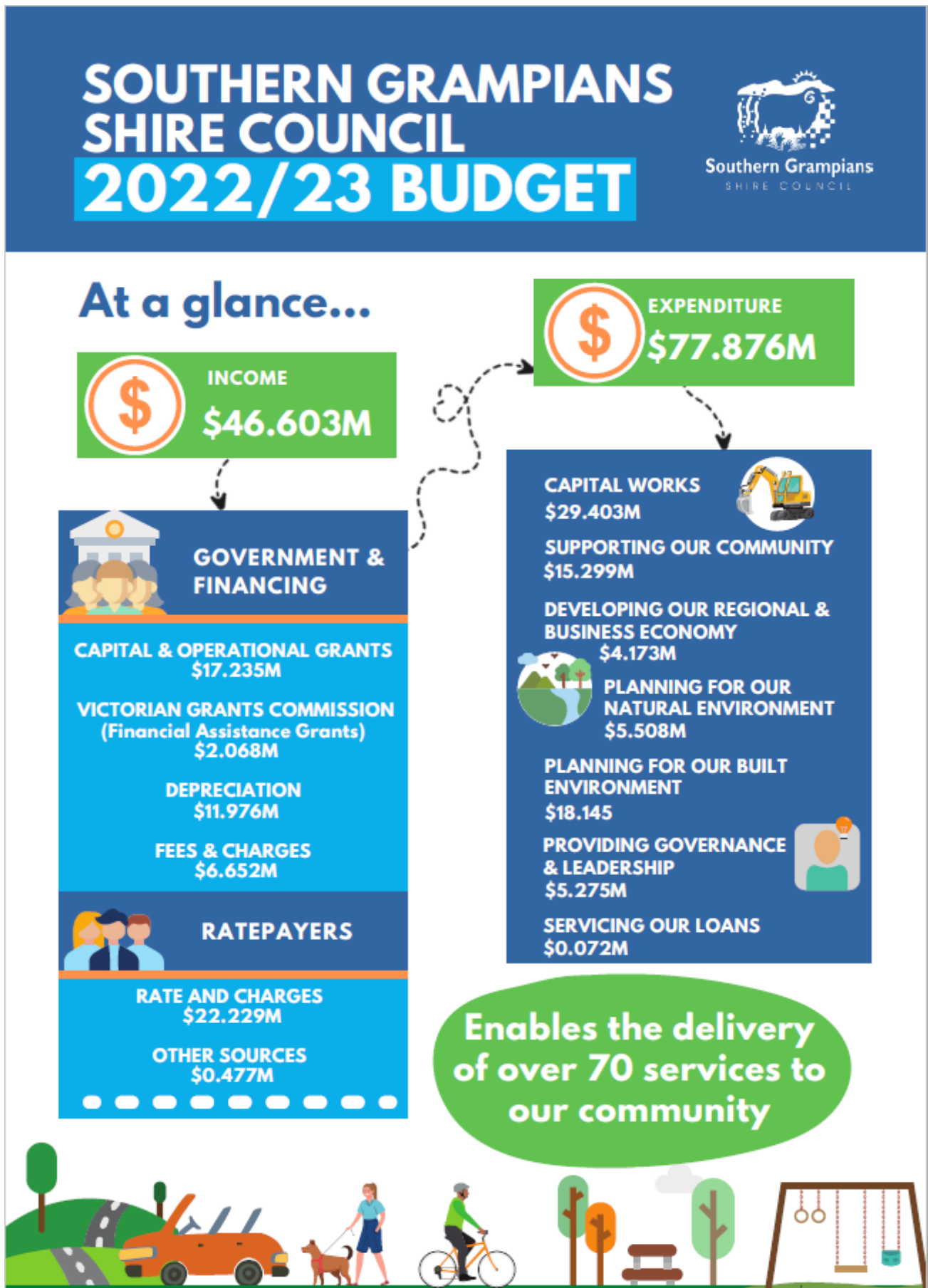
This section includes the following reports and statements in accordance with the Local Government Acts of 1989 and 2020 (where applicable) and the Local Government Model Budget.

- 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?



E2. Council Expenditure and Sources of Revenue



## 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 2022/23 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. This budget includes recognition of the prepayment of 75% of the 2022/23 allocation in the 2021/22 financial year.
- 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 resulted in Council resolving to transition away from service provision in all home support services. Timeframes are still unknown, and therefore budget levels indicate a continuity of service to ensure care to our community. Council will then review the role it plays in the overall health and wellbeing of all residents and visitors.
- 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 1.75% for 2022/23.
- 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 2022/23 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 2021/22 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 2021/22 to be preserved.
- Operating revenues and expenses arising from completed 2021/22 capital projects to be included.

Cost escalations for the preparation of the 2022/23 budget onwards include:

- Rate revenue to be projected up 1.75% 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.

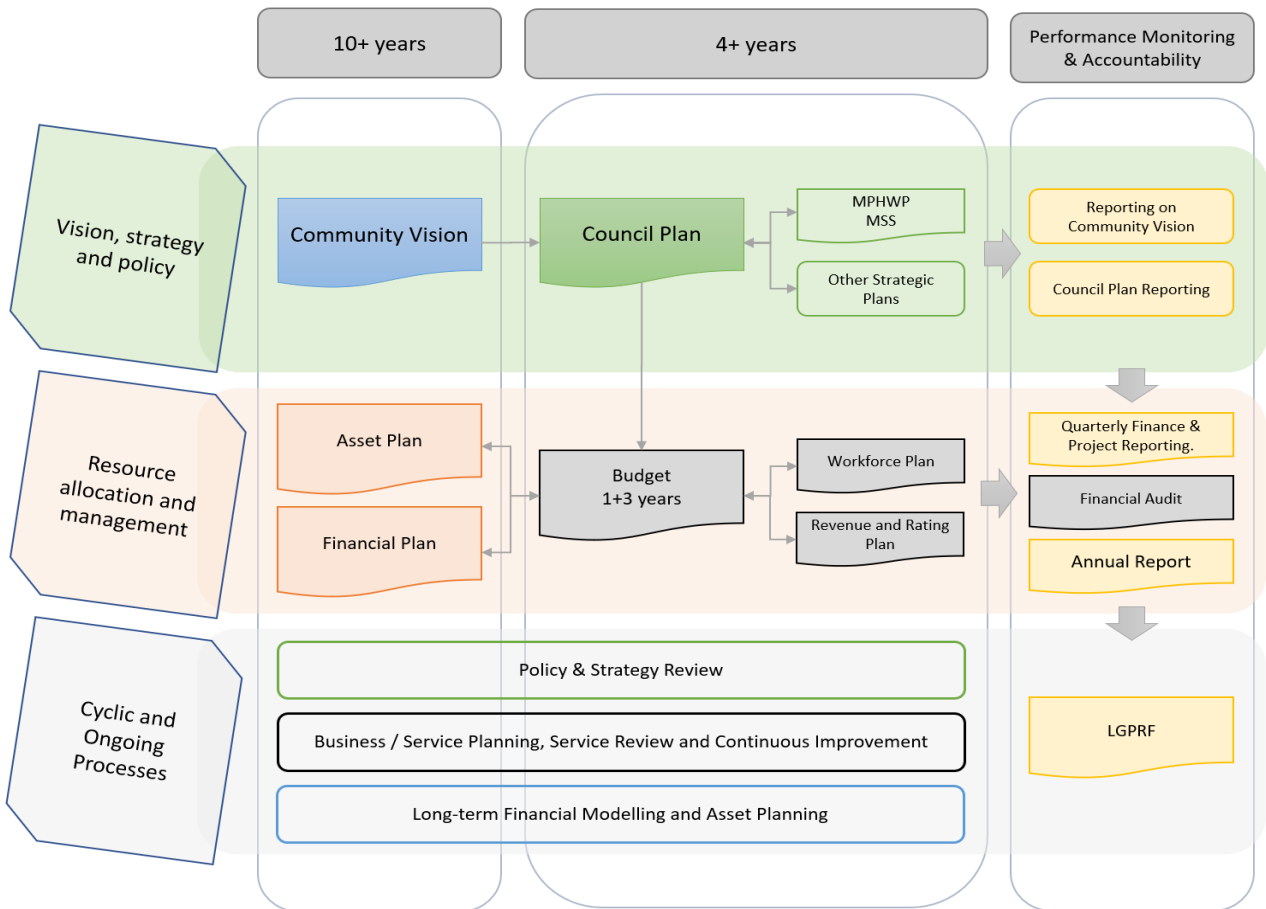
1. Linkage to the Integrated Planning and Reporting Framework.
2. Services and Service Performance Indicators.
3. Financial statements.
4. Notes to the Financial Statements.
5. Detailed Capital Works Statement.
6. Financial Performance Indicators.

# 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

**‘Southern Grampians is a growing, inclusive and connected community  
That fosters sustainability, diversity and innovation’.**

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

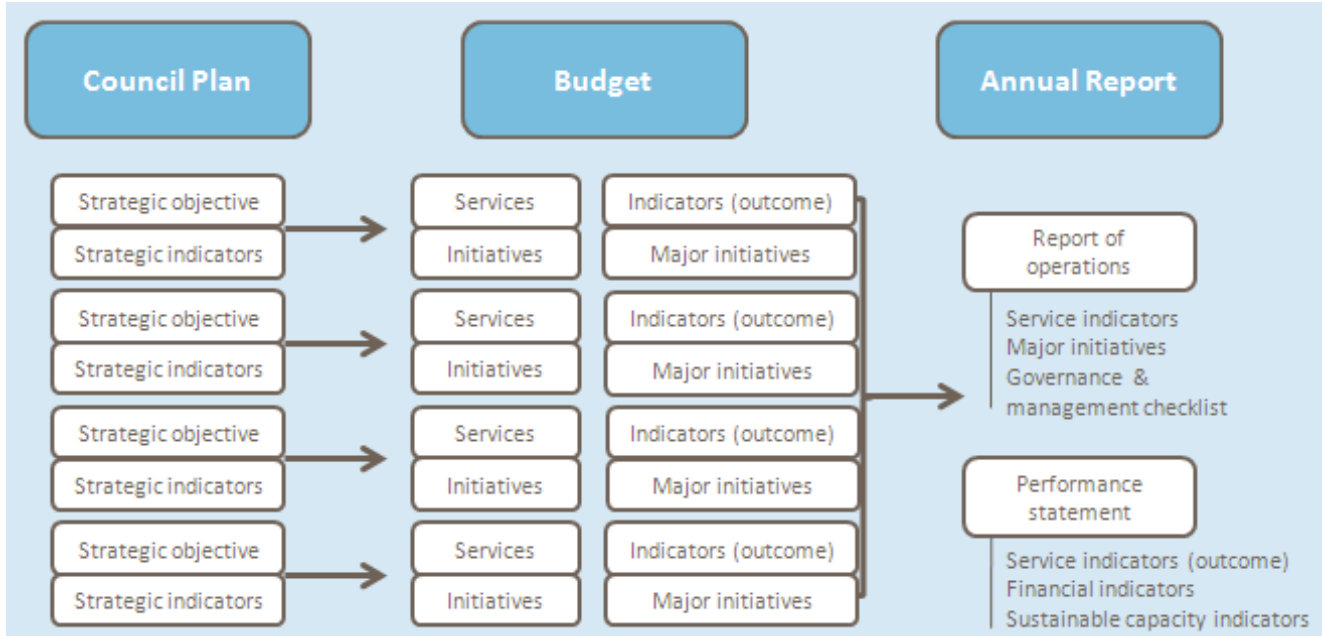
Council delivers services and initiatives to over 70 service categories. Each service contributes to the achievement of the Strategic Objectives as set out in the Council Plan for the years 2021- 25.

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 connected community.
	1.2 Support and promote a healthy community.
	1.3 Grow a diverse and inclusive community.
	1.4 A safe community.
2. Grow our Regional Economy	2.1 Drive economic growth.
	2.2 Increase our regional profile.
	2.3 Continue to support the development of a skilled workforce
	2.4 Support local business and community.
3. Maintain and Renew our Infrastructure	3.1 Plan and maintain sustainable assets and infrastructure.
	3.2 Safe and well-maintained transport routes and infrastructure for all modes of travel.
	3.3 Attractive Council-owned and managed community and open spaces.
4. Protect our Natural Environment	4.1 Protect and enhance biodiversity including the health of waterways, wetlands, soil and air.
	4.2 Balance environmental protection with Council's support for growth.
	4.3 Sustainable waste management services.
	4.4 Mitigate against and adapt to climate change.
5. Provide Strong Governance and Leadership	5.1 Transparent and accountable governance.
	5.2 Effective advocacy.
	5.3 Committed and skilled staff.
	5.4 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 2022/23 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes several initiatives and service performance outcome indicators for key areas of Council’s operations. Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below



Source: Department of Jobs, Precincts and Regions

## 2.1 Council Plan Theme 1: Support our community – an empowered 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 connected community.
- 1.2 Support and promote a healthy community.
- 1.3 Grow a 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	2020/21	2021/22	2022/23
		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.	2,504 (2,305) <b>199</b>	2,496 (2,250) <b>246</b>	2,378 (2,310) <b>68</b>
Senior Citizen Programs and Support	This service offers opportunities for older residents to participate in community and social activities across the Shire.	102 (50) <b>52</b>	104 (60) <b>44</b>	106 (57) <b>49</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.	596 (80) <b>516</b>	715 (59) <b>656</b>	545 (0) <b>545</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.	417 (82) <b>335</b>	505 (102) <b>403</b>	648 (95) <b>553</b>
Children's Services	This service provides quality education and care services i.e. Family Day Care and promotes the early years sector.	651 (500) <b>151</b>	736 (536) <b>200</b>	609 (544) <b>65</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.	643 (55) <b>588</b>	402 (40) <b>362</b>	490 (0) <b>490</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.	796 (35) <b>761</b>	836 (35) <b>801</b>	824 (38) <b>786</b>
Lake Hamilton	This service provides a safe, functional, accessible and useable space for leisure and recreational activities, on water and surrounding open space.	285 (7) <b>278</b>	282 (3) <b>279</b>	406 (1) <b>405</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.	554 (20) <b>534</b>	648 (28) <b>620</b>	615 (21) <b>594</b>

Service area	Description of services provided	2020/21 Actual Expenditure (Revenue) Net Cost \$'000	2021/22 FY Forecast Expenditure (Revenue) Net Cost \$'000	2022/23 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.	2,244 (696) <b>1,548</b>	2,318 (797) <b>1,521</b>	2,643 (1,197) <b>1,446</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.	1,216 (294) <b>922</b>	1,046 (162) <b>884</b>	851 (140) <b>711</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.	742 (104) <b>638</b>	1,005 (225) <b>780</b>	1,088 (270) <b>818</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.	744 (189) <b>555</b>	704 (210) <b>494</b>	776 (220) <b>556</b>
Cinema	This service provides the community with a high quality cinema experience.	211 (77) <b>134</b>	286 (180) <b>106</b>	327 (276) <b>51</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.	79 (0) <b>79</b>	100 (0) <b>100</b>	275 (0) <b>275</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.	756 (0) <b>756</b>	777 (2) <b>775</b>	912 (0) <b>912</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.	613 (318) <b>295</b>	625 (341) <b>284</b>	698 (371) <b>327</b>
Maternal & Child Health	This service provides a primary health care service for the Shire's families with children from birth to school age.	387 (398) <b>(11)</b>	620 (432) <b>187</b>	450 (445) <b>5</b>
Emergency Management	This service coordinates emergency management planning to enable Council to coordinate and respond to emergencies in cooperation with other agencies.	412 (123) <b>289</b>	443 (73) <b>370</b>	294 (60) <b>234</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.	463 (1) <b>462</b>	411 (1) <b>410</b>	362 (1) <b>361</b>

**Major Initiatives**

- 1) Complete costings and design for Hamilton Gallery Option 3, seek Council resolution to engage community on project and options developed. Confirm agreed location and undertake detailed design to enable construction (subject to funding).
- 2) Build effective partnerships with First Nations – via Reconciliation Action Plan or partnership agreement.
- 3) Issue a new Cultural Arts Strategy for the Shire, to direct Council investment, deliver integrated programming, expand reach across all townships and enrich community and civic life.
- 4) Progress with the construction of an Intergenerational Playground at the Hamilton Botanic Gardens

**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	2020/21 Actual	2021/22 Forecast	2022/23 Target
Maternal and Child Health	Participation	Participation in the MCH service	73.09%	77.43%	75.00%
		Participation in the MCH service by Aboriginal children	74.68%	83.33%	75.00%
Libraries	Participation	Active library members	11.92%	9.00%	12.00%
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities (visits/population)	4.43	5.50	7.50
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: Grow our regional economy - a growing and diverse local and regional economy that supports local businesses

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 Drive economic growth.
- 2.2 Increase our regional profile.
- 2.3 Continue to support the development of a skilled workforce
- 2.4 Support local business and community.

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

Service area	Description of services provided	2020/21	2021/22	2022/23
		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.	962 <u>(494)</u> <b>468</b>	1,359 <u>(329)</u> <b>1030</b>	1097 <u>(11)</u> <b>1086</b>
Airport	This service is responsible for the management and operation of the Hamilton Airport.	424 <u>(22)</u> <b>402</b>	414 <u>(22)</u> <b>392</b>	432 <u>(32)</u> <b>400</b>
Livestock Exchange	This service is responsible for the management and operation of the Hamilton Regional Livestock Exchange (HRLX).	1272 <u>(1,773)</u> <b>(501)</b>	1,366 <u>(1,722)</u> <b>(356)</b>	1,377 <u>(1,790)</u> <b>(413)</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.	726 <u>(48)</u> <b>678</b>	675 <u>(15)</u> <b>660</b>	729 <u>(15)</u> <b>714</b>
Business Development	The business development service seeks to facilitate an environment that is conducive to a sustainable and growing local business sector.	136 <u>0</u> <b>136</b>	143 <u>0</u> <b>143</b>	147 <u>0</u> <b>147</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.	216 <u>(41)</u> <b>175</b>	342 <u>(26)</u> <b>316</b>	303 <u>(4)</u> <b>299</b>
Caravan Parks	This service provides low cost camping and caravan park accommodation facilities in Coleraine and Peshurst.	79 <u>(56)</u> <b>23</b>	58 <u>(29)</u> <b>29</b>	65 <u>(38)</u> <b>27</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.	25 <u>(0)</u> <b>25</b>	120 <u>(0)</u> <b>120</b>	24 <u>(0)</u> <b>24</b>

**Major Initiatives**

- 8) Complete construction of the serviced industrial land in Port Fairy Road and continue the sales and marketing campaign.
- 9) Deliver Stage 1 of the Dunkeld Visitor Hub including Grampians Peak Trail Head.
- 10) Advocacy to fund initial stages of detailed design and works, for the Greater Hamilton Volcanic Trails Masterplan
- 11) Review and develop new 10-year economic development strategy
- 12) Commence upgrades of Peshurst Volcanoes Discovery Centre
- 13) Complete the detailed planning and design of the future use of 90 Lonsdale St Hamilton.
- 14) Continue advocacy for State/Fed funding support for a digital hub.
- 15) Deliver a masterplan, concept servicing plan, financial model and way forward for delivery of key worker housing at Lakes Edge, Hamilton.
- 16) Complete updates to Rural Land Use Strategy post exhibition and finalise/adopt
- 17) Complete and adopt Small Towns Strategy to provide clear strategic direction on future planning and infrastructure priorities in each of the smaller towns within the Shire.

**Minor Initiatives**

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

**Service Performance Outcome Indicators**

Service	Indicator	Performance Measure	2020/21 Actual	2021/22 Forecast	2022/23 Target
Livestock Exchange	Utilisation	Number of sheep sold through the Hamilton Regional Livestock Exchange	1,065,331	1,000,000	1,000,000
Service	Indicator	Performance Measure	2021 Calendar Year	2022 Calendar Year	2023 Calendar Year
Visitor Services	Participation	Number of visitors to the region	737,000	850,000	950,000

### 2.3 Council Plan Theme 3: Maintain and Renew our Infrastructure – provide access to high-quality built environment and 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 maintain sustainable assets and infrastructure.
- 3.2 Safe and well-maintained transport routes and infrastructure for all modes of travel.
- 3.3 Attractive Council-owned and managed community and open spaces

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	2020/21	2021/22	2022/23
		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.	339 (10) <b>329</b>	350 (16) <b>334</b>	402 (16) <b>386</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.	730 (16) <b>714</b>	871 (23) <b>848</b>	1,000 (15) <b>985</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.	298 (132) <b>166</b>	381 (79) <b>302</b>	247 (80) <b>167</b>
Bridges & Culverts	This service ensures the development and maintenance of the Shires bridges and culverts.	1,003 (0) <b>1,003</b>	1,083 0 <b>1,083</b>	1,083 0 <b>1,083</b>
Footpaths and Cycle Ways	This service ensures the development and maintenance of the Shires footpaths and cycle ways.	647 (0) <b>647</b>	737 (0) <b>737</b>	549 0 <b>549</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.	215 (59) 156	424 (58) <b>366</b>	578 (58) 520
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.	43 (0) 43	60 (0) 60	67 0 67
Infrastructure Management	This service undertakes design, tendering, contract management and supervision of various works within Council's capital works program.	1,212 (0) <b>1,212</b>	1,062 (0) <b>1,062</b>	1,178 (0) <b>1,178</b>
Statutory Planning	This service processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit.	326 (206) <b>120</b>	378 (134) 244	568 (136) 432
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.	585 (209) <b>376</b>	634 (195) <b>439</b>	768 (120) <b>648</b>
Roads	This service aims to ensure responsible management of Council's road infrastructure and compliance with regulatory requirements.	11,254 (376) <b>10,878</b>	11,086 (28) <b>11,058</b>	11,142 (8) <b>11,134</b>

Service areas	Description of services provided	2020/21	2021/22	2022/23
		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.	560 (0) <b>560</b>	521 (0) <b>521</b>	526 (0) <b>526</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 (33) <b>(3)</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.	45 (0) <b>45</b>	46 (27) <b>19</b>	27 (27) <b>0</b>

**Major Initiatives**

- 22) Deliver on the CBD revitalisation plan by completing the endorsed Cox Street redevelopment.
- 23) Deliver the Local Roads and Community Infrastructure Program.
- 24) Complete Hamilton Network Operating Plan to confirm alternate heavy vehicle route
- 25) Complete bike strategy for Shire in two parts: 1) Recreational (tourism focused) and 2) Community(transit focused)
- 26) Commence construction of Melville Oval stage 2 CBD project
- 27) Complete detailed design of CBD as per adopted masterplan (2020) to enable construction in future years (subject to funding)

**Minor Initiatives**

- 28) Design and implement in stages the Hamilton Structure Plan town entrances project.
- 29) Increase diversion of recyclables through Transfer Station upgrades (subject to State-wide direction).
- 30) Exhibit, finalise and implement the Rural Land Use Strategy
- 31) 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	2020/21 Actual	2021/22 Forecast	2022/23 Target
Statutory planning	Decision making	Council planning decisions upheld at VCAT	20%	100%	100%
Roads	Satisfaction	Satisfaction with sealed local roads	42%	42%	45%

## 2.4 Council Plan Theme 4: Protect our natural environment – Act as community leaders to promote and enhance 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 Protect and enhance biodiversity including the health of waterways, wetlands, soil and air.
- 4.2 Balance environmental protection with Council's support for growth
- 4.3 Sustainable waste management services.
- 4.4 Mitigate against and adapt to climate change.

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	2020/21	2021/22	2022/23
		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.	3,013 <u>(4,019)</u> <b>(1006)</b>	1,791 <u>(959)</u> <b>832</b>	1,741 <u>(929)</u> <b>812</b>
Waste & Recycling Collection	This service manages the waste and recyclables collection process within the Shire, including the collection of kerbside bins.	1,871 <u>(140)</u> <b>1,731</b>	2,057 <u>(156)</u> <b>1,901</b>	2,176 <u>(146)</u> <b>2,030</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.	227 <u>(73)</u> <b>154</b>	403 <u>(75)</u> <b>328</b>	269 <u>(70)</u> <b>199</b>
Stormwater / Drainage	This service manages the maintenance and environmental issues associated with the stormwater/drainage networks throughout the Shire.	763 <u>(0)</u> <b>763</b>	589 <u>(0)</u> <b>589</b>	588 <u>(0)</u> <b>588</b>
Yatchaw Drainage Authority	This service is responsible for the management and maintenance of the Yatchaw Drainage Scheme.	6 <u>(5)</u> <b>1</b>	6 <u>(5)</u> <b>1</b>	6 <u>(0)</u> <b>6</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.	106 <u>(1,351)</u> <b>(1,245)</b>	4 <u>(238)</u> <b>(234)</b>	4 <u>(240)</u> <b>(236)</b>
Environmental Sustainability	This service implements Council's Sustainability Strategy and acts as a catalyst for Council and community sustainability actions within the Shire.	142 <u>(0)</u> <b>142</b>	222 <u>(0)</u> <b>222</b>	224 <u>(0)</u> <b>224</b>
Fire Prevention	This service coordinates fire prevention planning and works in cooperation with other agencies.	60 <u>(72)</u> <b>(12)</b>	80 <u>(25)</u> <b>55</b>	160 <u>(0)</u> <b>160</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.	472 <u>(4)</u> 468	14 <u>(5)</u> <b>9</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.	307 <u>(111)</u> <b>196</b>	325 <u>(133)</u> <b>192</b>	326 <u>(140)</u> <b>186</b>

**Major Initiatives**

- 32) Deliver the Waste & Resource Recovery Strategy as adopted by Council including landfill, transfer stations and collection initiatives.
- 33) New Sustainability Strategy addressing renewables, climate adaptation, waste management/recycling, Integrated Water Management etc
- 34) 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**

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

**Service Performance Outcome Indicators**

Service	Indicator	Performance Measure	2020/21 Actual	2021/22 Forecast	2022/23 Target
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill	62.72%	64.00%	64.00%
Food safety	Health and safety	Critical and major non-compliance notifications	100%	100.00%	100.00%

## 2.5 Council Plan Theme 5: Provide strong 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 Transparent and accountable governance.
- 5.2 Effective advocacy.
- 5.3 Committed and skilled staff.
- 5.4 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	2020/21	2021/22	2022/23
		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.	2,065 (10) <b>2,055</b>	2,095 (18) <b>2,077</b>	2,107 (0) <b>2,107</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.	267 (0) <b>267</b>	360 (0) <b>360</b>	315 (0) <b>315</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.	1,074 (153) <b>921</b>	1,255 (98) <b>1,157</b>	1,296 (81) <b>1,215</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.	731 (0) <b>731</b>	1,659 (34) <b>1,625</b>	900 (15) <b>885</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.	442 (106) <b>336</b>	457 (6) <b>451</b>	393 (0) <b>393</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.	242 (0) <b>242</b>	340 (0) <b>340</b>	340 (0) <b>340</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.	307 (0) <b>307</b>	324 (0) <b>324</b>	455 (0) <b>455</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.	369 (0) <b>369</b>	371 (15) <b>356</b>	422 (15) <b>407</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.	1,659 (243) <b>1,416</b>	2,177 (66) <b>2,111</b>	2,470 (0) <b>2,470</b>

Service area	Description of services provided	2020/21	2021/22	2022/23
		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	1,006 (4,879) <b>(3,873)</b>	978 (4,879) <b>(3,901)</b>	986 (4879) <b>(3,893)</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.	443 (23) <b>420</b>	408 (23) <b>385</b>	471 (23) <b>448</b>

### Major Initiatives

- 37) Deliver a Liveability Framework linked with Health and Wellbeing Plan based on either 20 minute or 10 minutes neighbourhoods.
- 38) Develop and implement the Community Infrastructure Framework to guide decisions on building asset management.

### Minor Initiatives

- 39) Invest in our staff and systems to ensure an efficient and effective organisation.
- 40) Invest in the appropriate systems, processes and training to support an environment which delivers a seamless Customer Experience.

### Service Performance Outcome Indicators

Service	Indicator	Performance Measure	2020/21 Actual	2021/22 Forecast	2022/23 Target
Governance	Satisfaction	Satisfaction with Council decisions	54%	54%	54%

## 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 2022/23 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	9,252	15,299	(6,047)
Develop our Regional Economy and Businesses	2,282	4,173	(1,891)
Plan for our Built Environment	17,684	18,145	(461)
Promote our Natural Environment	3,978	5,508	(1,530)
Provide Governance and Leadership	5,140	5,275	(135)
<b>Total services and initiatives</b>	<b>38,336</b>	<b>47,400</b>	<b>(10,064)</b>
<b>Funding sources</b>			
Rates and charges	(22,264)		
Victoria Grants Commission	(2,068)		
Local Roads & Community Infrastructure Program	(5,956)		
Capital grants	(6,250)		
<b>Total funding sources</b>	<b>(36,538)</b>		
<b>Corporate Expenses</b>			
Loan Servicing	72		
<b>Total Corporate Expenses</b>	<b>72</b>		
<b>(Surplus)/Deficit for the year</b>	<b>1,870</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 2022/23 has been supplemented with projections to 2025/26.

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

### Southern Grampians Shire Council Budgeted Comprehensive Income Statement

For the four years ending 30 June 2026

	Forecast Actual 2021/22 \$'000	Budget	Projections		
		2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000
<b>Income</b>					
Rates and charges	21,911	22,229	22,618	23,014	23,417
Statutory fees and fines	564	546	557	568	579
User fees	5,515	6,106	6,350	6,604	6,868
Grants - Operating	13,959	5,039	11,595	11,827	12,063
Grants - Capital	4,319	12,206	4,028	1,985	1,985
Contributions - monetary	322	247	260	266	273
Net gain/(loss) on disposal of property, infrastructure, plant and e	-	-	(4)	(4)	(196)
Other income	377	230	242	248	254
<b>Total Income</b>	46,967	46,603	45,646	44,507	45,243
<b>Expenses</b>					
Employee costs	(20,511)	(20,062)	(20,463)	(20,873)	(21,290)
Materials and services	(11,081)	(11,735)	(10,815)	(10,565)	(10,882)
Depreciation	(11,974)	(11,976)	(11,975)	(11,975)	(11,822)
Borrowing costs	(99)	(72)	(172)	(186)	(160)
Other expenses	(4,600)	(4,628)	(5,217)	(5,334)	(5,229)
<b>Total Expenses</b>	(48,265)	(48,473)	(48,643)	(48,933)	(49,383)
<b>Surplus/(deficit) for the year</b>	(1,298)	(1,870)	(2,997)	(4,426)	(4,140)
<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>	(1,299)	(1,870)	(2,997)	(4,426)	(4,140)

## 3.2 Balance Sheet

### Southern Grampians Shire Council Budgeted Balance Sheet

For the four years ending 30 June 2026

	Forecast Actual	Budget	Projections		
	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	20,345	4,229	2,182	1,693	3,230
Trade and other receivables	3,716	3,716	3,427	3,351	3,408
Inventories	556	556	562	567	573
Non-current assets classified as held for sale	-	3,200	1,993	1,090	649
Other assets	-	-	-	-	-
<b>Total current assets</b>	<b>24,617</b>	<b>11,701</b>	<b>8,164</b>	<b>6,702</b>	<b>7,860</b>
<b>Non-current assets</b>					
Trade and other receivables	40	40	38	36	34
Property, infrastructure, plant & equipment	387,364	399,941	401,730	398,052	394,226
Investment property	3,250	3,250	3,250	3,250	3,250
<b>Total non-current assets</b>	<b>390,654</b>	<b>403,231</b>	<b>405,018</b>	<b>401,338</b>	<b>397,510</b>
<b>Total assets</b>	<b>415,271</b>	<b>414,932</b>	<b>413,182</b>	<b>408,040</b>	<b>405,370</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	2,699	2,699	2,488	2,508	2,549
Trust funds and deposits	1,875	373	377	380	384
Provisions	5,653	5,653	5,378	5,378	5,378
Interest-bearing loans and borrowings	556	763	739	560	763
<b>Total current liabilities</b>	<b>10,783</b>	<b>9,488</b>	<b>8,982</b>	<b>8,826</b>	<b>9,074</b>
<b>Non-current liabilities</b>					
Provisions	2,051	2,051	2,326	2,326	2,326
Interest-bearing loans and borrowings	1,829	3,066	4,544	3,984	5,207
<b>Total non-current liabilities</b>	<b>3,880</b>	<b>5,117</b>	<b>6,870</b>	<b>6,310</b>	<b>7,533</b>
<b>Total liabilities</b>	<b>14,663</b>	<b>14,605</b>	<b>15,852</b>	<b>15,136</b>	<b>16,607</b>
<b>Net assets</b>	<b>400,608</b>	<b>400,327</b>	<b>397,330</b>	<b>392,904</b>	<b>388,764</b>
<b>Equity</b>					
Accumulated surplus	146,973	147,098	144,101	139,675	135,535
Reserves	253,635	253,229	253,229	253,229	253,229
<b>Total equity</b>	<b>400,608</b>	<b>400,327</b>	<b>397,330</b>	<b>392,904</b>	<b>388,764</b>

## 3.3 Statement of Changes in Equity

### Southern Grampians Shire Council Budgeted Statement of Changes in Equity

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2021/22</b>				
Balance at beginning of the financial year	400,293	146,678	253,095	520
Surplus/(deficit) for the year	(1,298)	(1,298)	-	-
Net asset revaluation increment/(decrement)	(1)	-	(1)	-
Transfer (to)/from reserves	1,614	1,593	-	21
<b>Balance at end of financial year</b>	<b>400,608</b>	<b>146,973</b>	<b>253,094</b>	<b>541</b>
<b>2022/23</b>				
Balance at beginning of the financial year	400,608	146,973	253,094	541
Surplus/(deficit) for the year	(1,870)	(1,870)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	1,589	1,995	-	(406)
<b>Balance at end of financial year</b>	<b>400,327</b>	<b>147,098</b>	<b>253,094</b>	<b>135</b>
<b>2023/24</b>				
Balance at beginning of the financial year	400,327	147,098	253,094	135
Surplus/(deficit) for the year	(2,997)	(2,997)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
<b>Balance at end of financial year</b>	<b>397,330</b>	<b>144,101</b>	<b>253,094</b>	<b>135</b>
<b>2024/25</b>				
Balance at beginning of the financial year	397,330	144,101	253,094	135
Surplus/(deficit) for the year	(4,426)	(4,426)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
<b>Balance at end of financial year</b>	<b>392,904</b>	<b>139,675</b>	<b>253,094</b>	<b>135</b>
<b>2025/26</b>				
Balance at beginning of the financial year	392,904	139,675	253,094	135
Surplus/(deficit) for the year	(4,140)	(4,140)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
<b>Balance at end of financial year</b>	<b>388,764</b>	<b>135,535</b>	<b>253,094</b>	<b>135</b>

## 3.4 Statement of Cash Flows

### Southern Grampians Shire Council Budgeted Statement of Cash Flows

For the four years ending 30 June 2026

	Forecast Actual	Budget	Projections		
	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>					
Rates and charges	21,911	22,229	22,770	22,983	23,390
Statutory fees and fines	564	546	559	567	579
User fees	5,515	6,106	6,379	6,592	6,856
Grants - operating	13,959	5,038	11,673	11,809	12,047
Grants - capital	4,320	12,206	4,055	2,124	1,985
Contributions - monetary	322	247	260	266	273
Interest received	133	123	129	132	136
Dividends received	-	-	-	-	-
Trust funds and deposits taken	-	-	4	4	4
Other receipts	244	195	115	115	118
Net GST refund / payment	-	-	-	-	-
Employee costs	(20,511)	(20,062)	(20,563)	(20,846)	(21,266)
Materials and services	(11,081)	(11,735)	(10,896)	(10,589)	(10,862)
Short-term, low value and variable lease payments	-	-	-	-	-
Trust funds and deposits repaid	-	-	-	-	-
Other payments	(4,599)	(4,628)	(5,254)	(5,324)	(5,238)
<b>Net cash provided by/(used in) operating activities</b>	<b>10,777</b>	<b>10,265</b>	<b>9,232</b>	<b>7,835</b>	<b>8,022</b>
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment	(17,644)	(29,403)	(14,427)	(8,976)	(8,692)
Proceeds from sale of property, infrastructure, plant and equipment	1,120	1,650	1,866	1,577	942
<b>Net cash provided by/(used in) investing activities</b>	<b>(16,524)</b>	<b>(27,753)</b>	<b>(12,561)</b>	<b>(7,399)</b>	<b>(7,750)</b>
<b>Cash flows from financing activities</b>					
Finance costs	(99)	(72)	(172)	(186)	(160)
Proceeds from borrowings	-	2,000	2,000	-	2,000
Repayment of borrowings	(529)	(556)	(546)	(739)	(575)
<b>Net cash provided by/(used in) financing activities</b>	<b>(628)</b>	<b>1,372</b>	<b>1,282</b>	<b>(925)</b>	<b>1,265</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(6,375)</b>	<b>(16,116)</b>	<b>(2,047)</b>	<b>(489)</b>	<b>1,537</b>
Cash and cash equivalents at the beginning of the financial year	26,720	20,345	4,229	2,182	1,693
<b>Cash and cash equivalents at the end of the financial year</b>	<b>20,345</b>	<b>4,229</b>	<b>2,182</b>	<b>1,693</b>	<b>3,230</b>

## 3.5 Statement of Capital Works

### Southern Grampians Shire Council Budgeted Capital Works Statement

For the four years ending 30 June 2026

	Forecast	Budget	Projections		
	Actual 2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000
<b>Property</b>					
Land	-	1,200	-	-	-
Land improvements	7	-	-	-	-
<b>Total land</b>	<b>7</b>	<b>1,200</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings	3,007	3,807	790	850	1,050
<b>Total buildings</b>	<b>3,007</b>	<b>3,807</b>	<b>790</b>	<b>850</b>	<b>1,050</b>
<b>Total property</b>	<b>3,014</b>	<b>5,007</b>	<b>790</b>	<b>850</b>	<b>1,050</b>
<b>Plant and equipment</b>					
Plant, machinery and equipment	746	1,820	1,000	1,000	1,000
Fixtures, fittings and furniture	-	95	-	-	-
Computers and telecommunications	-	10	75	146	45
Library books	51	85	85	85	85
<b>Total plant and equipment</b>	<b>797</b>	<b>2,010</b>	<b>1,160</b>	<b>1,231</b>	<b>1,130</b>
<b>Infrastructure</b>					
Roads	5,488	6,205	5,187	5,187	5,187
Bridges	519	765	490	475	450
Footpaths and cycleways	167	596	101	151	51
Drainage	-	-	400	400	400
Recreational, leisure and community facilities	1,839	5,790	5,427	487	364
Waste management	945	1,637	-	-	-
Parks, open space and streetscapes	3,591	6,548	792	140	60
Aerodromes	35	240	-	25	-
Off street car parks	-	185	80	30	-
Other infrastructure	1,248	420	-	-	-
<b>Total infrastructure</b>	<b>13,832</b>	<b>22,386</b>	<b>12,477</b>	<b>6,895</b>	<b>6,512</b>
<b>Total capital works expenditure</b>	<b>17,643</b>	<b>29,403</b>	<b>14,427</b>	<b>8,976</b>	<b>8,692</b>
<b>Represented by:</b>					
New asset expenditure	-	2,901	25	-	-
Asset renewal expenditure	17,643	14,394	10,770	8,776	8,392
Asset expansion expenditure	-	-	-	-	-
Asset upgrade expenditure	-	12,108	3,632	200	300
<b>Total capital works</b>	<b>17,643</b>	<b>29,403</b>	<b>14,427</b>	<b>8,976</b>	<b>8,692</b>
<b>Funding sources represented by:</b>					
Grants	-	5,760	4,028	-	-
Contributions	-	953	-	-	-
Council Cash	17,643	22,690	10,398	8,976	8,692
Borrowings	-	-	-	-	-
<b>Total capital works expenditure</b>	<b>17,643</b>	<b>29,403</b>	<b>14,427</b>	<b>8,976</b>	<b>8,692</b>



## 3.6 Statement of Human Resources

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000
<b>Staff Expenditure</b>					
Employee Costs – Operating	20,511	22,062	22,463	20,873	21,290
Employee Costs – Capital	2,818	2,218	2,258	2,098	2,140
<b>Total Staff Expenditure</b>	<b>23,329</b>	<b>24,280</b>	<b>24,721</b>	<b>22,971</b>	<b>23,430</b>
<b>Staff Numbers</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>	<b>FTE</b>
Employees	233	249	249	249	249

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

Department	Budget 2022/23 \$'000	Permanent Full Time \$'000	Part Time, Casual & Temporary \$'000
1. Support our Community	8,303	4,170	4,133
2. Grow our Regional Economy	1,378	936	442
3. Maintain and Renew our Infrastructure	6,112	5,497	615
4. Protect our Natural Environment	836	444	392
5. Provide Strong Governance and Leadership	5,433	4,905	528
<b>Total Permanent Staff Expenditure</b>	<b>22,062</b>	<b>15,952</b>	<b>6,110</b>
Capitalised Labour Costs	2,218		
<b>Total Expenditure</b>	<b>24,280</b>		

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

Department	Budget 2022/23 FTE	Permanent Full Time FTE	Part Time, Casual & Temporary FTE
1. Support our Community	92.32	42.78	49.54
2. Grow our Regional Economy	14.05	9.10	4.95
3. Maintain and Renew our Infrastructure	63.91	56.63	7.28
4. Protect our Natural Environment	8.29	4.00	4.29
5. Provide Strong Governance and Leadership	47.68	41.00	6.68
<b>Total Staff FTE</b>	<b>226.25</b>	<b>153.51</b>	<b>72.74</b>
Capitalised Labour Costs - FTE	22.75		
<b>Total FTE</b>	<b>249.00</b>		

## 4. Notes to the Financial Statements

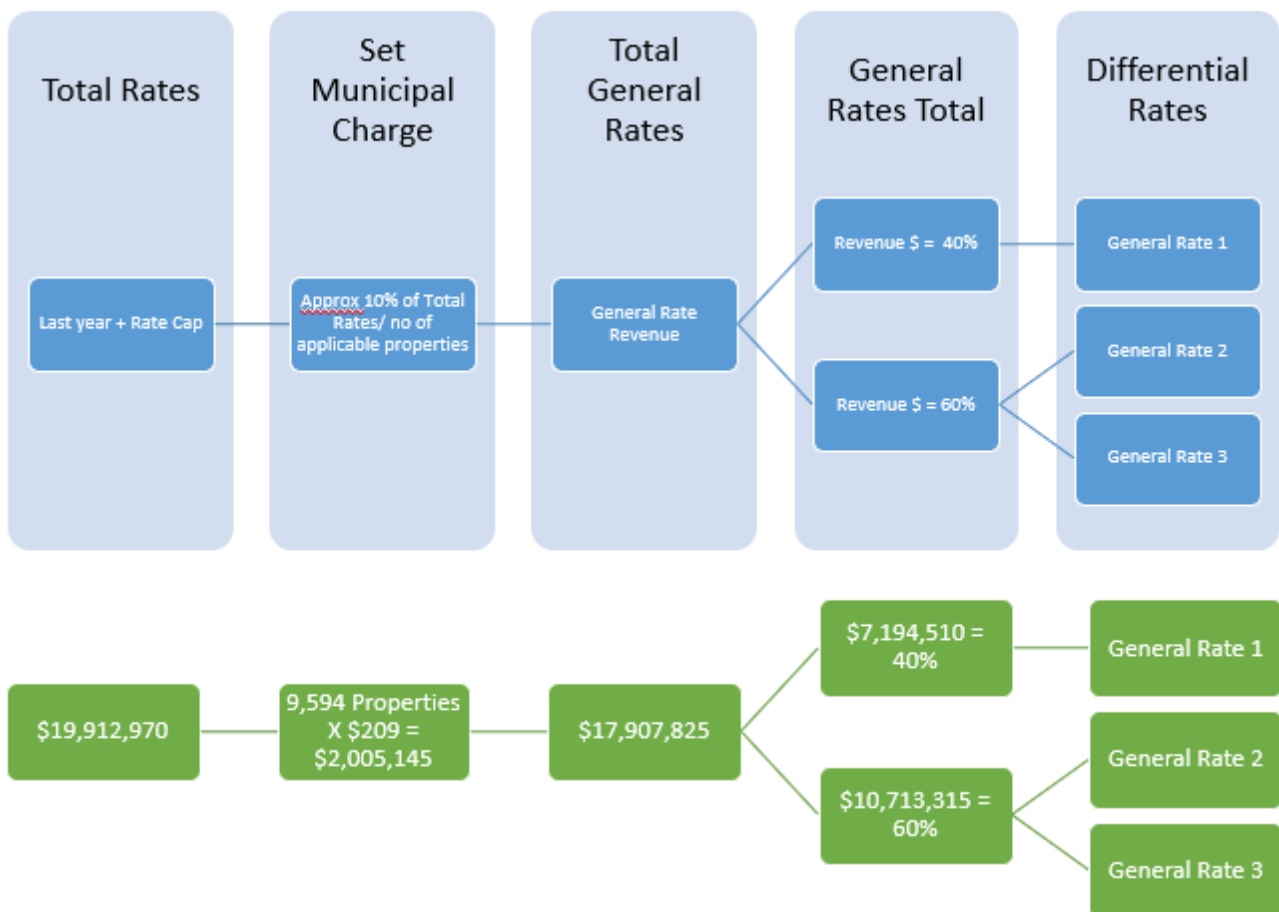
### 4.1 Comprehensive Income Statement

#### 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 2022/23 the FGRS cap has been set at 1.75%. The cap applies to both general rates and municipal charges and is calculated on the basis of Council’s average rates and charges.

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 2021/22).

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

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

Service charges will not increase this year following the 21% increase in the last financial year for some properties to incorporate the 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 2022/23 to \$22,157,860

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

	2021/22 Forecast Actual \$'000	2022/23 Budget \$'000	Change \$'000	%
General Rates – Council *	17,597	17,860	313	1.78%
General Rates - Yatchaw	4	4	-	-
Municipal Charge*	1,976	2,005	29	1.46%
Waste Collection Charge (Compulsory)	2,234	2,257	11	0.49%
Waste Collection Charge (Voluntary)	100	103	03	0.03%
<b>Total Rates and Charges</b>	<b>21,911</b>	<b>22,229</b>	<b>318</b>	<b>1.43%</b>

*Note: Items designated “\*\*” subject to the FGRS Rate Cap*

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

Type or class of land	2021/22 cents/\$CIV	2022/23 cents/\$CIV	Change
General rate 1 for rateable residential properties	0.004380	0.003451	(21.21%)
General rate 1 for rateable rural properties	0.004380	0.003451	(21.21%)
General rate 1 for rateable industrial properties	0.004380	0.003451	(21.21%)
General rate 1 for rateable commercial properties	0.004380	0.003451	(21.21%)
General rate 2 for rateable rural N/S properties	0.002679	0.002043	(23.74%)
General rate 3 for residential rural properties	0.002679	0.002043	(23.74%)
General rate 3 for rural properties	0.002679	0.002043	(23.74%)
General rate 3 for industrial rural properties	0.002679	0.002043	(23.74%)
General rate 3 for commercial rural properties	0.002679	0.002043	(23.74%)

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

Type or class of land	2021/22 \$	2022/23 \$	Change \$	Change %
Residential	6,994,000	7,110,070	116,070	1.66%
Rural	9,543,794	9,782,968	239,174	2.51%
Industrial	258,276	285,149	26,873	10.40%
Commercial	799,252	729,637	(69,615)	(8.71%)
<b>Total amount to be raised by general rates</b>	<b>17,595,322</b>	<b>17,907,824</b>	<b>312,502</b>	<b>1.78%</b>

Alternate view - By Rate Code

Type or class of land	2021/22 \$	2022/23 \$	Change \$	Change %
General Rate 1	7,101,732	7,194,510	92,778	1.31%
General Rate 2	309,985	330,557	20,572	6.64%
General Rate 3	10,183,605	10,382,757	199,152	1.96%
<b>Total amount to be raised by general rates</b>	<b>17,595,322</b>	<b>17,907,824</b>	<b>312,502</b>	<b>1.78%</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	2021/22 Number	2022/23 Number	Change No.	Change %
Residential	7,369	<b>7,369</b>	0	0.00%
Rural	3,084	<b>3,084</b>	0	0.00%
Industrial	255	<b>255</b>	0	0.00%
Commercial	455	<b>455</b>	0	0.00%
<b>Total number of assessments</b>	<b>11,163</b>	<b>11,163</b>	<b>0</b>	<b>0.00%</b>

#### 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	2021/22 \$	2022/23 \$	Change \$	Change %
Residential	1,738,873,000	<b>2,253,797,000</b>	514,924,000	29.61%
Rural	3,547,564,500	<b>4,765,212,000</b>	1,217,647,500	34.32%
Industrial	62,898,500	<b>89,271,000</b>	26,372,500	41.93%
Commercial	189,336,500	<b>220,394,000</b>	31,057,500	16.40%
<b>Total value of land</b>	<b>5,538,672,500</b>	<b>7,328,674,000</b>	<b>1,790,001,500</b>	<b>32.32%</b>

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

Type of Charge	Per Rateable Property 2021/22 \$	Per Rateable Property 2022/23 \$	Change \$	Change %
Municipal	206	<b>209</b>	3	1.46%

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

Type of Charge	2021/22 \$	2022/23 \$	Change \$	Change %
Municipal	1,976,364	<b>2,005,146</b>	28,782	1.46%

#### 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 2021/22 \$	Per Rateable Residential Property 2022/23 \$	Change \$	Change %
Kerbside Collection – Refuse, Recycling & FOGO	360	<b>360</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	2021/22 \$	2022/23 \$	Change \$	Change %
Kerbside Collection – Refuse, Recycling & FOGO	2,217,960	<b>2,244,960</b>	27,000	1.22%

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

	2021/22 \$	2022/23 \$	Change \$	Change %
General rates	17,595,322	<b>17,907,824</b>	312,503	1.78%
Municipal charge	1,976,364	<b>2,005,146</b>	28,782	1.46%
<b>Total Rates</b>	19,571,686	<b>19,912,970</b>	341,285	1.74%
Kerbside Collection – Refuse, Recycling & FOGO	2,217,960	<b>2,244,960</b>	23,038	1.22%
<b>Rates and charges</b>	21,789,646	<b>22,157,930</b>	301,991	1.58%

#### 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.

	* 2021/22 \$	2022/23 \$
Total Rates (includes Municipal Charge) – Prior Year	\$19,201,514	\$19,571,686
Number of rateable properties	11,104	11,163
Base Average Rate	\$1,729.24	\$1,753.26
Maximum Rate Increase (set by the State Government)	<b>1.50%</b>	<b>1.75%</b>
Capped Average Rate	\$1,762.44	\$1,783.96
Maximum General Rates and Municipal Charges Revenue	\$19,489,123	\$19,914,297
<b>Budgeted</b>		
General Rates and Municipal Charges Revenue	\$19,488,416	\$19,912,970
Number of rateable properties	11,104	11,163
Average Rate	\$1,755.08	\$1,783.83
Rate Increase	<b>1.49%</b>	<b>1.74%</b>

\*based on ESC return for 2021/22

#### 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 0.003451 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 0.002043 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 0.002043 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 0.00016 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 2021/22	Budget 2022/23	Change	Change
	\$'000	\$'000	\$'000	%
Building Services	72	74	27	3%
Environmental Health	113	122	9	8%
Local Laws Operations	200	186	14	(7%)
Mayor & Councillors	16	0	(16)	(100%)
Rates & Charges	20	20	0	0%
Roads & Streets	8	8	0	0%
Statutory Planning	154	156	2	1%
<b>Total</b>	<b>583</b>	<b>566</b>	<b>(17)</b>	<b>(3%)</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 2021/22	Budget 2022/23	Change	Change
	\$'000	\$'000	\$'000	%
Livestock Exchange	1,719	1,787	68	4%
Waste & Transfer Stations	978	953	25	(3%)
Hamilton Indoor Leisure & Aquatic Centre	742	1,137	395	53%
Community & Children's Services	1,146	1,142	4	0%
Cultural Services	340	466	126	37%
Quarry	238	240	2	1%
Regulatory & Compliance	141	170	(29)	20%
Other User Fees	210	210	0	0%
<b>Total</b>	<b>5,515</b>	<b>6,106</b>	<b>591</b>	<b>11%</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	Budget 2022/23 \$'000	Variance \$'000	Variance %
	Actual 2021/22 \$'000			
<b>Recurrent - Commonwealth Government</b>				
Financial Assistance Grant ( allocated by Victoria Grants Commission)*	10,443	2,068	(8,375)	(80%)
Community Services (CHSP & HACC PYP)	1,074	1,073	1	0%
Children's Services (Child Care Rebate & Immunisations)	336	351	15	4%
Plant Management (Fuel Tax Credits)	100	100	0	0%
<b>Recurrent - State Government</b>				
Art Gallery (Arts Victoria – Operational Grant)	117	110	(7)	(6%)
Community Planning, Engagement & Support (L2P Program)	59	0	(59)	(100%)
Environmental Health	16	16	0	0%
Community Services (HACC)	271	280	9	3%
Senior Citizen Programs & Support	6	3	(3)	(50%)
Library (DEWLP - Public Libraries Funding)	174	174	0	0%
Local Laws Operations (School Crossings)	49	48	(1)	(3%)
Maternal & Child Health (Operational Grant)	430	445	15	3%
Emergency Management	73	60	13%	(18%)
Emergency Management	106	70	36	(34%)
Performing Arts Centre (Arts Victoria - Operational Grant)	80	80	0	0%
<b>Total recurrent grants</b>	<b>13,335</b>	<b>4,878</b>	<b>(8,457)</b>	<b>(63%)</b>
<b>Non-recurrent - Commonwealth Government</b>				
Community Support	24	0	(24)	(100%)
Local Roads and Community Infrastructure Program	1,496	5,956	4,460	298%
<b>Non-recurrent - State Government</b>				
Community Services	60	57	(3)	(6%)
Economic Development	322	0	(322)	(100%)
Art Gallery	23	0	(23)	(100%)
Youth Services	78	96	18	23%
Infrastructure	20	0	(20)	(100%)
Library (DEWLP - Public Libraries Funding)	7	8	1	14%
IT Connectivity	50	0	(50)	(100%)
Recreation Development & Support	40	0	(40)	(100%)
<b>Total non-recurrent operating grants</b>	<b>2,120</b>	<b>6,116</b>	<b>3,996</b>	<b>189%</b>
<b>Total operating grants</b>	<b>15,455</b>	<b>10,994</b>	<b>(4,461)</b>	<b>(29%)</b>

\* Council received 75% of the 2022/23 FAGS in 2021/22

## 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 2021/22 \$'000	Budget 2022/23 \$'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>				
Hamilton Network Operating Plan	0	100	100	100%
Airport - RESA Upgrade Works	105	158	53	50%
Coleraine & Dunkeld Flood Defence	280	0	(280)	(100%)
<b>Non-recurrent - State Government</b>				
Regional Development Victoria – Dunkeld Visitor Hub	155	387	232	150%
Hamilton Botanic Gardens	0	870	870	100%
Emergency Management - Storm Event October 2020	0	750	750	100%
Melville Oval - Facilities Upgrade Project	400	1,600	1,200	300%
Cox Street` Front Door` Precinct Streetscape	613	1,200	586	95%
AgrILinks Road Upgrade	597	0	(597)	(100%)
Road Safety	0	80	80	100%
Waste Management Reuse Shed	0	500	500	100%
Transfer Station Upgrade Program - DELWP	300	153	(147)	(49%)
<b>Total non-recurrent capital grants</b>	<b>2,450</b>	<b>5,797</b>	<b>3,347</b>	<b>237%</b>
<b>Total capital grants</b>	<b>4,435</b>	<b>7,783</b>	<b>3,347</b>	<b>175%</b>



#### 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 2021/22 \$'000	Budget 2022/23 \$'000	Change \$'000	Change %
Interest Revenue	133	123	(10)	(8%)
Donations	1	8	7	700%
Reimbursements	272	138	(134)	(49%)
Revenue in Lieu of Rates	189	46	(199)	(81%)
Contributions	49	101	52	106%
Other Operating Revenue	55	61	6	11%
<b>Total</b>	<b>699</b>	<b>477</b>	<b>(278)</b>	<b>(37%)</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 \$0.448 million to \$20.062 million compared to 2021/22 forecast Budget (\$20.510m). 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.

Other factors impacting employee costs are:

- Annual increment under Council's Enterprise Bargaining Agreement (EBA)
- 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 2021/22 \$'000	Budget 2022/23 \$'000	Change \$'000	Change %
Wages & Salaries (Including casuals & Allowances)	14,485	14,601	116	(2%)
Public Holidays, Sick, Annual & Long Service Leave	2,927	3,070	143	(12%)
Superannuation	1,725	1,933	208	1%
Work Cover Premium & Expenses	1,289	380	(909)	(339%)
Fringe Benefits Tax	85	79	(6)	8%
<b>Total</b>	<b>20,511</b>	<b>20,062</b>	<b>(448)</b>	<b>(2%)</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 2021/22	Budget 2022/23	Change	Change
	\$'000	\$'000	\$'000	%
Contractors	5,750	6,322	572	(10%)
Service charges & Consumables	3,052	3,393	341	(11%)
Utilities	927	831	(96)	10%
External Consultants & Professionals	1352	1188	(164)	12%
<b>Total</b>	<b>11,081</b>	<b>11,735</b>	<b>653</b>	<b>(6%)</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 2021/22 year and used this as the basis for the 2022/23 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 2021/22 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 2021/22	Budget 2022/23	Change	Change
	\$'000	\$'000	\$'000	%
Property, Furniture & Fittings	1,359	1,359	0	0%
Plant & Equipment	1,169	1,180	11	1%
Infrastructure	8,305	8,301	(4)	0%
Yatchaw Drainage Scheme	6	6	0	0%
Other Assets	1,135	1,130	(5)	0%
<b>Total</b>	<b>11,974</b>	<b>11,976</b>	<b>2</b>	<b>0%</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 2022/23 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 2021/22 \$'000	Budget 2022/23 \$'000	Change \$'000	Change %
Waste Disposal expenses	674	702	28	4%
Communications & Software licences	580	613	33	5%
Contributions & Grants to other organisations	589	600	11	2%
Insurances	622	775	153	20%
Elected Members	195	239	44	18%
Rates Discount	184	187	3	2%
Audit & Legal	194	157	(37)	(24%)
Other Expenses	1562	1355	(207)	(15%)
<b>Total</b>	<b>4600</b>	<b>4628</b>	<b>28</b>	<b>1%</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 2022/23 year is a deficit of \$3.927 million which is an increase of \$2.775 million from the projected 2021/22 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 2021/22 \$'000	Budget 2022/23 \$'000	Variance \$'000
Total income	48,265	48,473	208
Total expenses	(46,967)	(46,603)	364
<b>Surplus (deficit) for the year</b>	<b>1,298</b>	<b>1,870</b>	<b>572</b>
Grants – capital non-recurrent	(2,450)	(5,797)	(3,347)
Contributions - non-monetary assets	0	0	0
Capital contributions - other sources	0	0	0
<b>Adjusted underlying surplus (deficit)</b>	<b>(1,152)</b>	<b>(3,927)</b>	<b>(2,775)</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 \$16.116 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 \$12.577 million increase in this balance is attributable to the net result of the capital works program (\$29.403 million of additional asset value), less depreciation of assets (\$11.976 million), sale of industrial land (\$1.400m) and sale of plant and equipment (\$0.250 million).

### 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 \$0.556 million over the year. Council is anticipating borrowing \$2 million in the 2022/23 year.

### 4.2.3 Borrowings

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

	2021/22 \$	2022/23 \$
Total amount borrowed as at 30 June of the prior year	2,644	2,385
Total amount to be borrowed	0	2,000
Total amount projected to be redeemed	(259)	(556)
Total amount proposed to be borrowed as at 30 June	2,385	3,829

### 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 2022/23 of \$2.213 million (current assets \$11.701 million less current liabilities \$9.488 million). Council will need to manage its cash payments and receipts carefully to maintain a positive cash balance. It should be noted that \$3.200m 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 2021/22 \$'000	Budget 2022/23 \$'000	Variance \$'000
Accumulated Surplus	146,973	147,098	125
Reserve – Asset Revaluation	253,094	253,094	0
Reserve – Open Space/Subdividers Contributions	346	18	(328)
Reserve – Parking Development	98	20	(78)
Reserve – Drainage Headworks	97	97	0
	<b>400,608</b>	<b>400,327</b>	(281)

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 2021/22 \$'000	Budget 2022/23 \$'000	Variance \$'000
<b>Surplus (deficit) for the year</b>	<b>(1,299)</b>	<b>(1,870)</b>	(571)
Depreciation	11,974	10,976	2
Loss (gain) on disposal Assets	0	0	0
Loss on impairment of Assets	0	0	0
Net movement in current assets and liabilities	(4,790)	(16,411)	(11,621)
<b>Cash flows available from operating activities</b>	<b>5,885</b>	<b>(6,305)</b>	(12,190)

### 4.4.2 Investing activities

The increase in payments for investing activities (\$29.403 million) represents the planned increase in net capital works expenditure which in a number of high value assets and the movement of \$16.116 million to cash at bank to fund these activities.

Proceeds from the sale of assets are forecast to increase by \$0.530 million, and includes the commencement of sales from the Hamilton Industrial Estate commence.

### 4.4.3 Financing activities

For 2022/23 the total of principal repayments is projected to be \$0.556 million and finance charges are projected to be \$0.072 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 \$16.116 million to \$4.229 million as at 30 June 2023, 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 2023 it will have cash and investments of \$4,229 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 2021/22 \$'000	Budget 2022/23 \$'000	Variance \$'000
<b>Total cash and investments</b>	<b>20,345</b>	<b>4,229</b>	<b>(16,116)</b>
Restricted cash and investments			
- Statutory reserves	541	135	541
- Trust funds and deposits	373	373	0
<b>Unrestricted cash and investments</b>	<b>19,431</b>	<b>3,721</b>	<b>(15,710)</b>
<b>Discretionary Reserves/Funds</b>			
- Discretionary reserves – See Note 4.3	346	18	(328)
- Sir Irving Benson Bequest	657	657	0
- Defined Benefit Shortfall	1,300	0	(1,300)
- Landfill Rehabilitation	500	500	0
- Long Service Leave Entitlement	3,500	3,500	0
<b>Total Discretionary Reserves/Funds</b>	<b>6,303</b>	<b>4,675</b>	<b>(1,628)</b>
<b>Unrestricted cash adjusted for discretionary Reserves</b>	<b>13,128</b>	<b>(954)</b>	<b>(14,082)</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.

It should be noted that the 2020/21 balance includes \$6.328m of prepaid Financial Assistance Grants.

## 4.5 Capital Works Program

### 4.5.1 Funding sources

Sources of Funding	Forecast 2021/22 \$'000	Budget 2022/23 \$'000	Variance \$'000
Grants	4,435	5,760	1,325
Contributions	0	203	203
Reimbursements	0	0	0
Borrowings	0	2,000	2,000
Council cash			
- proceeds from sale of assets	1,120	750	(370)
- reserve cash and investments (Statutory)	0	0	0
- reserve cash and investments (Discretionary)	0	0	0
- unrestricted cash and investments	12,088	20,690	8,602
<b>Total funding sources</b>	<b>17,643</b>	<b>29,403</b>	<b>11,760</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, \$1.6m for Melville Oval, 840k for Hamilton Botanic Gardens, 500k for Waste Projects, \$155k for Dunkeld Visitor Precinct 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 Sales	-	-	-	-	-	-	-	500,000	(500,000)
Hamilton Industrial Land Development	1,200,000	-	-	1,200,000	-	-	-	-	1,200,000
	<b>1,200,000</b>	<b>0</b>	<b>0</b>	<b>1,200,000</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>500,000</b>	<b>700,000</b>
<b>Buildings</b>									
Lonsdale St Building Detailed Design	-	80,000	-	-	80,000	-	-	-	80,000
Art Gallery - Detailed Design	-	250,000	-	250,000	-	-	-	-	250,000
Ansett Museum - Building Extension	-	120,000	-	120,000	-	-	-	-	120,000
Dunkeld Visitor Hub	-	1,000,000	-	1,000,000	-	-	154,500	-	845,500
Purchase - Lonsdale St Buildings	-	1,450,000	-	-	1,450,000	-	-	-	1,450,000
Penshurst Volcanoes Discovery Centre Upgrade	-	290,000	-	290,000	-	-	-	-	290,000
Facilities Management - Capital Renewal Buildings	-	300,000	300,000	-	-	-	-	-	300,000
	<b>-</b>	<b>3,490,000</b>	<b>300,000</b>	<b>1,660,000</b>	<b>1,530,000</b>	<b>-</b>	<b>154,500</b>	<b>-</b>	<b>3,335,500</b>
<b>Building Improvements</b>									
Business Centre - Brown St - Carpet & Airconditioning Downstairs	-	10,000	10,000	-	-	-	-	-	10,000
Library- Security Doors Upgrade	-	13,000	13,000	-	-	-	-	-	13,000
117 Brown - Toilets & Carpet Replacement	-	60,000	60,000	-	-	-	-	-	60,000
HILAC Floor Resurfacing	-	15,000	15,000	-	-	-	-	-	15,000
HILAC - Gym Airconditioning	-	30,000	30,000	-	-	-	-	-	30,000
Coleraine - Silvester Oval - Football Pavilion - various renewal works	-	70,000	70,000	-	-	-	-	-	70,000
Ansett Museum - Signage & Interpretive Boards	-	35,000	-	35,000	-	-	-	-	35,000
PAC - Internal Painting	-	41,000	41,000	-	-	-	-	-	41,000
Hamilton VIC Carpet Replacement	-	25,000	25,000	-	-	-	-	-	25,000
Animal Pound - Dog & Cat Isolation Room	-	18,000	-	18,000	-	-	-	-	18,000
	<b>-</b>	<b>317,000</b>	<b>264,000</b>	<b>53,000</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>317,000</b>
<b>Total Property</b>	<b>1,200,000</b>	<b>3,807,000</b>	<b>564,000</b>	<b>2,913,000</b>	<b>1,530,000</b>	<b>-</b>	<b>154,500</b>	<b>500,000</b>	<b>4,352,500</b>
<b>Plant &amp; Equipment</b>									
<b>Plant Machinery &amp; Equipment</b>									
Light Fleet Renewals	-	450,000	450,000	-	-	-	-	250,000	200,000
Heavy Fleet Renewals	-	500,000	500,000	-	-	-	-	-	500,000
Plant Replacement - Hook Truck	320,000	-	-	-	320,000	-	-	-	320,000
Plant Replacement - Truck - Patching	350,000	-	-	-	350,000	-	-	-	350,000
Plant Replacement - Street Tree Chipper	100,000	-	-	-	100,000	-	-	-	100,000
Plant Replacement - Depot Fuel Bowsers	-	100,000	100,000	-	-	-	-	-	100,000
	<b>770,000</b>	<b>1,050,000</b>	<b>1,050,000</b>	<b>-</b>	<b>770,000</b>	<b>-</b>	<b>0</b>	<b>250,000</b>	<b>1,570,000</b>
<b>Fixtures, Fittings &amp; Furniture</b>									
PAC - House Lights	-	56,067	-	56,067	-	-	-	-	56,067
PAC - Front of House Lighting Bridge	-	38,750	-	38,750	-	-	-	-	38,750
	<b>-</b>	<b>94,817</b>	<b>0</b>	<b>94,817</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>94,817</b>

	Carry Forward/ Continuing	New Project	Renewal	Upgrade	New	Expansion	Grants	Contrib/Reimb/ Sales	Council Cash
<b>Computers &amp; Telecommunications</b>									
Business Systems - Firewall Replacement	-	10,000	10,000				-	-	10,000
	-	10,000	10,000	-	-	-	0	-	10,000
<b>Library Books</b>									
Library Books	-	70,000	70,000				-	15,000	55,000
	-	70,000	70,000	-	-	-	0	15,000	55,000
<b>Art Collection</b>									
AAR - Art Collection	-	15,000	15,000				-	-	15,000
	-	15,000	15,000	-	-	-	0	-	15,000
<b>Total Plant &amp; Equipment</b>	<b>770,000</b>	<b>1,239,817</b>	<b>1,145,000</b>	<b>94,817</b>	<b>770,000</b>	<b>-</b>	<b>-</b>	<b>765,000</b>	<b>1,244,817</b>
<b>Infrastructure</b>									
<b>Roads</b>									
<b>RTR Funding</b>							1,985,289	-	(1,985,289)
Storm Event October 2020 - Restoration Works	-	1,000,000	1,000,000				250,000	-	750,000
Roadside Safety Improvements	-	165,000		165,000			80,000	-	85,000
	-	1,165,000	1,000,000	165,000	-	-	2,315,289	-	(1,150,289)
<b>Road Rehabilitations</b>									
Duck Pools Lane (00000 - 00085) (Glenelg Hwy - Property Entrance) - Sealed Pavement	-	17,000	17,000				-	-	17,000
Jessop St (0-65) (Ballarat Rd S/R - End Seal) - Sealed Pavement	-	20,000	20,000				-	-	20,000
Shaws SS Rd (0-1945) (Murrdal Branhholme Rd - Width Change) - Seal	-	219,000	219,000				-	-	219,000
Chrome Rd (6275-6900) (Pave Change - Pave Change) - Sealed Pavement	-	70,000	70,000				-	-	70,000
Old Crusher Rd (5020 - 6090) (Seal Joint - Seal Joint) - Sealed Pavement	-	121,000	121,000				-	-	121,000
Old Crusher Rd (4030 - 5020) (Byaduk Lutheran Church Rd - Seal Joint) - Sealed Pavement	-	112,000	112,000				-	-	112,000
Wallacedale North-Hamilton Rd (2000 - 3040) (1.68 Clarke - Branhholme Byaduk Rd) - Sealed Pavement	-	119,000	119,000				-	-	119,000
Roscoe Ave (0 - 308) (Rippon Rd - Ballarat Rd) - Sealed Pavement	-	42,000	42,000				-	-	42,000
Mt Napier Rd 3 Rural (2808 - 3155) (Seal Change - Seal Change) - Sealed Pavement	-	68,000	68,000				-	-	68,000
Mt Napier Rd 3 Rural (3155 - 4250) (Seal Change - 3.69 Pierrepont) - Sealed Pavement	-	192,000	192,000				-	-	192,000
Cartys Soldier Settlement Rd (0 - 1015) (Hamilton-Port Fairy Rd - Seal Change) - Sealed Pavement	-	114,000	114,000				-	-	114,000
Cartys Soldier Settlement Rd (1015 - 2645) (Seal Change - 2.54 Madins) - Sealed Pavement	-	184,000	184,000				-	-	184,000
Byaduk Peshurst Rd (2030 - 2865) (Culvert - 2.89 Chamberlains) - Sealed Pavement	-	85,000	85,000				-	-	85,000
Byaduk Peshurst Rd (2865 - 3750) (2.89 Chamberlains - 3.40 Handrecks) - Sealed Pavement	-	94,000	94,000				-	-	94,000
Craigs Rd (0 - 1500) (East West Rd - Change) - Sealed Pavement	-	152,000	152,000				-	-	152,000
Craigs Rd (1500 - 3000) (Change - Change) - Sealed Pavement	-	152,000	152,000				-	-	152,000
Craigs Rd (3000 - 4910) (Change - 3.72 Carter) - Sealed Pavement	-	73,000	73,000				-	-	73,000
East West Rd (1990 - 3340) (1.77 Greenaways - 2.57 Craigs) - Sealed Pavement	-	59,000	59,000				-	-	59,000
French St 1 (294 - 514) (McIntyre - Kennedy St) - Sealed Pavement	-	75,000	75,000				-	-	75,000
Gallie Rd (0 - 1280) (Glenelg Hwy - Seal Change) - Sealed Pavement	-	130,000	130,000				-	-	130,000
Gallie Rd (1280 - 3115) (Seal Change - Culvert) - Sealed Pavement	-	186,000	186,000				-	-	186,000
McIntyre St (438 - 547) (Gray - Clarke) - Sealed Pavement	-	38,000	38,000				-	-	38,000
McIntyre St (547 - 660) (Clarke - Lonsdale) - Sealed Pavement	-	39,000	39,000				-	-	39,000
McIntyre St (660 - 773) (Lonsdale - Scoresby St) - Sealed Pavement	-	39,000	39,000				-	-	39,000
	-	2,400,000	2,400,000	-	-	-	0	-	2,400,000

	Carry Forward/ Continuing	New Project	Renewal	Upgrade	New	Expansion	Grants	Contrib/Reimb/ Sales	Council Cash
Watts Rd (00000 - 02220) (Coleraine Balmoral Rd - 2.25 Gringe Dip) - Seal	-	59,000	59,000				-	-	59,000
Windsor Dv (0-104) (McArthur - St James Pl) - Seal	-	5,000	5,000				-	-	5,000
Windsor Dv (104-225) (St James Pl - End of Bowl) - Seal	-	5,000	5,000				-	-	5,000
Dempster Drv (305-386) (Henry - Duke Ave) - Seal	-	5,000	5,000				-	-	5,000
Dundas Gap Rd (7005-8790) (Seal Joint - Seal Change) - Seal	-	44,000	44,000				-	-	44,000
Hamilton Pl (0-289) (Mt Balmbridge Rd - Burns) - Seal	-	17,000	17,000				-	-	17,000
Hamilton Pl (289-495) (Burns - Byron) - Seal	-	17,000	17,000				-	-	17,000
Kenna Ave (0-94) (King St - Button) - Seal	-	5,000	5,000				-	-	5,000
Kenna Ave (94-360) (Button - Kent) - Seal	-	13,000	13,000				-	-	13,000
Lesser St (238-440) (Start of Seal - Read St) - Seal	-	6,000	6,000				-	-	6,000
Martin St Hamilton (425-647) (Kennedy - Thompson) - Seal	-	19,000	19,000				-	-	19,000
May St (191-378) (Patterson Ave - Bree Rd) - Seal	-	10,000	10,000				-	-	10,000
Melville Forest Vasey Rd (17720-17810) (Seal Change - Seal Change) - Seal	-	3,000	3,000				-	-	3,000
Melville Forest Vasey Rd (20725-20835) (Seal Change - Seal Change) - Seal	-	3,000	3,000				-	-	3,000
Melville Forest Vasey Rd (21515-22315) (Seal Change - Seal Change) - Seal	-	31,000	31,000				-	-	31,000
Parker St P/B Forward (1011-1234) (Sterling St - Dunlop St) - Seal	-	11,000	11,000				-	-	11,000
Parker St P/B Reverse (1011-1234) (Sterling St - Dunlop St) - Seal	-	11,000	11,000				-	-	11,000
Pioneer St (385-430) (Seal Change - Beach) - Seal	-	3,000	3,000				-	-	3,000
Pioneer St (503-920) (Seal Change - Elijah St) - Seal	-	12,000	12,000				-	-	12,000
Portland Ln (0-1455) (Coleraine Edenhope Rd - Seal Change) - Seal	-	37,000	37,000				-	-	37,000
Portland Ln (1455-2965) (Seal Change - Seal Change) - Seal	-	39,000	39,000				-	-	39,000
Portland Ln (2965-3745) (Seal Change - 3.74 Scholfields) - Seal	-	21,000	21,000				-	-	21,000
Portland Ln (3745-5380) (3.74 Scholfields - Seal Change) - Seal	-	43,000	43,000				-	-	43,000
Portland Ln (5380-6245) (Seal Change - Seal Change) - Seal	-	23,000	23,000				-	-	23,000
Portland Ln (6245-6895) (Seal Change - Seal Change) - Seal	-	18,000	18,000				-	-	18,000
Watts Rd (2220-2525) (2.25 Gringe Dip - Melville Forest Vasey Rd) - Seal	-	9,000	9,000				-	-	9,000
Pioneer St (0-385) (Wedge St - Seal Change) - Seal	-	11,000	11,000				-	-	11,000
Falkenbergs Rd (0-520) (Glenelg Hwy - Pavement Change) - Seal	-	11,000	11,000				-	-	11,000
Falkenbergs Rd (2210-2770) (Width Change - Width Change) - Seal	-	23,000	23,000				-	-	23,000
Falkenbergs Rd (2770-4000) (Width Change - Segment Change) - Seal	-	30,000	30,000				-	-	30,000
Falkenbergs Rd (4000-5370) (Segment Change - Gate East Side) - Seal	-	34,000	34,000				-	-	34,000
Falkenbergs Rd (520-2210) (Pavement Change - Width Change) - Seal	-	42,000	42,000				-	-	42,000
Falkenbergs Rd (5370-6250) (Gate East Side - Ends at Gate) - Seal	-	22,000	22,000				-	-	22,000
McIntyres Crossing Rd (12740-14325) (Seal Joint - 13.51 Sturgeon SS) - Seal	-	38,000	38,000				-	-	38,000
Melville Forest Rd (0-980) (Cavendish Coleraine Rd - Width Change) - Seal	-	25,000	25,000				-	-	25,000
Melville Forest Rd (980-1725) (Width Change - Width Change) - Seal	-	25,000	25,000				-	-	25,000
Melville Forest Vasey Rd (15795-16870) (Seal Change - 16.85 Armstrongs) - Seal	-	27,000	27,000				-	-	27,000
Melville Forest Vasey Rd (16870-17720) (16.85 Armstrongs - Seal Change) - Seal	-	18,000	18,000				-	-	18,000
Mooree Road (0-370) (Pigeon Ponds Creek - Nareen Rd) - Seal	-	10,000	10,000				-	-	10,000
Old Crusher Rd (6090-7920) (Seal Joint - Wallacedale-Byaduk Rd) - Seal	-	45,000	45,000				-	-	45,000
Old Crusher Rd (4030-5020) (Byaduk Lutheran Church Rd - Seal Joint) - Seal	-	24,000	24,000				-	-	24,000
Old Crusher Rd (5020-6090) (Seal Joint - Seal Joint) - Seal	-	27,000	27,000				-	-	27,000
Bundol Rd (6120-7300) (5.69 Sturgeon SS - 7.43 Manns) - Seal	-	29,000	29,000				-	-	29,000
Bundol Rd (7300-8960) (7.43 Manns - Seal Change) - Seal	-	40,000	40,000				-	-	40,000
Bundol Rd (8960-9460) (Seal Change - Victoria Valley Rd) - Seal	-	13,000	13,000				-	-	13,000
Cameron St Hamilton (0-102) (George St - End) - Seal	-	5,000	5,000				-	-	5,000
	-	2,068,000	2,068,000	-	-	-	0	-	2,068,000

	Carry Forward/ Continuing	New Project	Renewal	Upgrade	New	Expansion	Grants	Contrib/Reimb/ Sales	Council Cash
<b>Final Seals</b>									
Seal North Boundary Rd (03126 - 03337) (Width Change - McArthur)	-	10,000	10,000				-	-	10,000
Seal Branxholme-Byaduk Rd (10515 - 12525) (9.52 Kinghorns - Seal Change)	-	20,000	20,000				-	-	20,000
Seal Branxholme-Byaduk Rd (2000 - 2580) (1.39 Toms - Wallacedale North-Hamilton)	-	8,000	8,000				-	-	8,000
Seal Branxholme-Byaduk Rd (2580 - 3800) (Wallacedale North-Hamilton - Seal Change)	-	12,000	12,000				-	-	12,000
Seal Branxholme-Byaduk Rd (7410 - 7605) (Seal Change - Seal Change)	-	8,000	8,000				-	-	8,000
Seal Petschells La (3720 - 5810) (Mibus - Hamilton Chatsworth Rd)	-	12,000	12,000				-	-	12,000
Seal South Boundary Rd (3033 - 3820) (Surface Change - Rifle)	-	9,000	9,000				-	-	9,000
Seal Twomeys Bridge Rd (2470 - 4720) (Gellerts Rd - Seal Change)	-	13,000	13,000				-	-	13,000
Seal Twomeys Bridge Rd (4720 - 5100) (Seal Change - Pave Change)	-	5,000	5,000				-	-	5,000
Seal South Boundary Rd (1270 - 1815) (Portland Rd - Seal Change)	-	6,000	6,000				-	-	6,000
Seal Petschells La Hamilton (350 - 1170) (0.42 Rippon St - Kannenbergs)	-	8,000	8,000				-	-	8,000
Seal Hamilton Chatsworth Rd Pt1 (3555 -4900) (Seal Change to 5.89 Schurmanns)	-	11,000	11,000				-	-	11,000
Seal Hamilton Chatsworth Road Croxton East (20440 - 21750)	-	12,000	12,000				-	-	12,000
Seal Mount Napier Road Buckley Swamp (527 - 1397)	-	8,000	8,000				-	-	8,000
	-	142,000	142,000	-	-	-	0	-	142,000
<b>Gravel Road Resheets</b>									
Finkmeyers La (0 - 560) (Rudolphs Lane - Prop Ent) - Unsealed Pavement	-	4,000	4,000				-	-	4,000
Finkmeyers Lane (0560 - 1000) (Prop Ent - Loading Ramp) - Unsealed Pavement	-	17,000	17,000				-	-	17,000
Finkmeyers Lane (1000 - 1950) (Loading Ramp - Culvert) - Unsealed Pavement	-	20,000	20,000				-	-	20,000
Finkmeyers Lane (1950 - 3200) (Culvert - North Lake Rd) - Unsealed Pavement	-	9,000	9,000				-	-	9,000
Lehmans Rd (6080-7145) (Lukes Rd - Culvert) - Gravel Pavement	-	37,000	37,000				-	-	37,000
Walkenhorst Road (4050 - 4410) (Gate Nth Side - Nagorckas Rd) - Unsealed Pavement	-	13,000	13,000				-	-	13,000
Walkenhorst Road (2680 - 4050) (Yatchaw Rd - Gate Nth Side) - Unsealed Pavement	-	47,000	47,000				-	-	47,000
Riddles Lane (0000 - 2650) (Blackwood Dunkeld Rd - Gate) - Gravel Pavement	-	55,000	55,000				-	-	55,000
Wannon Road (155 - 235) (Henty St - House Entrance) - Gravel Pavement	-	4,000	4,000				-	-	4,000
Boram Boram Lane (00000 - 01640) (Mackichan Lane - Cemetery Lane) - Gravel Pavement	-	44,000	44,000				-	-	44,000
	-	250,000	250,000	-	-	-	0	-	250,000
<b>Kerb &amp; Channel</b>									
Kerb & Channel	-	180,000	180,000				-	-	180,000
	-	180,000	180,000	-	-	-	0	-	180,000
	-	6,205,000	6,040,000	165,000	-	-	2,315,289	-	3,889,711

	Carry Forward/ Continuing	New Project	Renewal	Upgrade	New	Expansion	Grants	Contrib/Reimb/ Sales	Council Cash
<b>Bridges &amp; Culverts</b>									
Bridges & Culverts - Bell Street (035) Yuppeckiar Creek - Glenthompson Asset ID - 31846	-	54,000	54,000				-	-	54,000
Bridges & Culverts - McKellars Road (1970) Violet Creek - Yulecart Asset ID - 14198	-	115,000	115,000				-	-	115,000
Bridges & Culverts - Back Bushy Creek Road (10015) Bushy Creek - Culvert Glenthompson Asset ID - 30569		91,000	91,000				-	-	91,000
Bridges & Culverts - Mt Napier Road (00265) Grange Burn - Hamilton Asset ID - 14254		54,000	54,000				-	-	54,000
Bridges & Culverts - Tarenlea Road (9117) Saltpan Creek - Major Culvert Tarenlea Asset ID - 14394		43,000	43,000				-	-	43,000
Bridges & Culverts - Melville Forest-Vasey Road (11935) Major Culvert Gringegalga Asset ID - 142295		42,000	42,000				-	-	42,000
Bridges & Culverts - Cavendish Coleraine Road (36640) Major Culvert Coleraine Asset ID - 14309		87,000	87,000				-	-	87,000
Bridges & Culverts - McCutcheons Road (5640) Little Tea Tree Creek - Major Culvert Cavendish Asset ID - 14418		35,000	35,000				-	-	35,000
Bridges & Culverts - Blackwood-Dunkeld Road (20500) Back Creek - Dunkeld Asset ID - 30204		36,000	36,000				-	-	36,000
Bridges & Culverts - Quigleys Road (00258) Wannon River - Wannon Asset ID - 14205		28,000	28,000				-	-	28,000
Bridges & Culverts - Walkers Road (1990) Back Creek - Moutajup Asset ID - 14240		27,000	27,000				-	-	27,000
Bridges & Culverts - Giant Rock Road (860) Konongwootong Creek - Major Culvert Wootong Asset ID - 14276		33,000	33,000				-	-	33,000
Bridges & Culverts - Hamilton Botanic Gardens - Foot Hamilton Asset ID - 31847	-	32,000	32,000				-	-	32,000
Bridges & Culverts - Yatchaw Road (8225) Yatchaw Asset ID - 14226	-	17,000	17,000				-	-	17,000
Bridges & Culverts - Victoria Point Road (00615) Dwyer Creek - Victoria Valley Asset ID - 14239	-	28,000	28,000				-	-	28,000
Bridges & Culverts - Melville Forest-Vasey Road (09850) - Gringegalga Asset ID - 14199	-	21,000	21,000				-	-	21,000
Bridges & Culverts - Mt Napier Road (04806) Muddy Creek - Hamilton Asset ID - 14222	-	22,000	22,000				-	-	22,000
	-	765,000	765,000	-	-	-	0	-	765,000
<b>Footpaths &amp; Cycleways</b>									
Footpath - Annual Budget	-	225,000	225,000				-	-	225,000
Dunkeld-Mount Sturgeon Loop Walk Project	171,000	-			171,000		-	-	171,000
Implementation of Hamilton Network operating plan and trails development	-	200,000		200,000			100,000	-	100,000
	171,000	425,000	225,000	200,000	171,000	-	100,000	-	496,000
<b>Recreational, Leisure &amp; Community Facilities</b>									
Pedrina Park - Soccer Drainage	100,000	-		100,000			-	-	100,000
Pedrina Park - Playground Upgrade		100,000		100,000			-	100,000	0
Melville Oval - Facilities Upgrade Project		4,600,000		4,600,000			1,600,000	-	3,000,000
Coleraine - Silvester Oval - Power Upgrade		115,000		115,000			-	57,500	57,500
Lake Hamilton - Dam Wall Reinstatement	130,000	-	130,000				-	-	130,000
Balmoral Pool - Filtration System & Circulation Pumps		80,000	80,000				-	-	80,000
Balmoral Pool - Painting & Expansion Joints		45,000	45,000				-	-	45,000
Coleraine Pool - Filtration System & Circulation Pumps		165,000	165,000				-	-	165,000
Coleraine Pool - Painting & Expansion Joints		70,000	70,000				-	-	70,000
Coleraine Pool - Pool Covers		75,000	75,000				-	-	75,000
Dunkeld Pool - Painting & Expansion Joints		45,000	45,000				-	-	45,000
Glenthompson Pool - Painting & Expansion Joints		45,000	45,000				-	-	45,000
Hamilton Outdoor - Painting & Expansion Joints		130,000	130,000				-	-	130,000
Hamilton Outdoor - Shade Sail Replacement		10,000	10,000				-	-	10,000
Penshurst Pool - Painting & Expansion Joints		45,000	45,000				-	-	45,000
HILAC - Air Control Unit Replacement		20,000	20,000				-	-	20,000
HILAC - Heat Pump		15,000	15,000				-	-	15,000
	230,000	5,560,000	875,000	4,915,000	-	-	1,600,000	157,500	4,032,500

	Carry Forward/ Continuing	New Project	Renewal	Upgrade	New	Expansion	Grants	Contrib/Reimb/ Sales	Council Cash
<b>Waste Management</b>									
Waste Options Implementation	1,110,000	-		1,110,000	-	-	500,000	-	610,000
Hamilton Landfill - Leachate Bores and Pumps	75,000			75,000	-	-	-	-	75,000
Coleraine Landfill Remediation		150,000	-	150,000	-	-	-	-	150,000
Hamilton Landfill Biofilter Upgrade		150,000		-	150,000	-	-	-	150,000
Transfer Station Upgrade Program (OPP-50471) - Balmoral	19,000			19,000	-	-	12,100	-	6,900
Transfer Station Upgrade Program (OPP-50471) - Branxholme	19,000			19,000	-	-	11,500	-	7,500
Transfer Station Upgrade Program (OPP-50471) - Cavendish	19,000			19,000	-	-	11,500	-	7,500
Transfer Station Upgrade Program (OPP-50471) - Coleraine	19,000			19,000	-	-	11,500	-	7,500
Transfer Station Upgrade Program (OPP-50471) - Dunkeld	19,000			19,000	-	-	11,500	-	7,500
Transfer Station Upgrade Program (OPP-50471) - Glenthompson	19,000			19,000	-	-	11,500	-	7,500
Transfer Station Upgrade Program (OPP-50471) - Hamilton	19,000			19,000	-	-	11,500	-	7,500
Transfer Station Upgrade Program (OPP-50471) - Penshurst	19,000	-		19,000	-	-	11,500	-	7,500
	<b>1,337,000</b>	<b>300,000</b>	<b>0</b>	<b>1,487,000</b>	<b>150,000</b>	<b>-</b>	<b>592,600</b>	<b>-</b>	<b>1,044,400</b>
<b>Parks, Open Space &amp; Streetscapes</b>									
Cox Street' Front Door' Precinct	4,150,000	-	4,150,000				-	-	4,150,000
Hamilton Botanic Gardens - Intergenerational Garden		1,600,000		1,600,000			840,000	-	760,000
Hamilton Botanic Gardens - Rose Garden		50,000		50,000			-	30,000	20,000
Hamilton Entrance Signs - Ballarat & Coleraine Rd		300,000		300,000			-	-	300,000
Signage Replacement - Shire Wide		80,000	80,000				-	-	80,000
CBD - Detailed Design Stage 2		350,000	350,000				-	-	350,000
Hewitt Park - Vegetation Offset site		18,000		18,000			-	-	18,000
	<b>4,150,000</b>	<b>2,398,000</b>	<b>4,580,000</b>	<b>1,968,000</b>	<b>-</b>	<b>-</b>	<b>840,000</b>	<b>30,000</b>	<b>5,678,000</b>
<b>Aerodromes</b>									
RESA Upgrade Works	-	240,000		240,000	-	-	157,800	-	82,200
	<b>-</b>	<b>240,000</b>	<b>0</b>	<b>240,000</b>	<b>-</b>	<b>-</b>	<b>157,800</b>	<b>-</b>	<b>82,200</b>
<b>Off Street Carparks</b>									
Pedrina Park - Carpark Upgrade		100,000	100,000		-	-	-	-	100,000
Hamilton Showgrounds Carpark & Pedestrian Crossing		85,000		85,000	-	-	-	-	85,000
	<b>-</b>	<b>185,000</b>	<b>100,000</b>	<b>85,000</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>185,000</b>
<b>Other Infrastructure</b>									
Coleraine Flood Defence - Detailed Design	-	180,000			180,000		-	-	180,000
Dunkeld Flood Defence - Detailed Design	-	100,000			100,000		-	-	100,000
Livestock Exchange - Cattle Crush	-	40,000		40,000			-	-	40,000
Livestock Exchange - Walkway Modifications	-	100,000	100,000	-			-	-	100,000
	<b>-</b>	<b>420,000</b>	<b>100,000</b>	<b>40,000</b>	<b>280,000</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>420,000</b>
<b>Total Infrastructure</b>	<b>5,888,000</b>	<b>16,498,000</b>	<b>12,685,000</b>	<b>9,100,000</b>	<b>601,000</b>	<b>-</b>	<b>5,605,689</b>	<b>187,500</b>	<b>16,592,811</b>
<b>Total Capital Works</b>	<b>7,858,000</b>	<b>21,544,817</b>	<b>14,394,000</b>	<b>12,107,817</b>	<b>2,901,000</b>	<b>-</b>	<b>5,760,189</b>	<b>952,500</b>	<b>22,690,128</b>
	<b>29,402,817</b>			<b>29,402,817</b>			<b>29,402,817</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 2021/22	Budget 2022/23	Strategic Resource Plan Projections			Trend +/-
					2023/24	2024/25	2025/26	
<b>Operating position</b>								
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	(2.8%)	(15.2%)	(12.2%)	(10.6%)	(9.8%)	o
<b>Liquidity</b>								
Working Capital	Current assets / current liabilities	2	228%	123%	91%	76%	87%	-
Unrestricted cash	Unrestricted cash / current liabilities		185%	40%	20%	15%	31%	-
<b>Obligations</b>								
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	11%	17%	23%	19%	25%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		3%	3%	3%	4%	3%	+
Indebtedness	Non-current liabilities / own source revenue		14%	18%	23%	21%	24%	-
Asset renewal	Asset renewal expenses / Asset depreciation	4	147%	246%	120%	75%	74%	o
<b>Stability</b>								
Rates concentration	Rate revenue / adjusted underlying revenue	5	48%	53%	52%	52%	52%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.39%	0.30%	0.28%	0.28%	0.28%	o
<b>Efficiency</b>								
Expenditure level	Total expenses/ No. of property assessments		\$4,324	\$4,342	\$4,358	\$4,383	\$4,424	+
Revenue level	Total rate revenue / No. of property assessments		\$1,952	\$1,985	\$2,059	\$2,062	\$2,098	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		15%	10%	10%	10%	10%	-

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 2022/23 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 17%, rising to 25% at the end of 2025/26 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.