



Yarriambiack  
SHIRE COUNCIL

# LONG-TERM FINANCIAL PLAN

2023 - 2033

BUDGET

FINANCIAL



## ACKNOWLEDGEMENT OF COUNTRY

Yarriambiack Shire Council acknowledge that the activities of this Council and Community plan are being held under the traditional skies and in the waterways and lands of the Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagulk people, and Council pays respects to their Elders past, present and emerging as the custodians of the environment.



# CONTENTS

## Our Team



Tammy Smith  
CEO



Cr Kylie Zanker  
Mayor

### **Legislative Requirements - 4**

- 1.1 The Act requires a council's annual report to contain audited financial statements*
- 1.2 The regulations require a council's financial statements to be prepared in accordance with the Local Government Model Financial Report*
- 1.3 Checklist*

### **Financial Plan Context - 7**

- 2.1 Our Challenges and Opportunities*
- 2.2 Council Vision*
- 2.3 Strategic Objectives*
- 2.4 Strategic Actions*
- 2.5 Assumptions to the financial plan statements*

### **Financial Plan Statements - 9**

- *Comprehensive Income Statement*
- *Balance Sheet*
- *Statement of Changes in Equity*
- *Statement of Cash Flows*
- *Statement of Capital Works*
- *Statement of Human Resources*

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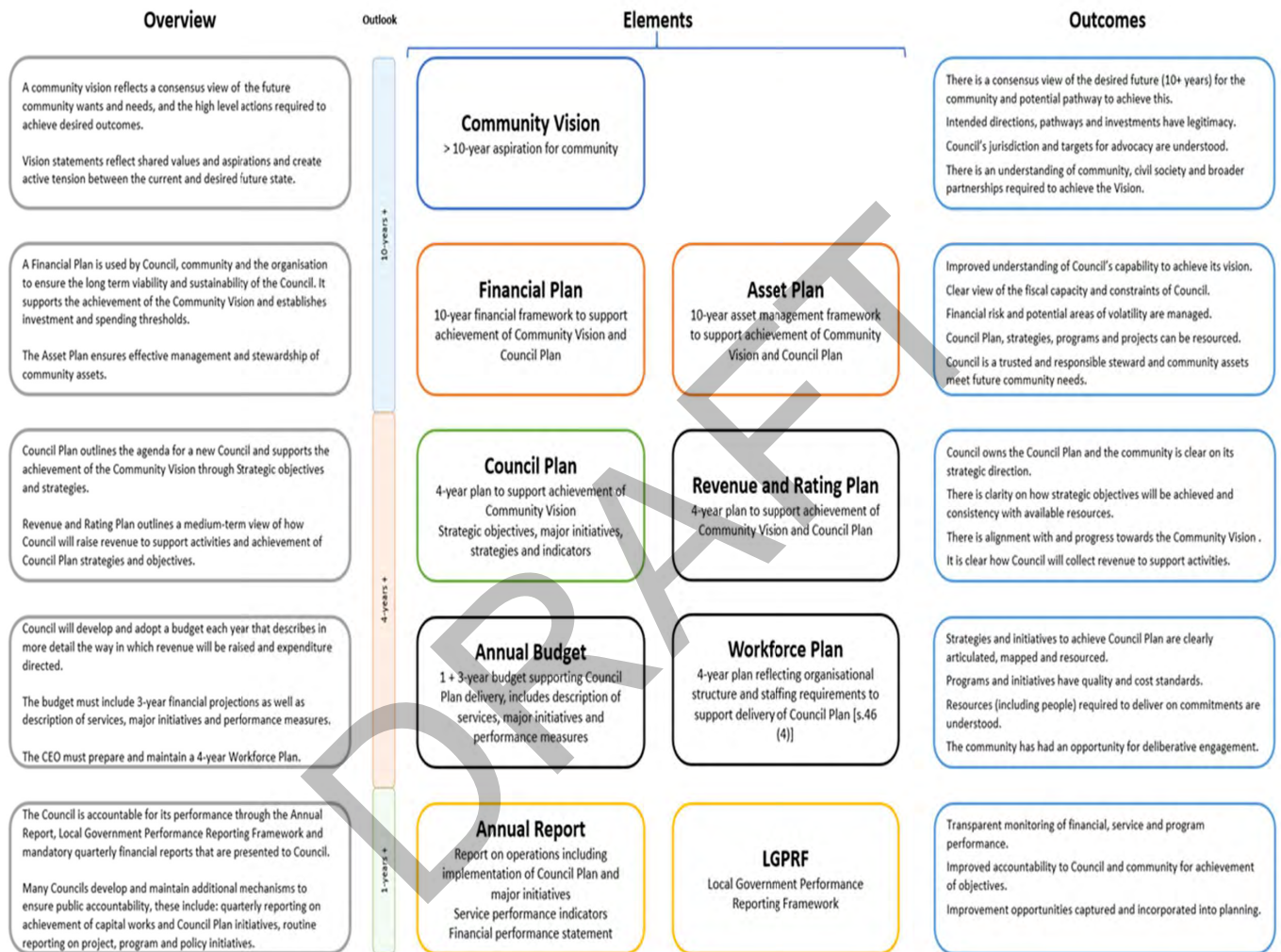
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# LEGISLATIVE REQUIREMENTS

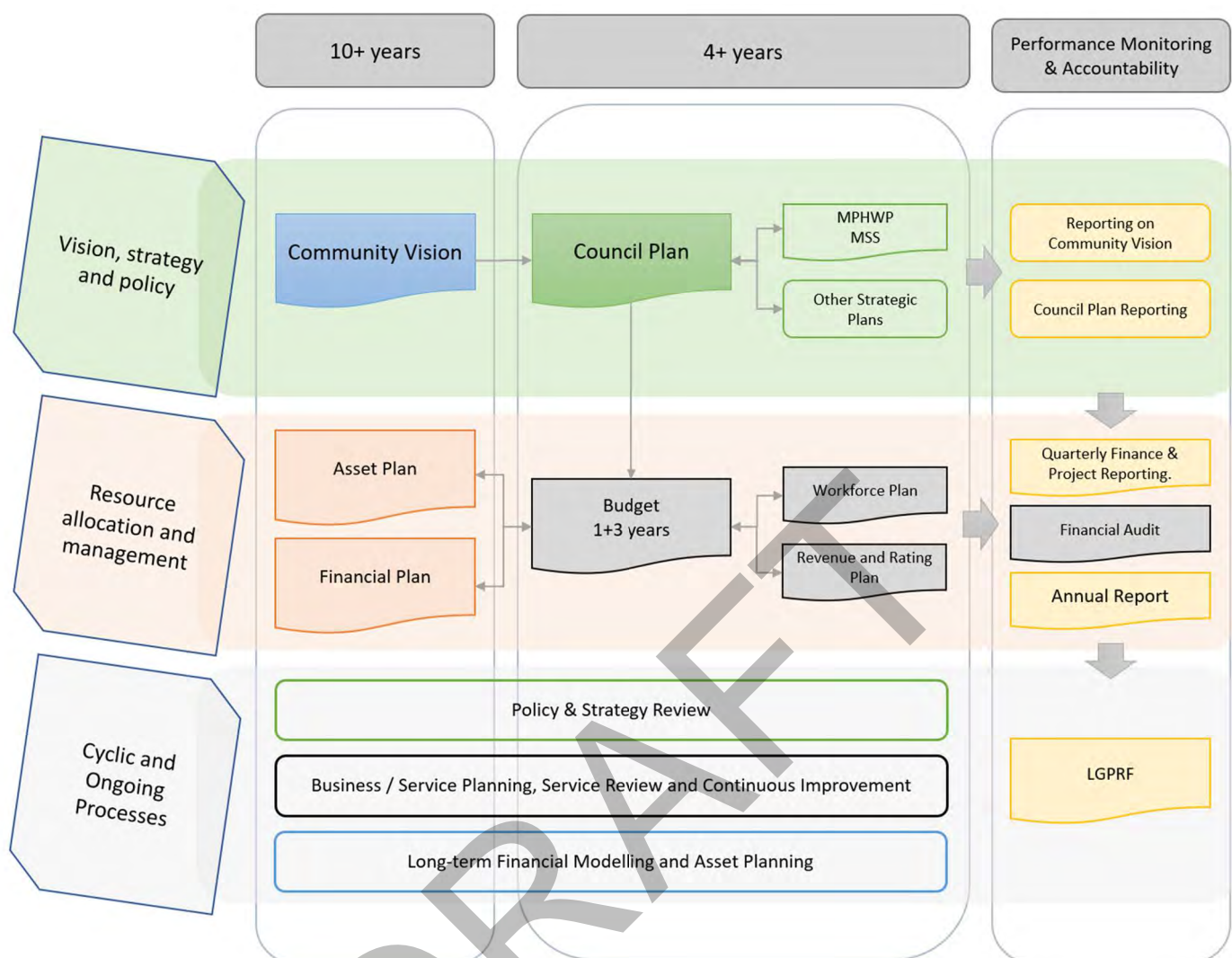
This section describes how the Long Term Financial Plan 2023/24–2032/33 (Financial Plan) links to the achievement of the Yarriambiack's Community Vision (Council Plan) and the Council Plan 2021-2025 (Council Plan) within the Integrated Strategic Planning & Reporting Framework. This framework guides the Council in identifying community needs and aspirations over the long term (Community Vision), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report)

The following diagram provides an overview of the core legislated elements of an integrated strategic planning and reporting framework and outcomes.



Source: Department of Jobs, Precincts and Regions

The following figure demonstrates how each element may inform or be informed by other parts of the integrated framework.



Source: Department of Jobs, Precincts and Regions

### Strategic Planning Principles

The Financial Plan provides a 10 year financially sustainable projection regarding how the actions of the Council Plan may be funded to achieve the Community Vision. The Financial Plan is developed in the context of the following strategic planning principles:

- Council has an integrated approach to planning, monitoring and performance reporting.
- Council Financial Plan addresses the Community Vision by funding the aspirations of the Council Plan. The Council Plan aspirations and actions are formulated in the context of the Community Vision.
- The Financial Plan statements articulate the financial resources necessary over the next 10 years to implement the goals and aspirations of the Council Plan to achieve the Community Vision.
- Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan. The financial risks are included at section 1.2.2 below.
- The Financial Plan provides for the strategic planning principles of progress monitoring of progress and reviews to identify and adapt to changing circumstances.

# **STATUTORY AND REGULATORY REQUIREMENTS**

## **1.1 The Act requires a council's annual report to contain audited financial statements**

Sections 98, 99 and 100 of the Local Government Act 2020 state that:

- the financial statements must be prepared in accordance with the regulations and include any other information prescribed by the regulations<sup>19</sup>
- the financial statements must be prepared by a Council as soon as practicable after the end of the financial year<sup>20</sup>
- the financial statements must be submitted to the auditor for reporting on the audit after the Council has passed a resolution giving its approval in principle to the performance statement and financial statements<sup>21</sup>
- the financial statements must be certified in their final form by two councillors, the CEO and Principal Accounting Officer<sup>22</sup>
- the annual report must contain a copy of the auditor's report on the financial statements<sup>23</sup>

In addition to sections 98, 99 and 100 of the Act, councils should review part four of the regulations for further information required in the financial statements.

## **1.2 The regulations require a council's financial statements to be prepared in accordance with the Local Government Model Financial Report**

Regulation 14 in part four of the Local Government (Planning and Reporting) Regulations 2020 states that:

- the financial statements must be prepared in accordance with the Local Government Model Financial Report<sup>24</sup>
- the financial statements must contain a statement of capital works<sup>25</sup>
- the financial statements must include specified other information as notes.<sup>26</sup>

## **1.3 Checklist**

The financial statements must:

- be prepared in accordance with the Local Government Model Financial Report including a statement of capital works; and
- include other information required by the regulations.

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<sup>19</sup> Section 98(5)(a) and (b) of the Local Government Act 2020

<sup>20</sup> Section 99(1) of the Local Government Act 2020

<sup>21</sup> Section 99(2) of the Local Government Act 2020

<sup>22</sup> Section 99(3) of the Local Government Act 2020

<sup>23</sup> Section 98(2)(e) of the Local Government Act 2020

<sup>24</sup> Regulation 14(2)(a) of the Local Government (Planning and Reporting) Regulations 2020

<sup>25</sup> Regulation 14(1)(a) of the Local Government (Planning and Reporting) Regulations 2020

<sup>26</sup> Regulation 14(2)(b) of the Local Government (Planning and Reporting) Regulations 2020

# FINANCIAL PLAN CONTEXT

This section described the context and external / internal environment and consideration in determining the 10-year financial plan projections and assumptions.

## 2.1 Our Challenges and Opportunities

Yarriambiack Shire Council continues to face the following challenges:

- Supporting Ageing Infrastructure - Substantial investment required.
- Substantial challenges associated with Housing Availability - Lack of quality and availability.
- Supporting challenges associated with access to Childcare and obtaining a provider.
- Increased demand for services; Excess travel for face-to-face appointments and access to transport.
- Changing Demographics - Ageing population.
- Supporting Digital Connectivity - Poor internet connectivity; and
- Maintaining the extensive road network.

## 2.2 Council Vision

A connected rural community who values its land and wellbeing.

## 2.3 Strategic Objectives

Our objectives are identified within the Council Plan 2021-25 across four strategic directions that provide the framework for achieving our vision for the future:

- *A vibrant and diversified economy*
- *A healthy and inclusive community*
- *A robust and thriving environment*
- *A council who serves its community*

## 2.4 Strategic Actions

Council has identified the following strategic actions that will support the aspirations of the Council Plan.

The strategic actions are included to the 10-year financial plan and, where appropriate, referenced in the commentary associated with the 10-year Comprehensive Income Statement and the 10-year Statement of Capital Works.

- Prioritise the ongoing review of service delivery programs (including review of asset requirements, fees and charges in respect to subsidised, cost recovery or profit-making; shared services and collaborative procurement)
- Prior to introducing any new or expanded services, Council will affirm that there is an external funding source, or identify the reduction or cessation of services/activities required to allow existing resources to be redirected to the new service
- Implement the asset renewal funding strategy to maintain fit-for-purpose assets for the community as well as reduce the increasing risk and maintenance associated with aging infrastructure
- Set rate revenue at in line with the permitted under the Fair Go Rates framework and Revenue and Rating Plan

## 2.5 Assumptions to the financial plan statements

This section presents information regarding the assumptions to the Comprehensive Income Statement for the 10 years from 2023/24 to 2032/33. The assumptions comprise the annual escalations / movement for each line item of the Comprehensive Income Statement.

### General Assumptions

Council provides approximately 70 services to the community and they all come at a varying cost to Council. Balancing which service and at what cost is extremely difficult and different people, groups of people, organisations, etc all have individual view points on what this mix should be. Once the mix of services is agreed, the decision about the mode, quantity and quality of the service has to be decided and costed. Funding and contributions to costs have to be examined as well as assets required to deliver the service. The ever changing environment we live in also impacts on preferences, functionality and accessibility of these services – never more so that in the past few years where every service offered by Council has had some form of change to the way it is delivered and communicated to the community. Decisions about each service impacts on the culmination of budget allocations over both short and long term. Some services evolve and grow over time whilst others diminish or are only required in the short term to fill a gap not provided by another level of government. Council must ensure that all services provided are in alignment with their long term plans.

## Specific Assumptions

Both this LTFP and the adopted 2023/24 Budget have assumed a set level of service and determined budgets in accordance with these levels of service. Assets are utilised in assisting with achieving the service outcomes and modelling of asset renewal has been based on these existing levels of service.

Council is also aware that whilst some services may show cash surpluses, when overlaid with the true cost of corporate overheads and the assets required to deliver the service, these cash surpluses are actually operational deficits. Whilst each year during budget development, each service is reviewed at a high level, there are number of “triggers” that lead to more in depth service reviews. Triggers include factors such as legislative change, external funding changes, ability to deliver the service (absence of workforce skill/availability), and asset deterioration/obsolescence, to name a few. These are critical points to question whether Council is actually best placed to deliver this service to the community. Would exiting the service stimulate the local economy in a different way and eliminate Council expenditure? Council is committed to reviewing all services as opportunities arise.

Lever	Current Model
<b>INCOME</b>	
Rates and charges	3.5% for 2023/24, then 2.5% there after
Statutory fees and fines	2% Not under control of Council
User fees	2% increase
Grants Commonwealth - operating	Roads to Recover is a recurring grant and has been modelled as anticipated and tied to the 10 Year Capital Plan. Federal Assistance Grants have been budgeted to increase by 3.5%
Grants Commonwealth - capital	2% approximate level of increase from state government
Grants Victoria - operating	2% approximate level of increase from state government
Grants Victoria - capital	Local Roads and Community Infrastructure Program is a non recurrent grant and there has been no commitment from state government that this funding will continue beyond 2023/24.
Contributions - monetary	As per committed projects
Other income	2% future CPI
<b>EXPENSES</b>	
Employee costs	3% increase based on new EBA to be negotiated and then reduces to 2% based on subsequent EBAs.
Materials and services	Expect a decrease in 2023/24 due to the delivery of community projects and then should increase by 2% in future years.
Depreciation	As per asset portfolio
Contributions and Donations	Contribution towards halls, recreation reserves, swimming pools, weir pools, progress associations increase in line with the rate cap
Other expenses	as per materials and services

## **FINANCIAL PLAN STATEMENTS**

This section presents information regarding the Financial Plan Statements for the 10 years from 2023/24 to 2032/33.

- *Comprehensive Income Statement*
- *Balance Sheet*
- *Statement of Changes in Equity*
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- *Statement of Human Resources*

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Comprehensive Income Statement											
	Forecast / Actual 2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income / Revenue</b>											
Rates and charges	13,308	14,432	14,793	15,163	15,542	15,853	16,170	16,493	16,823	17,159	17,502
Statutory fees and fines	115	158	162	166	170	174	177	181	184	188	192
User fees	957	680	695	712	730	745	760	775	790	806	822
Grants Commonwealth - operating	9,180	94	6,716	6,951	7,194	7,446	7,706	7,976	8,255	8,544	8,843
Grants Commonwealth - capital	3,701	5,065	1,300	1,333	1,366	1,393	1,421	1,449	1,478	1,508	1,538
Grants Victoria - operating	4,104	2,646	2,712	2,780	2,849	2,906	2,965	3,024	3,084	3,146	3,209
Grants Victoria - capital	1,278	2,800	-	-	-	-	-	-	-	-	-
Contributions - monetary	522	89	91	94	96	98	100	102	104	106	108
Net gain (or loss) on disposal of property, infrastructure, plant & equipment	(205)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)
Other income	477	408	418	429	439	448	457	466	476	485	495
<b>Total income / revenue</b>	<b>33,437</b>	<b>26,332</b>	<b>26,846</b>	<b>27,584</b>	<b>28,343</b>	<b>29,018</b>	<b>29,710</b>	<b>30,420</b>	<b>31,148</b>	<b>31,895</b>	<b>32,661</b>
<b>Expenses</b>											
Employee costs	11,678	12,677	13,057	13,449	13,852	14,130	14,412	14,700	14,994	15,294	15,600
Materials and services	7,724	9,905	6,500	6,000	6,271	6,174	6,349	6,476	6,605	6,738	6,872
Depreciation	5,669	5,861	6,037	6,218	6,404	6,533	6,663	6,796	6,932	7,071	7,212
Amortisation - right of use assets	150	150	155	159	164	169	174	179	184	190	196
Bad and doubtful debts - allowance for impairment losses	1	4	4	4	4	4	5	5	5	5	5
Borrowing costs	-	20	21	21	22	22	23	23	24	24	25
Contributions and Donations	612	599	617	635	655	668	681	695	708	723	737
Other expenses	2,156	1,839	1,500	1,406	1,448	1,477	1,507	1,537	1,568	1,599	1,631
<b>Total expenses</b>	<b>27,990</b>	<b>31,055</b>	<b>27,890</b>	<b>27,893</b>	<b>28,821</b>	<b>29,177</b>	<b>29,813</b>	<b>30,411</b>	<b>31,021</b>	<b>31,643</b>	<b>32,278</b>
<b>Surplus/(deficit) for the year</b>	<b>5,447</b>	<b>(4,723)</b>	<b>(1,044)</b>	<b>(309)</b>	<b>(477)</b>	<b>(159)</b>	<b>(103)</b>	<b>9</b>	<b>127</b>	<b>252</b>	<b>383</b>
<b>Other comprehensive income</b>											
Items that will not be reclassified to surplus or deficit in future periods	-	-	-	-	-	-	-	-	-	-	-
Net asset revaluation increment /(decrement)	-	-	-	-	-	-	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>2,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,500</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>
<b>Total comprehensive result</b>	<b>7,447</b>	<b>(3,723)</b>	<b>(44)</b>	<b>691</b>	<b>523</b>	<b>1,341</b>	<b>1,897</b>	<b>2,009</b>	<b>2,127</b>	<b>2,252</b>	<b>2,383</b>

# COMMENTARY: STATEMENT OF COMPREHENSIVE INCOME

## INCOME

### *Rates and charges*

Rates and charges are required by the Act and the Regulations to be disclosed in Council's budget.

As per the Local Government Act 2020, Council is required to have a Revenue and Rating Plan which is a four year plan for how Council will generate income to deliver the Council Plan, program and services and capital works commitments over a four-year period.

In developing the Budget, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the financial planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2023/24 the FGRS cap has been set at 3.5%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

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

To achieve these objectives while maintaining service levels and a conservative capital expenditure program, the average general rate and the municipal charge will increase by 3.5% in line with the rate cap for the 2023/24 year.

Rates income is the amount that Council will receive as a result of raising rates and related charges on properties each financial year. Other charges included here are charges levied for the kerbside collection of garbage and recycling. Council has increased waste charges in the 2023/24 year by 7.5% which also includes the introduction of the glass collection.

#### *Assumptions:*

- Rate capping percentage increase (3.5%) consistent with the rate increase. Outgoing years increases in the rate cap are forecasted to be 2.5%
- PiLOR (Payments in lieu of rates) income is expected to increase with stage 2 of the Murra Warra wind farm being completed.
- Waste management charge increases above Consumer Price Index in the first year due to Federal and State Government policy changes. This will be reviewed again once the Waste Resource Environment and Climate Change Strategy is completed.

### *Statutory fees and fines*

Statutory fees and fines comprise income generated for Council as a result of Federal or State legislation or Council by-laws, including planning fees, building fees and animal registrations.

#### *Assumptions:*

- Percentage increase (2%) consistent with Consumer Price Index.
- Increased building and planning permits issued.

### *User fees*

Revenue from user fees have been forecast to increase by 2% for the 2023/24 year. Details of user fees for the 2023/24 budget year can be found in Council's schedule of Fees and Charges that is adopted in conjunction with the budget.

Revenue increases from the 2024/25 years onward are based on a conservative annual rate of increase of 2.0% to reflect, as a minimum, annual increases in line with the state government rate cap.

### *Grants – operating*

These are Federal and State government grants received for operational projects/programs. To be considered recurrent, the grant funding agreement must be for a term greater than two years. Included within this category is the Federal Grants Commission funding, funding for Early Years and Children's Services and further funding for other services provided by Council.

Non-recurrent operating grants are those where funding is expected as a once off payment or payments to be received within a period less than two years and for operational purposes.

#### *Assumptions:*

- Grants Commission funding has been forecast to increase by 3.5%. The 2023/24 budget does not have any Grants Commission grants as the Federal Government made an announcement, prior to the close of Council's 2023/24 Budget consultation period, that the 2023/24 allocation had been brought forward and would be paid in the 2022/23 year. Council adjusted the 2023/24 budget to reflect this adjustment.
- All other operational grants are forecast to increase by 2%.
- Only non-recurrent operating grants included in the 10 year major projects plan are included in the Long Term Financial Plan.

### *Grants – capital*

Recurrent capital grants are grants acquired for a capital purpose to be received for a period of greater than two years. Included in this item are the grants for the Roads to Recovery program.

Non-recurrent capital grants are those where funding is acquired for once off capital projects.

#### *Assumptions:*

- It is assumed that the Roads to Recovery program will continue for the life of the Long Term Financial Plan.
- Total value of funding received is spent on capital works projects.
- Only capital grants included in the 10 year Major Projects Plan are included in the Long Term Financial Plan.

### *Other income*

Revenue from other income mainly comprises investment income plus the recovery income from a variety of sources and rental income received from the hire of Council buildings

Other income represents income that cannot be classed into the above categories, and includes items such as reimbursements, interest on outstanding rates and bank investments and contributions from community groups.

#### *Assumptions:*

- Interest income is linked relative to the value of cash holdings.
- Other non-specific Council income has assumed an annual percentage increase linked to the increase in average material costs. This includes all reimbursements.

## **EXPENSES**

### *Employee costs*

Employee costs are one of the largest expenditure items as our resources are required to deliver services that are supporting our community and meeting organisation and legislative requirements.

The 2023/24 year includes a 3% increase for employee costs that mainly reflects the salary increase for all staff pursuant to the Enterprise Bargaining Agreement.

The ensuing years, from 2024/25, reflect annual increases of 3% per annum to provide for annual EBA increases to allow Council to maintain the current service levels which we provide to the community.

Employee costs include salary, wages and other costs of employing staff (e.g. WorkCover, superannuation, leave entitlements, industry allowances). Employees are an integral part of the success of Yarriambiack Shire Council. The majority of Council services and programs are delivered through our staff. To manage costs pressures, the Council must continually look at improved ways of delivering services to its community. The Council's current Enterprise Agreement was certified in May 2021, the outcomes from the Enterprise Agreement are reflected in this version of the 10 Year Plan and is a key determinant of employee cost increase.

#### *Assumptions:*

- Annual Enterprise Bargaining Agreement increase and performance-based band and level increase for staff. The current EBA is to be negotiated in 2023/24.
- Other on-cost movements i.e. superannuation, leave loading, allowances, and staff training.

### *Materials and services*

Material costs include items required for the maintenance and repairs of Council buildings, roads, drains and footpaths which are more governed by market forces based on availability than CPI. Other associated costs included under this category are utilities, materials and consumable items for a range of services. Council also utilises external expertise on a range of matters.

Payments for materials and services comprises goods and services purchased for the general operations and activities of Council and the cost of non-recurrent operational items funded through Council's major projects budget process. Council's adopted revised Procurement Policy (under the Local Government Act 2020) states all service contracts over \$150,000 must be tendered to ensure competitive outcomes. In addition to legislative requirements, the Council has its own procurement framework which meets the quality assurance requirements under AS/NZS ISO 9001:2008.

Financial outcomes are a key consideration in procurement activities; however, the Council also seeks to leverage off other nonfinancial benefits contained in its procurement policy. These include supporting sustainability outcomes in the form of social sustainability and environmental sustainability. The policy direction also seeks to achieve outcomes that benefit local business where applicable.

#### *Assumptions:*

- Annual increase on all contract payments, materials and services.
- Operational resources as identified in the Council Plan.
- Additional resources allocated towards infrastructure maintenance and renewal.
- Increased costs due to changes in the recycling industry.

### *Depreciation*

Depreciation estimates have been based on the projected capital spending contained within the 10-year capital program as outlined in the plan. Depreciation has been further increased by the indexing of the replacement cost of Council's fixed assets.

Depreciation represents an allocation of the current replacement cost of Council assets over their remaining economic life.

#### *Assumptions:*

- Asset and infrastructure modelling has been used to determine depreciation expenditure for the LTFP. The modelling is based on current asset valuations and takes into consideration the forecast capital works and asset disposals.

### *Borrowing costs*

Finance costs include the interest paid by Council on loans. The budget reflects the movement in the total outstanding loan balance in accordance with Council's borrowings strategy.

### *Other expenses*

Other expenses include administration costs such as lease expenditure, insurances, audit fees, legal costs, postage, bank charges and other costs associated with the day to day running of Council.

#### *Assumptions:*

- Other expenses are expected to increase annually.

Balance Sheet													
Forecast / Actual		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets													
Current assets													
Cash and cash equivalents	13,452	4,360	2,944	2,061	1,256	1,675	2,275	3,022	3,842	4,741	5,220		
Trade and other receivables	1,711	1,500	1,458	1,502	1,547	1,578	1,609	1,641	1,388	1,200	1,000		
Other financial assets	142	150	155	159	164	167	171	174	177	181	170		
Inventories	509	450	464	477	492	502	512	522	532	400	350		
Prepayments	126	150	155	159	164	167	171	174	177	181	170		
Non-current assets classified as held for sale	15	-	-	-	-	-	-	-	-	-	-		
TOTAL CURRENT ASSETS	15,956	6,610	5,175	4,359	3,622	4,089	4,737	5,533	6,117	6,703	6,910		
Non-current assets													
Investments in associates, joint arrangements & subsidiaries	387	350	361	371	382	390	398	406	414	415	400		
Property, infrastructure, plant & equipment	147,618	156,665	157,951	159,051	159,960	160,251	162,732	164,927	167,198	169,549	172,484		
Right-of-use assets	572	500	475	450	425		-	-	-	-	-		
TOTAL NON-CURRENT ASSETS	148,578	157,515	158,787	159,873	160,768	160,641	163,130	165,333	167,612	169,964	172,884		
TOTAL ASSETS	164,534	164,125	163,961	164,232	164,390	164,730	167,867	170,866	173,729	176,667	179,794		
Liabilities													
Current liabilities													
Trade and other payables	2,026	4,564	4,325	3,880	3,440	2,389	3,606	4,162	4,500	4,739	4,950		
Trust funds and deposits	209	299	250	200	200	204	208	212	216	250	300		
Provisions	3,232	3,345	3,591	3,699	3,810	3,886	4,000	4,400	4,800	5,200	5,600		
Interest-bearing liabilities	-	50	50	50	50	50	50	50	50	50	50		
Lease liabilities	336	380	336	336	336	343	350	357	364	371	400		
TOTAL CURRENT LIABILITIES	5,803	8,638	8,553	8,165	7,835	6,872	8,214	9,181	9,930	10,610	11,300		
Non-current liabilities													
Provisions	471	500	515	530	546	557	500	568	600	650	700		
Interest-bearing liabilities	-	450	400	350	300	250	200	150	100	50	-		
Lease liabilities	264	264	264	264	264	264	269	275	280	286	341		
TOTAL NON-CURRENT LIABILITIES	735	1,214	1,179	1,144	1,110	1,071	969	993	980	986	1,041		
TOTAL LIABILITIES	6,538	9,852	9,732	9,310	8,946	7,943	9,183	10,174	10,910	11,596	12,341		
NET ASSETS	157,996	154,274	154,230	154,922	155,445	156,786	158,684	160,692	162,819	165,071	167,453		
Equity													
Accumulated surplus	90,646	85,923	84,879	84,570	84,093	83,935	83,832	83,841	83,968	84,219	84,602		
Reserves	67,350	68,351	69,351	70,351	71,351	72,851	74,851	76,851	78,851	80,851	82,851		
TOTAL EQUITY	157,996	154,274	154,230	154,922	155,445	156,786	158,683	160,692	162,819	165,071	167,453		

## COMMENTARY: STATEMENT OF BALANCE SHEET

### *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.

Trade and other receivables are monies owed to council by ratepayers and other.

Other Assets includes items such as prepayments for expenses that Council had paid in advance of service delivery, inventories or stocks held for sale or consumption in Council's services.

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.

### *Liabilities*

Trade and other payables are those to whom Council owes monies as at 30 June.

Provisions include accrued long service leave, annual leave sick leave owing to employees and rehabilitation costs for ceased landfill and gravel pit sites.

Interest-bearing loans and borrowings are borrowings of Council.

## **EQUITY**

### *Reserves*

Reserves contains both a specific cash backed reserve and asset revaluation reserves. The cash backed reserve is a small infrastructure fund for aerodromes.

The asset revaluation reserve represents the difference between the previously recorded value of assets and their current valuations. Asset valuations are required to be considered annually and formally revalued if there is a material change.

### *Accumulated surplus*

Accumulated surplus is the value of all net assets less specific reserve allocation and revaluations that have built up over the financial year.

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Statement of Changes in Equity	Total \$'000	Accumulate Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2023 Forecast Actual</b>				
Balance at beginning of the financial year	150,549	85,198	65,336	15
Surplus/(deficit) for the year	5,447	5,447	-	-
Net asset revaluation increment/(decrement)	2,000	-	2,000	-
<b>Balance at end of the financial year</b>	<b>157,996</b>	<b>90,645</b>	<b>67,336</b>	<b>15</b>
<b>2024</b>				
Balance at beginning of the financial year	157,996	90,645	67,336	16
Surplus/(deficit) for the year	(4,723)	(4,723)	-	-
Net asset revaluation increment/(decrement)	1,000	-	1,000	-
<b>Balance at end of the financial year</b>	<b>154,274</b>	<b>85,922</b>	<b>68,336</b>	<b>16</b>
<b>2025</b>				
Balance at beginning of the financial year	154,274	85,922	68,336	16
Surplus/(deficit) for the year	(1,044)	(1,044)	-	-
Net asset revaluation increment/(decrement)	1,000	-	1,000	-
<b>Balance at end of the financial year</b>	<b>154,230</b>	<b>84,878</b>	<b>69,336</b>	<b>16</b>
<b>2026</b>				
Balance at beginning of the financial year	154,230	84,878	69,336	16
Surplus/(deficit) for the year	(309)	(309)	-	-
Net asset revaluation increment/(decrement)	1,000	-	1,000	-
<b>Balance at end of the financial year</b>	<b>154,921</b>	<b>84,569</b>	<b>70,336</b>	<b>16</b>
<b>2027</b>				
Balance at beginning of the financial year	154,921	84,569	70,336	16
Surplus/(deficit) for the year	(477)	(477)	-	-
Net asset revaluation increment/(decrement)	1,000	-	1,000	-
<b>Balance at end of the financial year</b>	<b>155,444</b>	<b>84,092</b>	<b>71,336</b>	<b>16</b>
<b>2028</b>				
Balance at beginning of the financial year	155,444	84,092	71,336	16
Surplus/(deficit) for the year	(159)	(159)	-	-
Net asset revaluation increment/(decrement)	1,500	-	1,500	-
<b>Balance at end of the financial year</b>	<b>156,786</b>	<b>83,934</b>	<b>72,836</b>	<b>16</b>
<b>2029</b>				
Balance at beginning of the financial year	156,786	83,934	72,836	16
Surplus/(deficit) for the year	(103)	(103)	-	-
Net asset revaluation increment/(decrement)	2,000	-	2,000	-
<b>Balance at end of the financial year</b>	<b>158,683</b>	<b>83,831</b>	<b>74,836</b>	<b>16</b>
<b>2030</b>				
Balance at beginning of the financial year	158,683	83,831	74,836	16
Surplus/(deficit) for the year	9	9	-	-
Net asset revaluation increment/(decrement)	2,000	-	2,000	-
<b>Balance at end of the financial year</b>	<b>160,692</b>	<b>83,840</b>	<b>76,836</b>	<b>16</b>
<b>2031</b>				
Balance at beginning of the financial year	160,692	83,840	76,836	16
Surplus/(deficit) for the year	127	127	-	-
Net asset revaluation increment/(decrement)	2,000	-	2,000	-
<b>Balance at end of the financial year</b>	<b>162,819</b>	<b>83,967</b>	<b>78,836</b>	<b>16</b>

Statement of Changes in Equity	Total \$'000	Accumulate Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2032</b>				
Balance at beginning of the financial year	162,819	83,967	78,836	16
Surplus/(deficit) for the year	252	252	-	-
Net asset revaluation increment/(decrement)	2,000	-	2,000	-
<b>Balance at end of the financial year</b>	<b>165,070</b>	<b>84,218</b>	<b>80,836</b>	<b>16</b>
<b>2033</b>				
Balance at beginning of the financial year	165,070	84,218	80,836	16
Surplus/(deficit) for the year	383	383	-	-
Net asset revaluation increment/(decrement)	2,000	-	2,000	-
<b>Balance at end of the financial year</b>	<b>167,453</b>	<b>84,601</b>	<b>82,836</b>	<b>16</b>

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Statement of Cash Flows		Forecast / Actual											
		2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	2032/33 \$'000	
Inflows (Outflows)		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	
Cash flows from operating activities													
Rates and charges		12,808	14,220	13,536	13,571	13,969	14,271	14,842	14,851	15,434	15,960	16,501	
Statutory fees and fines		115	158	162	166	170	174	177	181	184	188	192	
User fees		957	680	695	712	730	745	760	775	790	806	822	
Grants - operating		13,128	2,740	9,428	9,731	10,043	10,352	10,671	11,000	11,340	11,690	12,052	
Grants - capital		4,479	7,865	1,300	1,333	1,366	1,393	1,421	1,449	1,478	1,508	1,538	
Contributions - monetary		522	97	91	94	96	98	100	102	104	106	108	
Interest received		210	167	172	177	183	190	197	205	214	222	231	
Trust funds and deposits taken		100	44	-	-	-	-	-	-	-	-	-	
Other receipts		789	286	337	346	353	258	260	261	262	263	264	
Net GST refund / payment		1,450	1,383	1,594	1,537	1,570	1,943	1,997	2,055	1,827	1,665	1,494	
Employee costs		(11,878)	(12,192)	(13,057)	(13,449)	(13,852)	(14,130)	(14,412)	(14,700)	(14,994)	(15,294)	(15,600)	
Materials and services		(10,724)	(10,096)	(6,500)	(6,000)	(6,271)	(6,174)	(6,349)	(6,476)	(6,605)	(6,738)	(6,872)	
Other payments		(3,768)	(2,617)	(2,117)	(2,041)	(2,103)	(2,145)	(2,188)	(2,231)	(2,276)	(2,322)	(2,368)	
Net cash provided by/(used in) operating activities		8,188	2,735	5,641	6,175	6,253	6,975	7,477	7,472	7,757	8,055	8,362	
Cash flows from investing activities													
Payments for property, infrastructure, plant and equipment		(12,094)	(12,598)	(7,327)	(7,327)	(7,327)	(6,823)	(7,144)	(6,992)	(7,203)	(7,422)	(8,148)	
Proceeds from sale of property, infrastructure, plant and equipment		340	340	340	340	340	340	340	340	340	340	340	
Proceeds from sale of investments		15	-	-	-	-	-	-	-	-	-	-	
Net cash provided by/ (used in) investing activities		(11,739)	(12,258)	(6,987)	(6,987)	(6,987)	(6,483)	(6,804)	(6,652)	(6,863)	(7,082)	(7,808)	
Cash flows from financing activities													
Finance costs		-	(20)	(21)	(21)	(22)	(22)	(23)	(23)	(24)	(24)	(25)	
Proceeds from borrowings		-	500	-	-	-	-	-	-	-	-	-	
Repayment of borrowings		-	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	
Net cash provided by/(used in) financing activities		-	430	(71)	(71)	(72)	(72)	(73)	(73)	(74)	(74)	(75)	
Net increase/(decrease) in cash & cash equivalents		(3,551)	(9,092)	(1,416)	(883)	(805)	420	600	747	820	899	479	
Cash and cash equivalents at the beginning of the financial year		17,003	13,452	4,360	2,944	2,061	1,256	1,675	2,275	3,022	3,842	4,741	
Cash and cash equivalents at the end of the financial year		13,452	4,360	2,944	2,061	1,256	1,675	2,275	3,022	3,842	4,741	5,220	

## COMMENTARY: STATEMENT OF CASH FLOW

Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash flows.

### ***Net cash flows provided by/used in operating activities***

Operating activities refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works or repayment of debt.

The net cash flows from operating activities does not equal the operating result for the year, as the expected revenues and expenses of the Council include non-cash items which have been excluded from the Cashflow Statement.

### ***Net cash flows provided by/used in investing activities***

Investing activities refers to cash generated or used in the enhancement or creation of infrastructure and other assets.

These activities also include the acquisition and sale of other assets such as vehicles, property, and equipment.

The increase in payments for investing activities represents the planned increase in capital works expenditure.

### ***Net cash flows provided by/used in financing activities***

Financing activities refers to cash generated or used in the financing of Council's functions and include borrowings from financial institutions and advancing or repayable loans to other organisations. These activities also include repayment of the principal component of loan repayments for the year.

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Statement of Capital Works		Forecast / Actual										
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property												
Land		118	68	-	-	-	-	-	-	-	-	-
<b>Total land</b>		<b>118</b>	<b>68</b>	-	-	-	-	-	-	-	-	-
Buildings		268	5,662	500	500	500	500	500	500	500	500	500
Heritage buildings		64	-	50	50	50	50	50	50	50	50	50
<b>Total buildings</b>		<b>332</b>	<b>5,662</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>
<b>Total property</b>		<b>450</b>	<b>5,730</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>
Plant and equipment												
Plant, machinery and equipment		1,175	1,796	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Fixtures, fittings and furniture		7	22	20	20	20	20	20	20	20	20	20
Computers and telecommunications		4	130	130	130	130	130	130	130	130	130	130
Library books		27	27	27	27	27	27	27	27	27	27	27
<b>Total plant and equipment</b>		<b>1,213</b>	<b>1,975</b>	<b>1,377</b>	<b>1,377</b>	<b>1,377</b>	<b>1,377</b>	<b>1,377</b>	<b>1,377</b>	<b>1,377</b>	<b>1,377</b>	<b>1,377</b>

Statement of Capital Works		Forecast / Actual	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Infrastructure</b>													
Roads		6,852	5,350	4,500	4,500	4,500	4,500	3,597	4,366	4,205	4,413	4,628	4,851
Bridges		-	100	100	100	100	100	100	100	100	100	100	100
Footpaths		248	402	200	200	200	200	200	200	200	200	200	200
Kerb & channel		278	390	200	200	200	200	200	200	200	200	200	200
Drainage		50	542	100	100	100	100	100	100	100	100	100	100
Recreational, leisure and community facilities		328	174	100	100	100	100	100	100	100	100	100	100
Waste management		95	-	-	-	-	-	449	-	-	-	-	500
Parks, open space and streetscapes		34	-	50	50	50	50	50	50	50	50	50	50
Aerodromes		-	-	50	50	50	50	-	-	-	-	-	-
Other infrastructure		46	245	100	100	100	100	100	101	110	113	117	120
<b>Total infrastructure</b>		<b>7,931</b>	<b>7,203</b>	<b>5,400</b>	<b>5,400</b>	<b>5,400</b>	<b>5,400</b>	<b>4,896</b>	<b>5,217</b>	<b>5,065</b>	<b>5,276</b>	<b>5,495</b>	<b>6,221</b>
<b>Total capital works expenditure</b>		<b>9,594</b>	<b>14,908</b>	<b>7,327</b>	<b>7,327</b>	<b>7,327</b>	<b>7,327</b>	<b>6,823</b>	<b>7,144</b>	<b>6,992</b>	<b>7,203</b>	<b>7,422</b>	<b>8,148</b>
Represented by:													
New asset expenditure		1,460	5,346	1,427	1,427	1,427	1,427	1,470	1,514	1,559	1,606	1,654	1,704
Asset renewal expenditure		7,760	7,581	5,500	5,500	5,500	5,500	4,941	5,206	4,996	5,147	5,304	5,967
Asset upgrade expenditure		374	1,981	400	400	400	400	412	424	437	450	464	478
<b>Total capital works expenditure</b>		<b>9,594</b>	<b>14,908</b>	<b>7,327</b>	<b>7,327</b>	<b>7,327</b>	<b>7,327</b>	<b>6,823</b>	<b>7,144</b>	<b>6,992</b>	<b>7,203</b>	<b>7,422</b>	<b>8,148</b>
Funding sources represented by:													
Grants		4,979	7,774	1,300	1,333	1,366	1,366	1,393	1,421	1,449	1,478	1,508	1,538
Contributions		522	536	91	94	96	96	98	100	102	104	106	108
Council cash		4,093	6,098	5,936	5,901	5,865	5,865	5,332	5,623	5,441	5,621	5,808	6,502
Borrowings		-	500	-	-	-	-	-	-	-	-	-	-
<b>Total capital works expenditure</b>		<b>9,594</b>	<b>14,908</b>	<b>7,327</b>	<b>7,327</b>	<b>7,327</b>	<b>7,327</b>	<b>6,823</b>	<b>7,144</b>	<b>6,992</b>	<b>7,203</b>	<b>7,422</b>	<b>8,148</b>

## COMMENTARY: STATEMENT OF CAPITAL WORKS

The 10 year capital works program accompanying the LTFP identifies numerous individual projects requiring funding. The timing and delivery of these projects may be subject to a partnership with other levels of government.

It is important to ensure existing assets and infrastructure is maintained at appropriate levels to service the community's needs. The major components of the 10 Year Capital works program is outlined below:

- Property - includes land, building and heritage buildings.
- Plant & Equipment - includes plant, machinery & fixtures and furniture & computers.
- Infrastructure - includes roads, bridges, kerb & channel, footpaths, drainage, recreational, leisure & community facilities and waste management.

The development of a 10-year capital works program will enable a cash flow budget to be developed. External capital funding services include capital grants and contributions. Forecasts for capital funding sources are conservative.

Council's capital works program underpins the needs and priorities as determined by Council's capital evaluation process. It is the Council's challenge to develop Service Plans and Asset Management Plans that ensure the community's levels of service are met through the delivery of efficient and effective services.

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Statement of Human Resources

Staff expenditure	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure											
Employee costs - operating	11,678	12,677	13,136	13,530	13,936	14,354	14,785	15,228	15,685	16,155	16,640
Employee costs - capital	1,500	1,117	880	907	934	962	991	1,021	1,051	1,083	1,115
Total staff expenditure	13,178	13,794	14,016	14,437	14,870	15,316	15,775	16,249	16,736	17,238	17,755

Staff numbers	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Staff numbers											
Employees	124	124	123	123	123	123	123	123	123	123	123
Total staff numbers	124	124	123	123	123	123	123	123	123	123	123

Department	BUDGET			BUDGET							
	2022/23	Full tme	Part tme	Casual	2022/23	Full tme	Part tme	Casual	2022/23	Full tme	Part tme
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Community Services	2,132	899	1,233	-	Community Services	18	6	12	-	-	-
Coporate Services	888	828	60	-	Coporate Services	7	7	0	-	-	-
Economic Development	804	409	395	-	Economic Development	7	3	4	-	-	-
Engineeering	7,121	6,955	166	-	Engineeering	71	69	2	-	-	-
Governance	1,373	1,215	158	-	Governance	9	8	1	-	-	-
Recreation, Culture and Leisure	212	143	69	-	Recreation, Culture and Leisure	2	1	1	-	-	-
Regulatory Services	842	785	57	-	Regulatory Services	6	6	0	-	-	-
Waste and Environment	422	422	-	-	Waste and Environment	4	4	-	-	-	-
Total staff expenditure	13,794	11,656	2,138	-	Total staff	124	104	20	-	-	-

Capitalised labour costs	1,117
Operating labour costs	12,677

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