



Southern Grampians
SHIRE COUNCIL

Adopted Budget

2020/2021

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Mayor's introduction

On behalf of your elected Council, it is with pleasure that I present the 2020/21 budget to the community of Southern Grampians Shire.

In 2017, Council developed an aspirational whilst deliverable Council Plan 2017-21 that informed the development of the Strategic Resource Plan 2017-21. Over the past three years Council commenced turning these plans and aspirations into reality and this 2020/21 Budget finalises much of that work.

Whilst work on the budget commenced many months ago, the outbreak of COVID-19 has overshadowed the preparation. Council has been granted an extension to complete the budget process, however it believes that moving forward under "normal" timeframes is important to provide surety to the community of the continued delivery of services. This also provides us with the mechanisms to prepare tender documents and commence the delivery of capital works projects without lengthy delays.

In response to these uncertain times, Council has proposed rates to increase by 1.75% (rate cap has been set by the Minister for Local Government at 2%) with the full amount of the increase (\$328,000) dedicated to assist in COVID-19 activities. This may take the form of assisting those temporarily in financial hardship, fostering business/economic stimulus or supporting new funding opportunities that may arise.

In direct response to the COVID Pandemic, both the Federal and State Governments have provided targeted assistance to the local government sector. These amounts were announced after the Draft Budget was exhibited but have been adopted by Council and incorporated into this Budget document:

- *Statement Government - Working for Victoria Program - \$2.8m over 2019/20 and 2020/21,*
- *Federal Government – Local Roads and Community Infrastructure Program - \$1.985m, and*
- *Federal Government – Financial Assistance Grants – prepayment of 50% of the 2020/21 allocation in 2019/20.*

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.

Council continues to revise key internal documents such as the Strategic Resource Plan, Asset Management Plans and service reviews. These processes provide a sound basis to consult with our communities about the appropriateness and level of service and the costs associated with each of our services.

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 2020/21 budget includes a number of key initiatives that continue to deliver on the Council Plan 2017-21:

- *Deliver the Waste & Resource Recovery Strategy as adopted by Council including landfill, transfer stations and collection initiatives*
- *Continue the next steps in the feasibility of a new Hamilton Gallery*
- *Commence the delivery of priority improvements of recreation and leisure facilities in response to the findings of the Recreation and Leisure Strategy, including Lake Hamilton*
- *Continue advocacy on key Council priorities to Regional organisations (Great South Coast & Grampians), State and Federal Governments*
- *Implement an investment attraction program that focuses on the key industries of agriculture, manufacturing, retail, tourism and the digital economy*
- *Invest in the appropriate systems, processes and training to support an environment which delivers a seamless customer experience*

The total Capital Works program of just over \$14 million is a significant investment in roads, bridges, footpaths and associated infrastructure works. Highlights of the Capital Works Program include:

- *Continue significant investment into local roads, bridges and other Council owned infrastructure*
- *Deliver essential works at transfer station and landfill sites*
- *Implement works associated with Council Buildings Asset Management Strategy*
- *Create the capacity to leverage and deliver Federal and State Government stimulus initiatives*

On behalf of my Councillor colleagues and the Southern Grampians Shire Council organisation, I commend this 2020/21 Annual Budget to the community and look forward to delivering and reporting back to the community in 12 months on our achievements and successes.

Cr Chris Sharples
Mayor

Executive Summary

Council has prepared a Budget for 2020/21 which is aligned to the vision in the Council Plan 2017-21. It seeks to ensure our services meet community needs and delivers infrastructure that supports our services as well as deliver projects that are valued by our community, within the rate increase mandated by the State Government.

This Budget projects a deficit of \$3.187 million for 2020/21. It should be noted that the adjusted underlying result is the same as there are no non-recurrent capital grants or contributions. Council will be considering the impacts of COVID-19 both through the response and the recovery and will look to plan and respond accordingly.

E1. Key things we are funding

Theme 1: Support our Community

A vibrant, growing community that is healthy, inclusive and connected

Major Initiatives

- 1) As part of the Digital Strategy implementation, continue digital innovation capacity building program and implement Smart Community Initiatives.
- 2) Implement the short and medium priorities in response to the adopted the Recreation and Leisure Strategy and relevant Master Plans.
- 3) Continue service reviews in context of the key strategic documents including the Long-Term Financial Plan and Asset Management Plans.
- 4) Progress the new Hamilton Gallery project, including fundraising, detailed designs and establishment of skills-based Board.
- 5) Undertake community visioning to support SGSC Community Vision 2041 Project.

Minor Initiatives

- 6) Finalise the engagement approach with indigenous groups.
- 7) Working with local communities develop their capacity to deliver Community Plans.
- 8) Deliver effective land use controls into the planning scheme to address flood risk in Hamilton and Coleraine.

Theme 2: Develop our Regional Economy and Businesses

A strong, diversified local and regional economy

Major Initiatives

- 9) Implement an investment attraction program that focuses on the key industries of agriculture, manufacturing, retail, tourism and the digital economy.
- 10) Complete construction of the serviced industrial land in Port Fairy Road and commence a sales and marketing campaign.
- 11) Implement a promotion campaign highlighting the Greater Hamilton region.
- 12) Implement a pro-active strategy to promote and grow the Hamilton Regional Livestock Exchange.
- 13) Plan and deliver Stage 1 of the Dunkeld Visitor Hub including Grampians Peak Trail Head.

Minor Initiatives

- 14) Communicate the retail research available from the Spendmapp data to relevant stakeholders.

Theme 3: Plan for our Built Environment

Provide access to infrastructure that meets community needs

Major Initiatives

- 15) Deliver the roads and community infrastructure program.
- 16) Deliver on the CBD revitalisation plan by completing the Cox Street redevelopment.
- 17) Deliver the Local Roads and Community Infrastructure Program.

Minor Initiatives

- 18) Design and implement in stages the Hamilton Structure Plan town entrances project.
- 19) Increase diversion of recyclables through Transfer Station upgrades (subject to State-wide direction).

Theme 4: Promote our Natural Environment

Promote a culture that supports a clean, green and sustainable environment

Major Initiatives

- 20) Deliver the Waste & Resource Recovery Strategy as adopted by Council including landfill, transfer stations and collection initiatives.

Minor Initiatives

- 21) Identify and assign responsibilities to appropriate external Agencies for non-statutory services.
- 22) Actively participate in the Barwon South West Resource Recovery Group to leverage funding and project opportunities in waste.
- 23) Complete capping works at Elijah Street Landfill and implement gas treatment system.

Theme 5: Provide Governance and Leadership

Strong leadership, good governance and effective service delivery

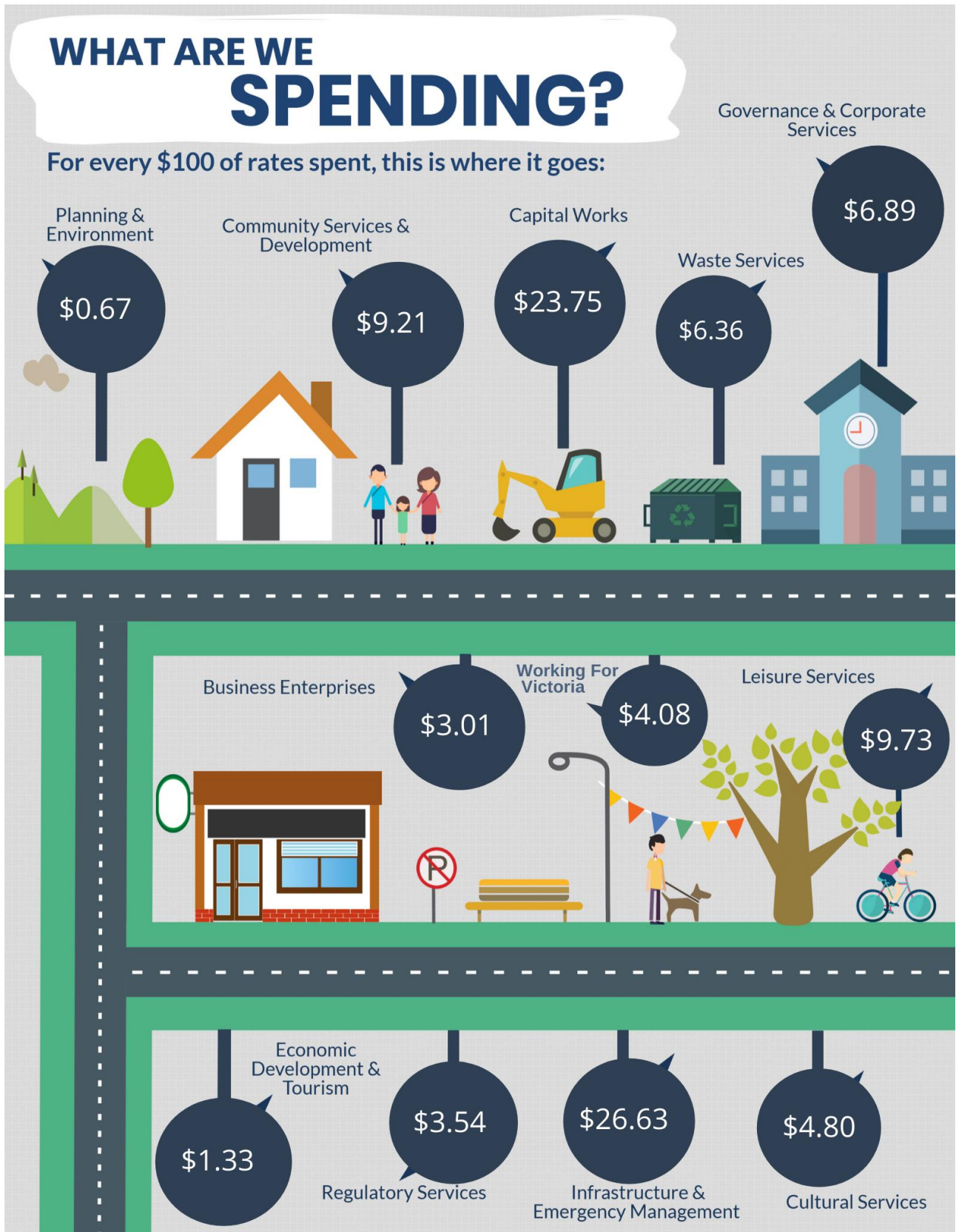
Major Initiatives

- 24) Implement Year 4 of the Council Plan 2017 – 21.
- 25) Continue advocacy on key Council priorities covering Regional (Great South Coast), State and Federal Governments.
- 26) Invest in the appropriate systems, processes and training to support an environment which delivers a seamless and responsive customer experience.
- 27) Delivery of the Working for Victoria Program
- 28) Provide financial assistance for those experiencing hardship (in line with Council Policy) due to the COVID-19 Pandemic

Minor Initiatives

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

E2. What money is spent on the service areas?



BUDGET 2020/21



E3. Council Expenditure and Sources of Revenue




SOUTHERN GRAMPIANS SHIRE COUNCIL

2020/21 BUDGET

At a glance....



Southern Grampians
SHIRE COUNCIL



Government & Financing

Capital & Operational Grants
\$9.028m


Victorian Grants Commission
\$3.621m

Depreciation
\$12.140m

Fees & Charges
\$6.566m

Ratepayers

Rate and Charges
\$21.679m

Other Sources 
\$3.121m

← **INCOME** \$56.155m

Capital Works

\$14.911m

Supporting our Community

\$14.391m

Developing our Regional & Business Economy

\$3.779m

Planning for our Natural Environment

\$17.397m

Planning for our Built Environment

\$5.482m

Providing Governance & Leadership

\$6.820m

Servicing our Loans

\$0.699m

\$63.479m **EXPENDITURE** →

Enables the delivery of
over 70 services to
our community



E4. 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 2020/21 Budget, a number of external influences have been taken into consideration because they are likely to impact significantly on the services delivered by Council in the budget period. These include:

- The need to renegotiate Enterprise Bargaining Agreements (EBA) every 3 years.
- The increased demand for Council services and the need to review all services to ensure they are responsive, appropriate and efficient.
- Irregular funding from Victoria Grants Commission. A static period of 3 years together with only modest increases prior to and after this period, has eroded the index base. A conservative increase of 2% has been assumed in this budget.
- Roads to Recovery funding from 2019–2024 - \$9.926m over the five years compared to \$13m over the 2014-2019 program.
- Continuing escalation of utility costs essential for carrying out services (water, power, gas, communications and insurances).
- Significant changes to funding regimes for community services involving the implementation of the NDIS (National Disability Insurance Scheme), CHSP (Commonwealth Home Support Programme) and other funding streams coupled with the competitive requirements and in some cases market failure to provide these essential services has left Council needing to review its role in this service area.
- Continuing increases in the demand and associated costs to improve waste management service levels (Landfills, Transfer Stations and Refuse/Recycling collections) along with imposition of strict guidelines from government in regard to management practices.
- The continuation of rate-capping by the State Government – set at 2.0% for 2020/21.
- 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 2020/21 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.

Council has temporarily suspended a range of services to the community from March 2020. The full impact - financial, economic and social - of this issue will not be able to be quantified for many months, if not years.

Council has developed this budget excluding any provisions for these additions and/or reductions of expenses and revenues because they could not be reliably measured.

Council has taken the view of preparing a "Business as Usual" budget to enable the process to be completed in a timely manner which can then provide a reasonable level of surety to the community of what can be achieved. Services can continue to be provided, rate monies collected and necessary capital works put out to tender to support our economy. Delaying the budget process would mean that normal business operations could be stalled.

During the exhibition period of the budget, substantial funding announcements were made as highlighted in the Mayors introduction. These have been incorporated into the 2020/21 Final Budget.

The situation continues to unfold and the impact on services is varied and unpredictable. Council will continue a process of forecasting financial information as it becomes reliable and measureable, however if significant variations occur, it may be necessary to prepare a revised Budget later in the financial year.

E5. 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 2019/20 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 2019/20 to be preserved.
- Operating revenues and expenses arising from completed 2019/20 capital projects to be included.

Cost escalations for the preparation of the 2020/21 budget onwards include:

- Rate revenue to be projected up 1.75% which is - 0.25% lower than the current year rate cap.
- Refuse and Recycling charges up 21% to facilitate the roll out of mandatory Food Organics and Garden Organics (FOGO) kerbside collection for developed residential properties with designated areas and to address the continued rising cost of dealing with waste management and in particular the current cost of recycling material.
- 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 for a further 5 year period at committed levels to 2023/24.
- User Fees and Charges increasing in line with service reviews and Council's Pricing Policy.
- 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 3-4%.
- Utilities and other operating expenses increasing at 3%.

E6. Budget processes

This section lists the budget processes to be undertaken in order to adopt the 2020/21 Budget in accordance with the *Local Government Act 1989* (the Act) and *Local Government (Planning and Reporting) Regulations 2014* (the Regulations). In March 2020 a new Local Government Act 2020 received Royal Assent. This new Act will be implemented over the next 18 months and whilst the format of the Budget document is not envisaged to change dramatically, there are a number of new key supporting documents needing to be developed prior to the 2021/22 Budget.

Under the 1989 Act, Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other information required by the Regulations which support the Act.

The 2020/21 budget, which is included in this report, is for the year 1 July 2020 to 30 June 2021 and is prepared in accordance with the Act and Regulations. The budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works. These statements have been prepared for the year ending 30 June 2021 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information Council requires in order to make an informed decision about the adoption of the budget.

In advance of preparing the budget, officers firstly review and update Council's long-term financial projections. Financial projections, for at least four years, are ultimately included in Council's Strategic Resource Plan, which is the key medium-term financial plan produced by Council on a rolling basis. The preparation of the budget, within this broader context, begins with officers preparing the operating and capital components of the annual budget during January and February. A draft consolidated budget is then prepared and various iterations are considered by Council at informal briefings during March and April. A 'proposed' budget is prepared in accordance with the Act and submitted to Council in late April/early May for approval 'in principle'. Council is then required to give 'public notice' that it intends to 'adopt' the budget. It must give 28 days' notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its web site. A person has a right to make a submission on any proposal contained in the budget and any submission must be considered before adoption by Council.

The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. Generally the budget is required to be adopted by 30 June and a copy submitted to the Minister within 28 days of adoption.

The key dates for the budget process are summarised below:

Planned Budget process	Timing
1. Officers update Council's long term financial projections	January 2020
2. Officers prepare operating and capital budgets	January & February 2020
3. Councillors consider draft budgets at informal briefings	April 2020
4. Proposed budget submitted to Council for approval	13 May 2020
5. Public notice advising intention to adopt budget	16 May 2020
6. Budget available for public inspection and comment	16 May 2020
7. Public submissions process undertaken	16 May 2020
8. Submissions period closes (28 days)	15 June 2020
9. Submissions considered by Council/Committee	24 June 2020
10. Budget and submissions presented to Council for adoption	8 July 2020
11. Copy of adopted budget submitted to the Minister	9 July 2020
12. Revised budget where a material change has arisen	August/September 2020

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.

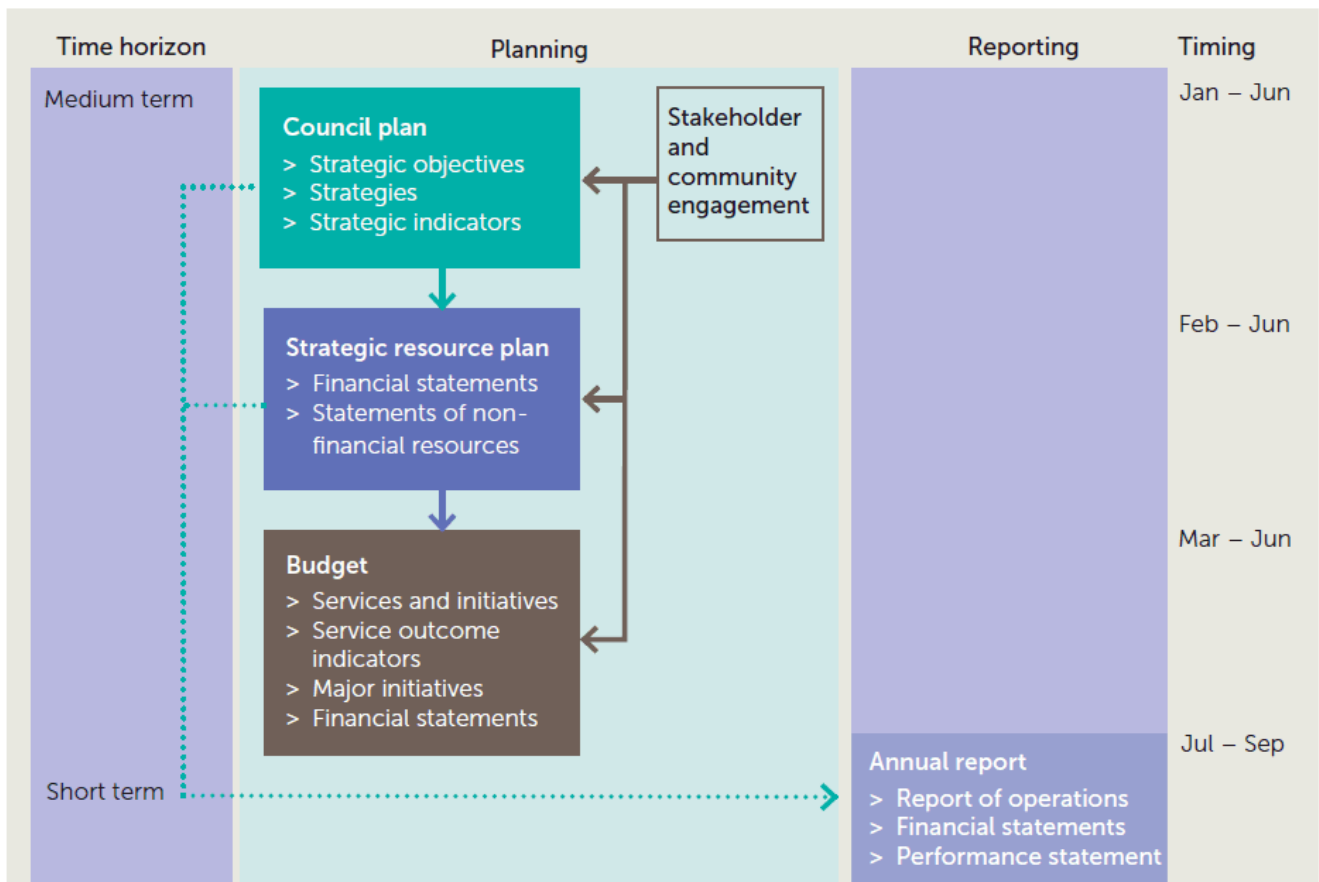
1. Links to Council Plan.
2. Services and service indicators.
3. Financial statements.
4. Notes to the Financial Statements.
5. Financial Performance Indicators.

1. Linkage to the Council Plan

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

1.1 Planning and accountability framework

The Strategic Resource Plan, part of and prepared in conjunction with the Council Plan, 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 Annual Budget is framed within the Strategic Resource Plan, taking into account the services and initiatives which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



Source: Department of Environment, Land, Water and Planning (formerly Department of Transport, Planning and Local Infrastructure)

The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes. The Council Plan, including the Strategic Resource Plan, is required to be completed by 30 June following a general election and is reviewed each year in advance of the commencement of the Annual Budget process.

1.2 Our Vision & Values

Our Vision

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

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

Our Values

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

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

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

1.3 Themes and Strategic objectives

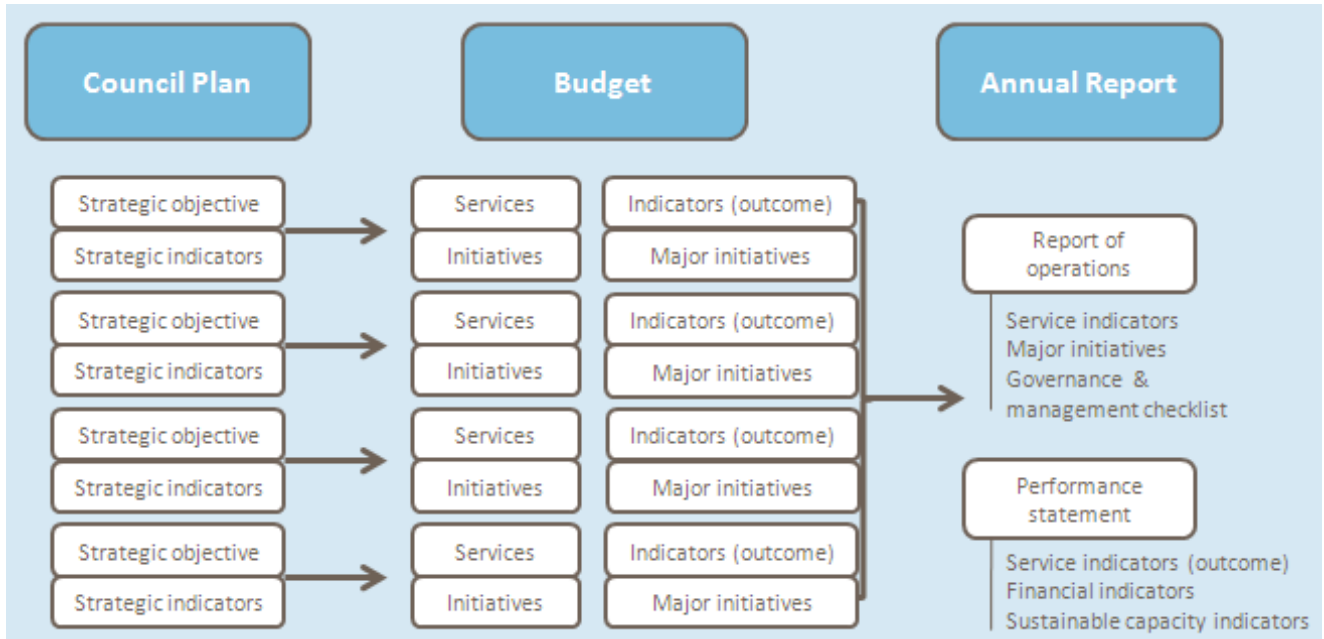
Council delivers services and initiatives to over 70 service categories. Each service contributes to the achievement of the Strategic Objectives as set out in the Council Plan for the years 2017- 21.

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

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

2. Services and Service Performance Indicators

This section provides a description of the services and initiatives to be funded in the budget for the 2020/21 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes a number of major initiatives and service performance outcome indicators for key areas of Council’s operations. Council is required by legislation to identify major initiatives, minor 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 Environment, Land, Water and Planning

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

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

To achieve this we have set the following Strategic Objectives:

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

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

Service area	Description of services provided	2018/19	2019/20	2020/21
		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.	2,176 (1,947) 229	2,138 (1,860) 278	2,411 (1,968) 443
Senior Citizen Programs and Support	This service offers opportunities for older residents to participate in community and social activities across the Shire.	112 (53) 59	120 (53) 67	121 (50) 71
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.	967 (500) 467	513 (0) 513	537 (0) 537
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.	363 (68) 295	419 (41) 378	487 (63) 424
Rural Access	This service aims to build inclusive communities by mobilising, strengthening and providing support to communities.	63 (75) (12)	38 (38) 0	0 (0) 0
Children's Services	This service provides quality education and care services i.e. Family Day Care and promotes the early years sector.	702 (520) 182	737 (573) 164	673 (549) 124
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.	331 (168) 163	765 (10) 755	418 (0) 418
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.	682 (395) 287	701 (34) 667	662 (33) 629
Lake Hamilton	This service provides a safe, functional, accessible and useable space for leisure and recreational activities, on water and surrounding open space.	261 (1) 260	273 (4) 269	282 (3) 279
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.	926 (31) 895	683 (30) 653	626 (2) 624

Service area	Description of services provided	2018/19 Actual Expenditure (Revenue) Net Cost \$'000	2019/20 FY Forecast Expenditure (Revenue) Net Cost \$'000	2020/21 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.	2,806 <u>(1,086)</u> 1,720	2,811 <u>(1,194)</u> 1,617	2,973 <u>(1,243)</u> 1,730
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.	757 <u>(158)</u> 599	723 <u>(126)</u> 597	832 <u>(132)</u> 700
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.	748 <u>(329)</u> 419	906 <u>(273)</u> 633	856 <u>(271)</u> 585
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.	694 <u>(205)</u> 489	688 <u>(204)</u> 484	715 <u>(206)</u> 509
Cinema	This service provides the community with a high quality cinema experience.	384 <u>(299)</u> 85	355 <u>(285)</u> 70	358 <u>(275)</u> 83
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.	75 <u>(0)</u> 75	143 <u>(0)</u> 143	76 <u>(0)</u> 76
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.	604 <u>(3)</u> 601	716 <u>(3)</u> 713	675 <u>(3)</u> 672
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.	491 <u>(364)</u> 127	509 <u>(384)</u> 125	586 <u>(378)</u> 208
Maternal & Child Health	This service provides a primary health care service for the Shire's families with children from birth to school age.	350 <u>(322)</u> 28	391 <u>(342)</u> 49	398 <u>(336)</u> 62
Emergency Management	This service coordinates emergency management planning to enable Council to coordinate and respond to emergencies in cooperation with other agencies.	6,961 <u>(172)</u> 6,789	469 <u>(453)</u> 16	419 <u>(60)</u> 359
Botanic Gardens	This service maintains the historically significant Botanic Gardens in Hamilton (& Penshurst) and provides responsible management of flora, open spaces and built facilities on the grounds.	316 <u>(1)</u> 315	423 <u>(287)</u> 136	285 <u>(0)</u> 285

Major Initiatives

- 1) As part of the Digital Strategy implementation, continue digital innovation capacity building program and implement Smart Community Initiatives.
- 2) Implement the short and medium priorities in response to the adopted Recreation and Leisure Strategy and relevant Master Plans.
- 3) Continue service reviews in context of the other key strategic documents including the Long-Term Financial Plan and asset management plans.
- 4) Progress new Hamilton Art Gallery project including fundraising, detailed designs and skills-based Board.
- 5) Undertake community visioning to support SGSC Community Vision 2041 Project.

Minor Initiatives

- 6) Finalise the engagement approach with indigenous groups.
- 7) Working with local communities develop their capacity to deliver Community Plans.
- 8) Deliver effective land use controls into the planning scheme to address flood risk in Hamilton and Coleraine.

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	2018/19 Actual	2019/20 Forecast	2020/21 Target
Maternal and Child Health	Participation	Participation in the MCH service	77.96%	75.05%	70%
		Participation in the MCH service by Aboriginal children	62.69%	59.09%	50%
Libraries	Participation	Active library members	14.96%	12.00%*	15%*
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities	9.33%	6.75%	9%
Animal Management	Health and safety	Animal management prosecutions	1	2	0

*Note - COVID-19 has substantially impacted this service

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

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

We have set the following Strategic Objectives:

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

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

Service area	Description of services provided	2018/19	2019/20	2020/21
		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.	709 <u>(119)</u> 590	1027 <u>(341)</u> 686	745 <u>(101)</u> 644
Airport	This service is responsible for the management and operation of the Hamilton Airport.	723 <u>(26)</u> 697	371 <u>(21)</u> 350	370 <u>(19)</u> 351
Livestock Exchange	This service is responsible for the management and operation of the Hamilton Regional Livestock Exchange (HRLX).	1,623 <u>(1,528)</u> 95	1,491 <u>(1,431)</u> 60	1,518 <u>(1,554)</u> (36)
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.	558 <u>(22)</u> 536	643 <u>(24)</u> 619	664 <u>(15)</u> 649
Business Development	The business development service seeks to facilitate an environment that is conducive to a sustainable and growing local business sector.	106 <u>0</u> 106	183 <u>0</u> 183	136 <u>0</u> 136
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.	244 <u>(6)</u> 238	278 <u>(9)</u> 269	269 <u>(4)</u> 265
Caravan Parks	This service provides low cost camping and caravan park accommodation facilities in Coleraine and Penshurst.	61 <u>(31)</u> 30	59 <u>(20)</u> 39	43 <u>(17)</u> 26
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.	23 <u>(151)</u> (128)	17 <u>(0)</u> 17	34 <u>(0)</u> 34

Major Initiatives

- 9) Implement an investment attraction program that focuses on the key industries of agriculture, manufacturing, retail, tourism and the digital economy.
- 10) Complete construction of the serviced industrial land in Port Fairy Road and commence a sales and marketing campaign.
- 11) Implement a promotion campaign highlighting the Greater Hamilton region.
- 12) Implement a pro-active strategy to promote and grow the Hamilton Regional Livestock Exchange.
- 13) Plan and deliver Stage 1 of the Dunkeld Visitor Hub including Grampians Peak Trail Head.

Minor Initiatives

- 14) Communicate the retail research available from the Spendmapp data to relevant stakeholders.

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	2018/19 Actual	2019/20 Forecast	2020/21 Target
Livestock Exchange	Utilisation	Number of sheep sold through the Hamilton Regional Livestock Exchange	1,010,000	1,000,000	1,000,000
Visitor Services	Participation	Number of visitors to the region	1,322,000	750,000	650,000

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

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

We have set the following objectives:

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

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

Service areas	Description of services provided	2018/19	2019/20	2020/21
		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.	311 (16) 295	363 (17) 346	313 (0) 313
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.	521 (90) 431	592 (0) 592	562 (30) 532
Building Services	This service provides statutory building services including enforcement of the Building Act and Regulation to ensure community safety in the built environment.	254 (156) 98	241 (108) 133	223 (76) 147
Bridges & Culverts	This service ensures the development and maintenance of the Shires bridges and culverts.	885 (4) 881	667 0 667	819 0 819
Footpaths and Cycle Ways	This service ensures the development and maintenance of the Shires footpaths and cycle ways.	566 (1) 565	649 (0) 649	800 0 800
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.	27 (63) (36)	40 (64) (24)	500 (65) 435
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.	33 (0) 33	36 (0) 36	47 0 47
Infrastructure Management	This service undertakes design, tendering, contract management and supervision of various works within Council's capital works program.	2,556 (52) 2,504	2,076 (10) 2,066	2,178 (0) 2,178
Statutory Planning	This service processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit.	500 (138) 362	548 (130) 418	564 (134) 430
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.	(228) 214 (14)	(295) (75) (370)	(41) (75) (116)
Roads	This service aims to ensure responsible management of Council's road infrastructure and compliance with regulatory requirements.	12,698 (12) 12,686	10,802 (267) 10,535	10,909 (8) 10,901

Service areas	Description of services provided	2018/19	2019/20	2020/21
		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.	502 (50) 452	442 (1) 441	504 (0) 504
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.	21 (26) (5)	20 (5) 15	4 (0) 4
VicRoads Contract Management	This service ensures responsible contract management of Council's VicRoads contract.	125 (106) (19)	48 (28) (20)	17 (13) 4

Major Initiatives

- 15) Deliver the roads and community infrastructure program.
- 16) Deliver on the CBD revitalisation plan by completing the Cox Street redevelopment.
- 17) Deliver the Local Roads and Community Infrastructure Program.

Minor Initiatives

- 18) Design and implement in stages the Hamilton Structure Plan town entrances project.
- 19) Increase diversion of recyclables through Transfer Station upgrades (subject to State-wide direction).

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	2018/19 Actual	2019/20 Forecast	2020/21 Target
Statutory planning	Decision making	Council planning decisions upheld at VCAT	100%	100%	100%
Roads	Satisfaction	Satisfaction with sealed local roads	41%	41%	44%

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

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

We have set the following objectives:

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

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

Service areas	Description of services provided	2018/19	2019/20	2020/21
		Actual Expenditure (Revenue) Net Cost \$'000	FY Forecast Expenditure (Revenue) Net Cost \$'000	Budget Expenditure (Revenue) Net Cost \$'000
Transfer Stations and Landfill sites	This service manages the waste and recyclables collection process at the designated transfer stations within the Shire as well as any costs associated with landfill sites.	1,488 <u>(1,027)</u> 461	1,712 <u>(1,174)</u> 538	2,211 <u>(1,358)</u> 853
Waste & Recycling Collection	This service manages the waste and recyclables collection process within the Shire, including the collection of kerbside bins.	1,643 <u>(64)</u> 1,579	2,262 <u>(16)</u> 2,246	1,779 <u>(109)</u> 1,670
Natural Asset Management	This service develops environmental policy, coordinates and implements environmental projects and works with other services to improve Council's environmental performance.	169 <u>(40)</u> 129	276 <u>(73)</u> 203	283 <u>(65)</u> 218
Stormwater / Drainage	This service manages the maintenance and environmental issues associated with the stormwater/drainage networks throughout the Shire.	404 <u>(0)</u> 404	640 <u>(0)</u> 640	692 <u>(0)</u> 692
Yatchaw Drainage Authority	This service is responsible for the management and maintenance of the Yatchaw Drainage Scheme.	14 <u>(6)</u> 8	6 <u>(6)</u> (0)	6 <u>(6)</u> (0)
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.	0 <u>(184)</u> (184)	7 <u>(220)</u> (213)	4 <u>(183)</u> (179)
Environmental Sustainability	This service implements Council's Sustainability Strategy and acts as a catalyst for Council and community sustainability actions within the Shire.	173 <u>(67)</u> 106	386 <u>(100)</u> 286	136 <u>(0)</u> 136
Fire Prevention	This service coordinates fire prevention planning and works in cooperation with other agencies.	83 <u>(1)</u> 82	63 <u>(0)</u> 63	67 <u>(0)</u> 67
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.	6 <u>(11)</u> (5)	2,202 <u>(515)</u> 1,687	14 <u>(0)</u> 14
Environmental Health	This service improves the health and wellbeing of the community and protects the Shire's environment.	319 <u>(106)</u> 213	276 <u>(126)</u> 150	290 <u>(125)</u> 165

Major Initiatives

20) Deliver the Waste & Resource Recovery Strategy as adopted by Council including landfill, transfer stations and collection initiatives.

Minor Initiatives

21) Identify and assign responsibilities to appropriate external Agencies for non-statutory services.

22) Actively participate in the Barwon South West Resource Recovery Group to leverage funding and project opportunities in waste.

23) Complete capping works at Elijah Street Landfill and implement gas treatment system.

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	2018/19 Actual	2019/20 Forecast	2020/21 Target
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill	44.16%	45%	60%
Food safety	Health and safety	Critical and major non-compliance notifications	100.00%	100%	100%

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

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

We have set the following objectives:

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

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

Service area	Description of services provided	2018/19	2019/20	2020/21
		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.	2,247 (103) 2,144	2,282 (158) 2,124	2,100 (18) 2,082
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.	279 (101) 178	239 (0) 239	268 (0) 238
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.	996 (1,029) (33)	988 (364) 624	1,527 (431) 1,096
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.	790 (17) 773	1,034 (0) 1,034	764 (0) 764
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.	242 (33) 209	362 (16) 346	344 (0) 344
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.	187 (0) 187	210 (0) 210	201 (0) 201
Communications	The Communications service assists the organisation to facilitate communication across both internal and external stakeholders, and provide high quality information to the community.	298 (0) 298	350 (0) 350	315 (0) 315
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.	256 (4) 252	351 (0) 351	345 (3) 342
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.	1,260 (2) 1,258	2,095 (5) 2,090	1,871 (1) 1,870

Service area	Description of services provided	2018/19 Actual Expenditure (Revenue) Net Cost \$'000	2019/20 FY Forecast Expenditure (Revenue) Net Cost \$'000	2020/21 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	1,236 (4,637) (3,401)	933 (3,859) (2,926)	925 (4,879) (3,954)
Depot Operations and Maintenance	This service coordinates the operation of Council's depots in Hamilton, Coleraine, Balmoral, Cavendish, Dunkeld and Peshurst to support works teams to deliver capital and maintenance programs.	491 (54) 437	372 (22) 350	376 (22) 354
Corporate Funding Programs	Delivery of the Working for Victoria program and project management of the Local Roads and Community Infrastructure Program.	0 (0) 0	313 (1,313) (1,000)	2,664 (1,564) 1,100

Major Initiatives

- 24) Implement Year 4 of the Council Plan 2017-21.
- 25) Continue advocacy on key Council priorities covering Regional (Great South Coast), State and Federal Governments.
- 26) Invest in the appropriate systems, processes and training to support an environment which delivers a seamless Customer Experience.
- 27) Delivery of the Working for Victoria Program
- 28) Provide financial assistance for those experiencing hardship (in line with Council Policy) due to the COVID-19 Pandemic

Minor Initiatives

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

Service Performance Outcome Indicators

Service	Indicator	Performance Measure	2018/19 Actual	2019/20 Forecast	2020/21 Target
Governance	Satisfaction	Satisfaction with Council decisions	49%	50%	51%

2.6 Performance Statement

The service performance indicators detailed in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2020/21 Annual Report.

The Performance Statement will also include reporting on prescribed indicators of financial performance and sustainable capacity, which are not included in 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)	$\frac{\text{Number of children who attend the MCH service at least once (in the year)}}{\text{Number of children enrolled in the MCH service}} \times 100$
		Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	$\frac{\text{Number of Aboriginal children who attend the MCH service at least once (in the year)}}{\text{Number of Aboriginal children enrolled in the MCH service}} \times 100$
Libraries	Participation	Active library members (Percentage of the municipal population that are active library members)	$\frac{\text{Number of active library members}}{\text{municipal population}} \times 100$
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)	$\frac{\text{Number of VCAT decisions that did not set aside Council's decision in relation to a planning application}}{\text{Number of VCAT decisions in relation to planning applications}} \times 100$
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)	$\frac{\text{Weight of recyclables and FOGO collected from kerbside bins}}{\text{Weight of garbage, recyclables and FOGO collected from kerbside bins}} \times 100$
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)	$\frac{\text{Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up}}{\text{Number of critical non-compliance notifications and major non-compliance notifications about food premises}} \times 100$
Governance	Satisfaction	Satisfaction with Council decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)	Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community

2.8 Reconciliation with budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Support our Community	8,821	14,391	(5,570)
Develop our Regional Economy and Businesses	2,070	3,779	(1,709)
Plan for our Built Environment	16,996	17,397	(401)
Promote our Natural Environment	3,636	5,482	(1,846)
Provide Governance and Leadership	4,781	6,820	(2,040)
Total services and initiatives	36,304	47,869	(11,566)
Funding sources			
Rates and charges	(21,679)		
Victoria Grants Commission	(3,621)		
Capital grants	(4,670)		
Total funding sources	(29,970)		
Corporate Expenses			
Loan Servicing	126		
Total Corporate Expenses	126		
(Surplus)/Deficit for the year	6,460		

3. Financial statements

This appendix presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the years 2020/21 to 2023/24 has been extracted from the Strategic Resource Plan.

The appendix includes the following budgeted information:

- 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 2024

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000
Income					
Rates and charges	20,821	21,679	21,699	22,133	22,576
Statutory fees and fines	499	534	539	545	550
User fees	5,826	6,032	6,273	6,524	6,785
Grants - Operating	13,087	7,979	10,646	10,859	11,076
Grants - Capital	5,759	4,670	11,185	6,015	3,650
Net gain/(loss) on disposal of property, infrastructure, plant and equip	-	-	1,556	918	383
Other income	1,193	641	488	491	493
Total Income	47,185	41,535	52,387	47,484	45,513
Expenses					
Employee costs	(16,397)	(18,559)	(16,919)	(17,427)	(17,949)
Materials and services	(14,272)	(12,362)	(11,507)	(11,795)	(12,090)
Bad and doubtful debts	-	-	(3)	(2)	(2)
Depreciation and amortisation	(12,179)	(12,140)	(11,052)	(11,052)	(11,052)
Borrowing costs	(112)	(126)	(146)	(114)	(288)
Other expenses	(5,632)	(4,808)	(5,028)	(5,245)	(5,364)
Total Expenses	(48,592)	(47,995)	(44,654)	(45,634)	(46,744)
Surplus/(deficit) for the year	(1,407)	(6,460)	7,733	1,850	(1,231)
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods:					
Net asset revaluation increment /(decrement)	-	-	-	-	-
Items that may be reclassified to surplus or deficit in future periods	-	-	-	-	-
Total comprehensive result	(1,407)	(6,460)	7,733	1,850	(1,231)

3.2 Balance Sheet

Southern Grampians Shire Council Budgeted Balance Sheet

For the four years ending 30 June 2024

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000
Assets					
Current assets					
Cash and cash equivalents	17,167	9,843	7,468	7,196	2,259
Trade and other receivables	6,383	6,383	4,273	3,976	3,864
Inventories	600	600	606	612	618
Non-current assets classified as held for sale	5,366	5,366	5,366	5,366	5,366
Total current assets	29,516	22,192	17,713	17,150	12,107
Non-current assets					
Trade and other receivables	74	74	70	67	63
Property, infrastructure, plant & equipment	316,457	318,748	330,153	335,941	338,960
Investment property	2,720	2,720	2,720	2,720	2,720
Total non-current assets	319,251	321,542	332,944	338,728	341,743
Total assets	348,767	343,734	350,656	355,878	353,850
Liabilities					
Current liabilities					
Trade and other payables	3,554	3,554	3,445	3,549	3,637
Trust funds and deposits	639	639	645	652	658
Provisions	6,100	6,100	4,965	4,965	4,965
Interest-bearing loans and borrowings	573	707	739	892	515
Total current liabilities	10,866	11,000	9,794	10,058	9,776
Non-current liabilities					
Provisions	4,962	4,962	6,097	6,097	6,097
Interest-bearing loans and borrowings	2,920	4,213	3,473	6,581	6,066
Total non-current liabilities	7,882	9,175	9,570	12,678	12,163
Total liabilities	18,748	20,175	19,364	22,736	21,939
Net assets	330,019	323,559	331,292	333,142	331,912
Equity					
Accumulated surplus	143,024	136,564	144,297	146,147	144,917
Reserves	186,995	186,995	186,995	186,995	186,995
Total equity	330,019	323,559	331,292	333,142	331,912

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
2020/21				
Balance at beginning of the financial year	330,019	143,024	186,083	912
Surplus/(deficit) for the year	(6,460)	(6,460)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
Balance at end of financial year	323,559	136,564	186,083	912
2021/22				
Balance at beginning of the financial year	323,559	136,564	186,083	912
Surplus/(deficit) for the year	7,733	7,733	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
Balance at end of financial year	331,292	144,297	186,083	912
2022/23				
Balance at beginning of the financial year	331,292	144,297	186,083	912
Surplus/(deficit) for the year	1,850	1,850	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
Balance at end of financial year	333,142	146,147	186,083	912
2023/24				
Balance at beginning of the financial year	333,142	146,147	186,083	912
Surplus/(deficit) for the year	(1,231)	(1,231)	-	-
Net asset revaluation increment/(decrement)	-	-	-	-
Transfer (to)/from reserves	-	-	-	-
Balance at end of financial year	331,912	144,917	186,083	912

3.4 Statement of Cash Flows

Southern Grampians Shire Council Budgeted Statement of Cash Flows

For the four years ending 30 June 2024

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000
	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Rates and charges	20,821	21,679	22,603	22,276	22,633
Statutory fees and fines	499	534	562	548	552
User fees	5,826	6,032	6,535	6,566	6,802
Grants - operating	13,087	7,979	11,090	10,929	11,104
Grants - capital	8,759	4,670	11,651	6,054	3,659
Interest received	365	310	155	155	155
Trust funds and deposits taken	-	-	6	6	7
Other receipts	828	331	347	338	339
Employee costs	(16,397)	(18,559)	(16,974)	(17,374)	(17,905)
Materials and services	(14,272)	(12,362)	(11,551)	(11,765)	(12,065)
Other payments	(5,632)	(4,808)	(5,044)	(5,229)	(5,350)
Net cash provided by/(used in) operating activities	13,884	5,806	19,380	12,503	9,931
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(20,947)	(14,911)	(23,088)	(17,486)	(14,733)
Proceeds from sale of property, infrastructure, plant and equipment	582	480	2,186	1,564	1,045
Net cash provided by/(used in) investing activities	(20,365)	(14,431)	(20,901)	(15,922)	(13,688)
Cash flows from financing activities					
Finance costs	(112)	(126)	(146)	(114)	(288)
Proceeds from borrowings	2,000	2,000	-	4,000	-
Repayment of borrowings	(365)	(573)	(708)	(739)	(892)
Net cash provided by/(used in) financing activities	1,523	1,301	(854)	3,147	(1,180)
Net increase/(decrease) in cash & cash equivalents	(4,958)	(7,324)	(2,375)	(272)	(4,937)
Cash and cash equivalents at the beginning of the financial year	22,125	17,167	9,843	7,468	7,196
Cash and cash equivalents at the end of the financial year	17,167	9,843	7,468	7,196	2,259

3.5 Statement of Capital Works

Southern Grampians Shire Council Budgeted Capital Works Statement

For the four years ending 30 June 2024	Forecast	Budget	Strategic Resource Plan Projections		
	Actual	2020/21	2021/22	2022/23	2023/24
	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000
Property					
Land	-	-	-	-	-
Land improvements	4,723	-	-	-	-
Total land	4,723	-	-	-	-
Buildings	2,428	1,082	2,731	1,780	1,780
Heritage buildings	114	-	-	-	-
Building improvements	-	50	150	-	-
Leasehold improvements	-	-	-	-	-
Total buildings	2,542	1,131	2,881	1,780	1,780
Total property	7,266	1,131	2,881	1,780	1,780
Plant and equipment					
Heritage plant and equipment	-	-	-	-	-
Plant, machinery and equipment	2,236	2,635	1,948	1,996	2,046
Fixtures, fittings and furniture	73	-	-	-	-
Computers and telecommunications	100	-	105	315	105
Library books & Art Collection	75	85	70	70	70
Total plant and equipment	2,484	2,720	2,123	2,381	2,221
Infrastructure					
Roads	5,990	4,810	5,617	5,850	7,600
Bridges	1,579	773	550	550	550
Footpaths and cycleways	250	445	175	150	125
Drainage	-	-	725	1,925	1,325
Recreational, leisure and community facilities	499	544	3,466	3,995	382
Waste management	187	2,843	315	90	95
Parks, open space and streetscapes	470	1,000	6,917	380	380
Aerodromes	21	-	-	-	-
Off street car parks	5	-	200	20	50
Other infrastructure	2,197	645	120	365	225
Total infrastructure	11,197	11,060	18,085	13,325	10,732
Total capital works expenditure	20,947	14,911	23,088	17,486	14,733
Represented by:					
New asset expenditure	8,398	3,911	8,437	3,475	115
Asset renewal expenditure	11,896	10,736	13,801	13,551	13,928
Asset expansion expenditure	39	-	50	50	50
Asset upgrade expenditure	614	265	800	410	640
Total capital works	20,947	14,911	23,088	17,486	14,733
Funding sources represented by:					
Grants	5,499	2,185	9,200	4,030	1,665
Contributions	582	-	-	-	-
Council Cash	12,866	10,726	13,888	9,456	13,068
Borrowings	2,000	2,000	-	4,000	-
Total capital works expenditure	20,947	14,911	23,088	17,486	14,733

3.6 Statement of Human Resources

	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000	Strategic Resource Plan Projections		
			2021/22 \$'000	2022/23 \$'000	2023/24 \$'000
Staff Expenditure					
Employee Costs – Operating	16,397*	18,559*	16,919	17,426	17,949
Employee Costs – Capital	2,178	2,016	2,077	2,139	2,203
Total Staff Expenditure	18,575	20,575	18,996	19,565	20,152

Staff Numbers	FTE	FTE	FTE	FTE	FTE
Employees	227*	253*	228	228	228

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

Department	Budget 2020/21 \$'000	Permanent Full Time \$'000	Part Time, Casual & Temporary \$'000
1. Support our Community	6,365	2,924	3,441
2. Regional Economy	1,054	693	361
3. Built Environment	4,346	3,816	530
4. Natural Environment	685	351	334
5. Governance	*6,109	3,527	*2,542
Total Permanent Staff Expenditure	18,559	11,311	7,248
Capitalised Labour Costs	2,016		
Total Expenditure	20,575		

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

Department	Budget 2020/21 FTE	Permanent Full Time FTE	Permanent Part Time FTE
1. Support our Community	87.29	38.0	49.29
2. Regional Economy	13.12	8.0	5.12
3. Built Environment	52.80	44.0	8.80
4. Natural Environment	8.68	4.0	4.68
5. Governance	*66.45	37.0	*29.45
Total Staff FTE	228.34	131.0	97.34
Capitalised Labour Costs - FTE	24.83		
Total FTE	253.17		

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

4. Notes to the Financial Statements

4.1 Comprehensive Income Statement

4.1.1 Rates and Charges

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 2020/21 the FGRS cap has been set at 2.0%. 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 Strategic Resource Plan, rates and charges were identified as an important source of revenue, accounting for around half of the total revenue received by Council annually (52% in 2020/21).

The 2020/21 underlying operating position is adversely impacted by the lack of increase in recurrent government funding, rate capping and continued increases in operating expenditure. It will therefore be necessary to achieve future revenue growth while containing costs in order to achieve a trend back towards a breakeven operating position in future years. The impact of natural disasters, in particular flooding, together with the necessity to develop "regional use" assets which attract capital funding, increase the operational burden to Council.

Total general rates and charges will increase by 3.25%, however the distribution of the increase is not consistent across all charge types and land classifications. Municipal and service charges are increased and rounded to the nearest dollar with the remaining revenue distributed across the properties according the rating policy and land use classification.

A general revaluation has also been received which may move the rate burden between the different land classifications as compared to the previous year.

It is proposed that income raised by all rates and municipal charges will be increased by 1.75% or \$0.329 million over total 2019/20 revenue to \$19.112 million.

Service charges will increase by 21.04%, to incorporate an extension of the FOGO waste collection to all developed residential properties within the defined areas and to ensure Council is achieving a cost neutral position for waste management.

4.1.1(a) 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	2019/20 cents/\$CIV	2020/21 cents/\$CIV	Change
General rate 1 for rateable residential properties	0.004631	0.004180	(9.73%)
General rate 1 for rateable rural properties	0.004631	0.004180	(9.73%)
General rate 1 for rateable industrial properties	0.004631	0.004180	(9.73%)
General rate 1 for rateable commercial properties	0.004631	0.004180	(9.73%)
General rate 2 for rateable rural N/S properties	0.003705	0.003344	(9.73%)
General rate 3 for residential rural properties	0.003705	0.003344	(9.73%)
General rate 3 for rural properties	0.003705	0.003344	(9.73%)
General rate 3 for industrial rural properties	0.003705	0.003344	(9.73%)
General rate 3 for commercial rural properties	0.003705	0.003344	(9.73%)

4.1.1(b) 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	2019/20 \$	2020/21 \$	Change \$	Change %
Residential	6,718,923	6,199,030	(519,893)	(7.74%)
Rural	9,050,427	9,971,289	920,862	10.17%
Industrial	263,128	242,391	(20,737)	(7.88%)
Commercial	865,548	786,303	(79,245)	(9.16%)
Total amount to be raised by general rates	16,898,026	17,199,013	300,987	1.78%

4.1.1(c) 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	2019/20 Number	2020/21 Number	Change No.	Change %
Residential	7,267	7,267	-	0.00%
Rural	3,022	3,022	-	0.00%
Industrial	251	251	-	0.00%
Commercial	451	451	-	0.00%
Total number of assessments	10,991	10,991	-	0.00%

4.1.1(d) The basis of valuation to be used is: Capital Improved Value (CIV)

4.1.1(e) 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	2019/20 \$	2020/21 \$	Change \$	Change %
Residential	1,512,707,500	1,547,625,500	34,918,000	2.31%
Rural	2,437,745,000	2,976,036,500	538,291,500	22.08%
Industrial	58,745,000	59,908,000	1,163,000	1.98%
Commercial	190,216,300	191,563,211	1,346,911	0.71%
Total value of land	4,199,413,800	4,775,133,211	575,719,411	13.71%

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

Type of Charge	Per Rateable Property 2019/20 \$	Per Rateable Property 2020/21 \$	Change \$	Change %
Municipal	200	203	3	1.5%

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

Type of Charge	2019/20 \$	2020/21 \$	Change \$	Change %
Municipal	1,884,600	1,912,869	28,269	1.5%

4.1.1(h) 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	Per Rateable Residential Property	Change	Change
	2019/20	2020/21		
	\$	\$	\$	%
Kerbside Collection – Refuse & Recycling	295	N/A	N/A	N/A
FOGO Collection	95	N/A	N/A	N/A
Kerbside Collection – Refuse, Recycling & FOGO	N/A	360	N/A	N/A
Kerbside Collection – Refuse, Recycling & FOGO (where not previously receiving FOGO collection)	N/A	415	N/A	N/A

4.1.1(i) 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	2019/20	2020/21	Change	Change
	\$	\$	\$	%
Kerbside Collection – Refuse & Recycling	1,905,700	N/A	N/A	N/A
FOGO Collection	128,440	N/A	N/A	N/A
Kerbside Collection – Refuse, Recycling & FOGO	N/A	478,080	N/A	N/A
Kerbside Collection – Refuse, Recycling & FOGO *See Note (where not previously receiving FOGO collection)	N/A	1,984,115	N/A	N/A
Total	2,034,140	2,462,195	428,055	21.04%

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

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

	2019/20	2020/21	Change	Change
	\$	\$	\$	%
General rates	16,898,026	17,199,013	300,987	1.78%
Municipal charge	1,884,600	1,912,869	28,269	1.50%
Total Rates	18,782,626	19,111,882	329,256	1.75%
Kerbside Collection – Refuse & Recycling	1,905,700	N/A)	N/A
FOGO Collection	128,440	N/A)428,055	N/A
Kerbside Collection – Refuse, Recycling & FOGO	N/A	2,462,195)	N/A
Rates and charges	20,816,766	21,574,077	757,311	3.25%

4.1.1(k) 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 0.004180 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 0.003344 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 0.003344 cents in the dollar on the capital improved value of all other rateable land in the Shire;

Each differential rate will be determined by multiplying the Capital Improved Value of rateable land (categorised by the characteristics described below) by the relevant percentages indicated above.

4.1.1(m) Special Rate – Yatchaw Drainage Authority

A Special Rate of 0.000239 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 2019/20	Budget 2020/21	Change	Change
	\$'000	\$'000	\$'000	%
Building Services	102	69	(33)	(32%)
Environmental Health	111	110	(1)	(1%)
Local Laws Operations	168	163	(5)	(3%)
Mayor & Councillors	2	18	16	800%
Rates & Charges	17	17	0	0%
Roads & Streets	7	8	1	(14%)
Statutory Planning	92	149	57	62%
Total	499	534	35	(3%)

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 2019/20	Budget 2020/21	Change	Change
	\$'000	\$'000	\$'000	%
Livestock Exchange	1,428	1,569	141	10%
Waste & Transfer Stations	1,220	1,367	147	12%
Hamilton Indoor Leisure & Aquatic Centre	1,140	1,188	48	4%
Community & Children's Services	910	918	8	1%
Cultural Services	462	456	(6)	(1%)
Quarry	220	183	(37)	(17%)
Regulatory & Compliance	134	135	1	1%
Other User Fees	312	231	(81)	(26%)
Total	5,826	6,047	221	4%

4.1.4 Grants - Operating

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

Operating Grants	Forecast Actual 2019/20 \$'000	Budget 2020/21 \$'000	Variance \$'000	Variance %
Recurrent - Commonwealth Government				
Financial Assistance Grant (allocated by Victoria Grants Commission)	7,725	3,622	(4,103)	(47%)
Community Services (CHSP & HACC PYP)	912	1,002	90	10%
Children's Services (Child Care Rebate & Immunisations)	445	407	(38)	(9%)
Plant Management (Fuel Tax Credits)	75	75	-	-
Recurrent - State Government				
Art Gallery (Arts Victoria – Operational Grant)	110	110	-	-
Community Planning, Engagement & Support (L2P Program)	38	60	22	58%
Environmental Health (MAV – Tobacco Sales Testing)	14	14	-	-
Community Services (HACC)	242	267	25	10%
Senior Citizen Programs & Support	3	3	-	-
Library (DEWLP - Public Libraries Funding)	160	165	5	3%
Local Laws Operations (School Crossings)	53	53	-	-
Maternal & Child Health (Operational Grant)	340	335	(5)	(1%)
Emergency Management	60	60	-	-
Performing Arts Centre (Arts Victoria - Operational Grant)	80	80	-	-
Rural Access (Operational Grant))	38	-	(38)	(100%)
Total recurrent grants	10,295	6,253	(4,042)	62%
Non-recurrent - Commonwealth Government				
Economic Development	260	60	(200)	(77%)
Non-recurrent - State Government				
Community Services	2	-	(2)	(100%)
Economic Development	30	-	(30)	(100%)
Environmental Sustainability	100	-	(100)	(100%)
Infrastructure - Dunkeld Dam Restoration	515	-	(515)	(100%)
Flood Recovery Works – Department of Treasury	192	-	(192)	(100%)
Library (DEWLP - Public Libraries Funding)	10	7	(3)	(30%)
Local Government Bushfire Grant	200	-	(200)	(100%)
Maternal & Child Health	1	-	(1)	(100%)
Natural Asset Management	72	95	23	32%
Recreation Development & Support	96	-	(96)	(100%)
Working for Victoria Program	1,313	1,564	251	119%
Total non-recurrent operating grants	2,791	1,726	(1,065)	(48%)
Total operating grants	13,086	7,979	(5,107)	(39%)

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 2019/20 \$'000	Budget 2020/21 \$'000	Variance \$'000	Variance %
Recurrent - Commonwealth Government				
Roads to Recovery	1,985	1,985	-	0%
Recurrent - State Government				
	-	-	-	0%
Total recurrent capital grants	1,985	1,985	-	0%
Non-recurrent - Commonwealth Government				
Footpaths & Cycle ways (Dunkeld-Mt Sturgeon Loop Walk)	-	200	200	100%
Fixing Country Roads	1,349	-	(1,349)	(100%)
King Street Roundabout	260	-	(226)	(100%)
Land Development (Industrial Estate)	150	-	(150)	(100%)
Lake Hamilton – Dam Wall	1,100	-	(1,100)	(100%)
Livestock Exchange Development	915	-	(715)	(100%)
Local Roads and Community Infrastructure Program	-	1,985	1,985	100%
Non-recurrent - State Government				
Regional Development Victoria – Dunkeld Visitor Hub	0	500	500	100%
Total non-recurrent capital grants	3,773	2,685	(1,088)	(29%)
Total capital grants	5,759	4,670	(1,088)	(29%)

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. Some of the Flood Recovery works have fallen in this category as Insurance reimbursements.

	Forecast 2019/20	Budget 2020/21	Change	Change
	\$'000	\$'000	\$'000	%
Interest Revenue	365	310	(55)	(15%)
Donations	206	10	(196)	(95%)
Reimbursements	203	54	(149)	(74%)
Revenue in Lieu of Rates	183	183	-	-
Contributions	176	49	(127)	(72%)
Other Operating Revenue	60	35	(25)	(41%)
Total	1,193	641	(552)	(46%)

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 increase by \$2.159 million to \$18.556 million compared to 2019/20 forecast Budget (\$16.397m). This amount varies from year to year due to the impact of a number of matters including additional works, resignations, redundancies, recruitment expenses, industrial relations advice and other associated on-costs as the workforce expands and contracts in line with service demands. However the major impact for these two years has been the receipt of funds for the Working for Victoria Program which is a direct response to the COVID Pandemic from the State Government.

Other factors impacting employee costs are:

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

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

	Forecast 2019/20 \$'000	Budget 2020/21 \$'000	Change \$'000	Change %
Wages & Salaries (Including casuals & Allowances)	11,630	13,763	2,133	18%
Public Holidays, Sick, Annual & Long Service Leave	2,604	2,663	59	2%
Superannuation	1,488	1,517	29	2%
Work Cover Premium & Expenses	535	515	(20)	(4%)
Fringe Benefits Tax	140	98	(42)	(30%)
Total	16,397	18,556	2,159	13%

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 2019/20 \$'000	Budget 2020/21 \$'000	Change \$'000	Change %
Contractors	5,860	4,595	(1,265)	(22%)
Service charges & Consumables	5,636	4,822	(814)	(14%)
Utilities	1,188	1,095	(93)	(8%)
External Consultants & Professionals	767	336	(431)	(56%)
Other	821	1,514	693	184%
Total	14,272	12,362	(1,910)	(14%)

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 2019/20 year and used this as the basis for the 2020/21 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 2019/20 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 2019/20	Budget 2020/21	Change	Change
	\$'000	\$'000	\$'000	%
Property, Furniture & Fittings	2,072	2,072	-	-
Plant & Equipment	1,214	1,214	-	-
Infrastructure	7,745	7,745	-	-
Yatchaw Drainage Scheme	6	6	-	-
Other Assets	1,142	1,103	(39)	(3%)
Total	12,179	12,140	(39)	(0%)

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 was taken up in 2019/20 with a further loan of \$2 million incorporated in the 2020/21 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 2019/20	Budget 2020/21	Change	Change
	\$'000	\$'000	\$'000	%
Waste Disposal expenses	1,772	1,548	(224)	(13%)
Contributions & Grants to other organisations	903	488	(415)	(46%)
Insurances	593	615	21	4%
Elected Member Expenses	188	195	6	3%
Other Expenses	2,176	1,962	(214)	(10%)
Total	5,632	4,808	(824)	(15%)

4.1.13 Adjusted underlying 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 2020/21 year is a deficit of \$9.145 million which is a increase of \$3.965 million from the projected 2019/20 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 2019/20	Budget 2020/21	Variance
	\$'000	\$'000	\$'000
Total income	47,185	41,494	(5,560)
Total expenses	(48,592)	(47,995)	597
Surplus (deficit) for the year	(1,407)	(6,460)	(5,053)
Grants – capital non-recurrent	(3,773)	(2,685)	1,088
Contributions - non-monetary assets	-	-	-
Capital contributions - other sources	-	-	-
Adjusted underlying surplus (deficit)	(5,180)	(9,145)	3,965

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 \$7.324 million during the year mainly due to the value of capital works and capital funding received for multiple year projects couple with the prepayment of 50% of the Financial Assistance Grants from the Federal Government (\$3.993m) being prepaid in the 2019/20 year.

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 \$2.291 million increase in this balance is attributable to the net result of the capital works program (\$14.911 million of additional asset value), less depreciation of assets (\$12.140 million) and sale of plant and equipment (\$0.480 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 2019/20 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 \$0.573 million over the year. Council is anticipating borrowing \$2 million in the 2020/21 year.

4.2.3 Borrowings

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

	2019/20 \$	2020/21 \$
Total amount borrowed as at 30 June of the prior year	1,858	3,493
Total amount to be borrowed	2,000	2,000
Total amount projected to be redeemed	(365)	(573)
Total amount proposed to be borrowed as at 30 June	3,493	4,920

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 will have working capital in 2020/21 of \$11.192 million (current assets \$22.192 million less current liabilities \$11.000 million). Council will need to manage its cash payments and receipts carefully to maintain a positive cash balance. It should be noted that \$5.366m 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 2019/20 \$'000	Budget 2020/21 \$'000	Variance \$'000
Accumulated Surplus	143,024	133,564	(6,460)
Reserve – Asset Revaluation	186,083	186,083	-
Reserve – Open Space/Subdividers Contributions	274	274	-
Reserve – Parking Development	98	98	-
Reserve – Drainage Headworks	97	97	-
Reserve – Waste Management	443	443	-
	330,019	323,559	(6,460)

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.

The Waste Levy Reserve is in lieu of meeting the cost to develop, upgrade and/or renew waste infrastructure. A charge is levied on waste fees and transfer stations as waste is deposited in these facilities.

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 2019/20 \$'000	Budget 2020/21 \$'000	Variance \$'000
Surplus (deficit) for the year	(1,407)	(6,460)	(5,053)
Depreciation	12,179	12,140	(39)
Loss (gain) on disposal Assets	-	-	-
Loss on impairment of Assets	-	-	-
Net movement in current assets and liabilities	3,112	126	(2,986)
Cash flows available from operating activities	13,884	5,806	(8,078)

4.4.2 Investing activities

The decrease in payments for investing activities (\$5.934 million) represents the planned decrease in net capital works expenditure which follows a 3 year period of high levels of flood related activity and long-term major capital works at the Hamilton Regional Livestock Exchange and other high value assets.

Proceeds from the sale of assets are forecast to decrease by \$0.102 million.

4.4.3 Financing activities

For 2020/21 the total of principal repayments is projected to be \$0.573 million and finance charges are projected to be \$0.126 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 \$7.324 million to \$9.843 million as at 30 June 2021, 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 2021 it will have cash and investments of \$9.204 million, which has been restricted as shown in the following table.

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

	Forecast 2020 \$'000	Budget 2021 \$'000	Variance \$'000
Total cash and investments	17,167	9,843	(7,324)
Restricted cash and investments			
- Statutory reserves	-	-	-
- Trust funds and deposits	639	639	-
Unrestricted cash and investments	16,528	9,204	(7,324)
Discretionary Reserves/Funds			
- Discretionary reserves – See Note 4.3	912	916	4
- Sir Irving Benson Bequest	650	650	-
- Defined Benefit Shortfall	2,000	2,000	-
- Landfill Rehabilitation	3,551	1,576	(1,975)
- Long Service Leave Entitlement	3,548	3,654	106
Total Discretionary Reserves/Funds	10,661	8,796	(1,865)
Unrestricted cash adjusted for discretionary Reserves	5,867	408	(5,459)

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.

4.4.5d Unrestricted cash adjusted for discretionary reserves

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

4.5 Capital Works Program

4.5.1 Funding sources

Sources of Funding	Forecast 2019/20 \$'000	Budget 2020/21 \$'000	Variance \$'000	Variance %
Grants	5,759	4,670	(89)	(9%)
Contributions	-	-	-	-
Reimbursements	-	-	-	-
Borrowings	2,000	2,000	-	-
Council cash				
- proceeds from sale of assets	582	480	(102)	(18%)
- reserve cash and investments (Statutory)	-	-	-	-
- reserve cash and investments (Discretionary)	-	1,975	1,975	(100%)
- unrestricted cash and investments	12,606	5,786	(6,820)	(45%)
Total funding sources	20,947	14,911	(7,656)	(37%)

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 only anticipating government grant funding from Roads to Recovery for local roads and another grant towards the Dunkeld-Mount Sturgeon Loop Walk project. One off grants were also received of \$1.985m for Local Roads and Community Infrastructure from the Federal government and \$0.500m from the State Government towards the Dunkeld Visitor information Hub.

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 - reserve cash and investments

Council has significant cash reserves set aside for specific purposes such as waste management, public open space and car parking development. Council will utilise \$1.975m of cash invested for landfill rehabilitation purposes to fund restorative works during the 2020/21 year.

4.5.1d 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
Property									
Buildings									
Pedrina Park Hockey Club Rooms	100,000	-	-	-	100,000	-	-	-	100,000
HILAC Floor Surfacing	10,000	-	10,000	-	-	-	-	-	10,000
Hamilton - Business Centre PAC - Building Roof	-	526,600	526,600	-	-	-	-	-	526,600
Brown St Lift	-	400,000	400,000	-	-	-	-	-	400,000
Air Conditioning in Server room	-	20,000	20,000	-	-	-	-	-	20,000
Visitor Services - Dunkeld Visitor Hub (LRCIP \$400K)*	-	750,000	750,000	-	-	-	-	-	750,000
	110,000	1,696,600	1,706,600	-	100,000	-	-	-	1,806,600
Building Improvements									
Animal Pound - Roof for Exercise Yards	-	25,000	-	25,000	-	-	-	-	25,000
Animal Pound - Heating	-	14,500	-	14,500	-	-	-	-	14,500
	-	39,500	-	39,500	-	-	-	-	39,500
Total Property	110,000	1,736,100	1,706,600	39,500	100,000	-	-	-	1,846,100
Plant & Equipment									
Plant Machinery & Equipment									
Animal Management Pod & Vehicle	55,000	-	-	-	55,000	-	-	-	55,000
Light Fleet Renewals	805,000	-	805,000	-	-	-	-	-	805,000
Haulage Truck	-	210,000	210,000	-	-	-	-	-	210,000
Trailer - Dog	-	90,000	90,000	-	-	-	-	-	90,000
Road Patrol	-	450,000	450,000	-	-	-	-	-	450,000
Hook Truck	-	320,000	320,000	-	-	-	-	-	320,000
Slasher	-	15,000	15,000	-	-	-	-	-	15,000
Mower Mid Deck	-	20,000	20,000	-	-	-	-	-	20,000
Flail	-	40,000	40,000	-	-	-	-	-	40,000
Mower Front Deck	-	60,000	60,000	-	-	-	-	-	60,000
Trailer - Dog	-	85,000	85,000	-	-	-	-	-	85,000
Truck - Construction	-	135,000	135,000	-	-	-	-	-	135,000
Truck - Patching	-	350,000	350,000	-	-	-	-	-	350,000
	860,000	1,775,000	2,580,000	-	55,000	-	-	-	2,635,000
Library Books									
Library Books	70,000	-	70,000	-	-	-	-	-	70,000
	70,000	-	70,000	-	-	-	-	-	70,000
Art Collection									
AAR - Art Collection	15,000	-	-	-	15,000	-	-	-	15,000
	15,000	-	-	-	15,000	-	-	-	15,000
Total Plant & Equipment	945,000	1,775,000	2,650,000	-	70,000	-	-	-	2,720,000

	Carry Forward/ Continuing	New Project	Renewal	Upgrade	New	Expansion	Grants	Contrib/Reimb/ Sales	Council Cash
Infrastructure									
LRCIP Funding							1,985,254		
Roads									
RTR Funding							1,985,254		
Rural Road Rehabilitations									
Glenthompson Rd 0-190	-	14,487	14,487	-	-	-	-	-	14,487
Gallie Rd 4690-5605	-	125,584	125,584	-	-	-	-	-	125,584
Den Hills Rd 9070-12105	-	416,554	416,554	-	-	-	-	-	416,554
Featherstonhaugh 0-2295	-	314,989	314,989	-	-	-	-	-	314,989
Caramut Glenthompson Rd 15710-17580	-	185,364	185,364	-	-	-	-	-	185,364
Caramut Glenthompson Rd 30620-33880	-	673,529	673,529	-	-	-	-	-	673,529
Urban Road Rehabilitations									
Botanic Garden Rd 3 0-220	-	30,493	30,493	-	-	-	-	-	30,493
George St 504-814	-	89,000	89,000	-	-	-	-	-	89,000
Rural Road Reseals									
Carey Ranges Rd 5400-6510	-	26,152	26,152	-	-	-	-	-	26,152
Mill Rd 0-2885	-	129,900	129,900	-	-	-	-	-	129,900
Blackwood-Dunkeld Rd 23990-25230	-	28,036	28,036	-	-	-	-	-	28,036
Hamilton Chatsworth 21750-25400	-	158,410	158,410	-	-	-	-	-	158,410
Hamilton Chatsworth 6235-9075	-	138,176	138,176	-	-	-	-	-	138,176
Blackwood-Dunkeld Rd 19610-20500	-	19,319	19,319	-	-	-	-	-	19,319
Five Ways Rd 0-6445	-	131,753	131,753	-	-	-	-	-	131,753
Hartwicks Rd 3845-5315	-	33,722	33,722	-	-	-	-	-	33,722
Sandford Rd 12580-13105	-	12,044	12,044	-	-	-	-	-	12,044
Tarrayoukyan Rd 1590-2750	-	34,453	34,453	-	-	-	-	-	34,453
Tarrayoukyan Rd 0-40	-	1,240	1,240	-	-	-	-	-	1,240
Wando Dale Rd 0-895	-	21,640	21,640	-	-	-	-	-	21,640
Zig Zag Rd 1845-3595	-	91,286	91,286	-	-	-	-	-	91,286
Murndal Branxholme Rd 9600-11095	-	37,076	37,076	-	-	-	-	-	37,076
Mooree Culla Rd 3730-15435	-	283,113	283,113	-	-	-	-	-	283,113
Middle Hilgay Rd 900-3090	-	52,457	52,457	-	-	-	-	-	52,457
Urban Road Reseals									
King St Gordon-Bree	-	57,046	57,046	-	-	-	-	-	57,046
Botanic Gardens Rd 1 0-380	-	15,130	15,130	-	-	-	-	-	15,130
Gordon St Hamilton King-North Boundary Rd	-	36,143	36,143	-	-	-	-	-	36,143
Gardiner St 0-115	-	5,556	5,556	-	-	-	-	-	5,556
Gage St 773-900	-	2,993	2,993	-	-	-	-	-	2,993
Bulton Crt 0-51	-	15,730	15,730	-	-	-	-	-	15,730

	Carry Forward/ Continuing	New Project	Renewal	Upgrade	New	Expansion	Grants	Contrib/Reimb/ Sales	Council Cash
McKebery St Winter-Gage	-	10,274	10,274	-	-	-	-	-	10,274
Kent Rd 0-703	-	42,520	42,520	-	-	-	-	-	42,520
Kent Rd 1338-1557	-	15,314	15,314	-	-	-	-	-	15,314
Kent Rd 999-1150	-	9,363	9,363	-	-	-	-	-	9,363
Mt Baimbridge Rd Kent-North Boundary	-	19,154	19,154	-	-	-	-	-	19,154
Final Seals									
Final Seals	-	572,000	572,000	-	-	-	-	-	572,000
Gravel Road Resheets									
Gazette Woolshed Rd 5050-6160	-	29,863	29,863	-	-	-	-	-	29,863
Walshs Rd 0-370	-	13,273	13,273	-	-	-	-	-	13,273
Higgins La 0-1565	-	42,106	42,106	-	-	-	-	-	42,106
Young St Pt 1 495-757	-	6,457	6,457	-	-	-	-	-	6,457
Menzies Lane 630-2000	-	49,146	49,146	-	-	-	-	-	49,146
Walter St 0-200	-	7,174	7,174	-	-	-	-	-	7,174
McLachlans Rd 0-1515	-	27,083	27,083	-	-	-	-	-	27,083
Lewis Rd 0-1505	-	40,356	40,356	-	-	-	-	-	40,356
Habels Rd 0-1840	-	51,117	51,117	-	-	-	-	-	51,117
Murroa Buckley Swamp Rd 0-10010	-	353,080	353,080	-	-	-	-	-	353,080
Harmans Rd 4500-9120	-	130,345	130,345	-	-	-	-	-	130,345
Kerb & Channel									
Kerb & Channel	-	110,000	110,000	-	-	-	-	-	110,000
	-	4,710,000	4,710,000	-	-	-	3,970,508	-	739,492
Bridges & Culverts									
Branxholme Pedestrian Bridge	-	63,000	-	-	63,000	-	-	-	63,000
Weerangout Creek Bridge Replacement (Byaduk)- Contrib to Moyné Shire	-	110,000	110,000	-	-	-	-	-	110,000
Major Culvert Replacement - Jacksons Road (1155) Grange Burn	-	100,000	100,000	-	-	-	-	-	100,000
Forans Road (2350) Bridge	-	35,420	35,420	-	-	-	-	-	35,420
Edgewood Road (0445) Bridge	-	40,040	40,040	-	-	-	-	-	40,040
Brung Brungle Road (00258) Wannon River Bridge	-	21,560	21,560	-	-	-	-	-	21,560
Byaduk-Ardoon Road (0510) Lyne Creek Bridge	-	15,400	15,400	-	-	-	-	-	15,400
Cavendish-Coleraine Road (04060) Dundas River Bridge	-	38,500	38,500	-	-	-	-	-	38,500
Mt Napier Road (04806) Muddy Creek Bridge	-	15,400	15,400	-	-	-	-	-	15,400
Byaduk-Penshurst Road (06240) Weerangout Creek - Bridge	-	13,860	13,860	-	-	-	-	-	13,860
Murndal-Branxholme Road (06913) Crawford River - Bridge	-	12,320	12,320	-	-	-	-	-	12,320
Mt Napier Road (00265) Grange Burn - Bridge	-	27,720	27,720	-	-	-	-	-	27,720
Parker Street (0658) Footbridge	-	29,780	29,780	-	-	-	-	-	29,780
Major Culvert Giant Rock Road (860) Konongwoobong Creek	-	29,400	29,400	-	-	-	-	-	29,400
Major Culvert Luhrs Road (1440)	-	90,330	90,330	-	-	-	-	-	90,330
Major Culvert Cavendish-Coleraine Road (36640)	-	10,500	10,500	-	-	-	-	-	10,500
Major Culvert Branxholme-Byaduk Road (15912) Lyne Creek	-	10,500	10,500	-	-	-	-	-	10,500
Major Culvert Nareen Road (12580)	-	11,200	11,200	-	-	-	-	-	11,200
Major Culvert Wallacedale-Byaduk Road (9450) Louth Drain - Holcombes Bridge	-	9,800	9,800	-	-	-	-	-	9,800
Major Culvert Saimer Road	-	88,270	88,270	-	-	-	-	-	88,270
Blackwood Road - Narrow Culvert CI 14321 - LRCIP*	-	100,000	100,000	-	-	-	-	-	100,000
	-	873,000	810,000	-	63,000	-	-	-	873,000

	Carry Forward/ Continuing	New Project	Renewal	Upgrade	New	Expansion	Grants	Contrib/Reimb/ Sales	Council Cash
Footpaths & Cycleways									
Dunkeld-Mount Sturgeon Loop Walk Project	325,000	-	-	-	325,000	-	200,000	-	125,000
Footpath - Annual Budget	-	120,000	120,000	-	-	-	-	-	120,000
	325,000	120,000	120,000	-	325,000	-	200,000	-	245,000
Recreational, Leisure & Community Facilities									
Ansett Museum Extension & Refurbishment Project	35,000	-	-	-	35,000	-	-	-	35,000
Coleraine Turnbull St Tennis/Netball Courts	165,000	-	165,000	-	-	-	-	-	165,000
Pedrina Park - Irrigation System	129,000	-	129,000	-	-	-	-	-	129,000
	329,000	-	294,000	-	35,000	-	-	-	329,000
Waste Management									
Construct Cell & Leachate Pond	100,000	-	-	100,000	-	-	-	-	100,000
Hamilton Landfill - Progressive Rehab EPA Requirement	175,000	-	175,000	-	-	-	-	-	175,000
Coleraine Landfill Remediation	700,000	-	700,000	-	-	-	-	-	700,000
Waste Options Implementation	700,000	-	-	-	700,000	-	-	-	700,000
Coleraine Transfer Station - Reduce Drop Off Height	18,000	-	-	-	18,000	-	-	-	18,000
Hamilton Landfill Capping Stage 5	500,000	-	-	-	500,000	-	-	-	500,000
Hamilton Landfill Capping Stage 6	600,000	-	-	-	600,000	-	-	-	600,000
Hamilton Landfill - Gas Monitoring	-	50,000	-	50,000	-	-	-	-	50,000
	2,793,000	50,000	875,000	150,000	1,818,000	-	-	-	2,843,000
Parks, Open Space & Streetscapes									
Roadside Assets - CBD Trees	150,000	-	-	-	150,000	-	-	-	150,000
	150,000	-	-	-	150,000	-	-	-	150,000
Other Infrastructure									
Lake Hamilton Development*	250,000	-	-	-	250,000	-	-	-	250,000
Hamilton Gateways*	250,000	-	-	-	250,000	-	-	-	250,000
Livestock Exchange - Road Underpass	100,000	-	-	-	100,000	-	-	-	100,000
Livestock Exchange - Solar Panels	-	75,000	-	75,000	-	-	-	-	75,000
Street Lighting Upgrade*	-	320,000	-	320,000	-	-	-	-	320,000
	600,000	395,000	-	395,000	600,000	-	-	-	995,000
Total Infrastructure	4,197,000	6,148,000	6,809,000	545,000	2,991,000	-	4,170,508	-	6,174,492
Total Capital Works	5,252,000	9,659,100	11,165,600	584,500	3,161,000	-	4,170,508	-	10,740,592
	14,911,100			14,911,100			14,911,100		

*Represents a funding contribution from LRCIP

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 2019/20	Budget 2020/21	Strategic Resource Plan Projections			Trend +/-
					2021/22	2022/23	2023/24	
Operating position								
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	(11.9%)	(23.5%)	(3.4%)	(5.0%)	(6.6%)	+
Liquidity								
Working Capital	Current assets / current liabilities	2	272%	202%	181%	170%	124%	-
Unrestricted cash	Unrestricted cash / current liabilities		152%	84%	70%	65%	16%	-
Obligations								
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	3	17%	23%	19%	34%	29%	+
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		2%	3%	4%	4%	5%	+
Indebtedness	Non-current liabilities / own source revenue		28%	32%	31%	41%	39%	+
Asset renewal	Asset renewal expenses / Asset depreciation	4	98%	88%	125%	123%	126%	+
Stability								
Rates concentration	Rate revenue / adjusted underlying revenue	5	48%	56%	50%	51%	52%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.4%	0.5%	0.5%	0.5%	0.5%	o
Efficiency								
Expenditure level	Total expenses/ no. of property assessments		\$4,421	\$4,367	\$4,063	\$4,152	\$4,254	o
Revenue level	Residential rate revenue / No. of residential property assessments		\$853	\$890	\$908	\$926	\$945	+
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year		10%	10%	10%	10%	10%	o

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 2020/21 after a high level in 2019/20. 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 23% at the end of 2020/21 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.