

Budget

2021-22



Mildura Rural City Council

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Disclaimer

The Local Government Model Budget is published each year to assist councils in preparing budgets in accordance with Australian Accounting Standards.

The 2021-22 Model Budget template and Better Practice Guide can be accessed on Local Government Victoria's website:
<https://www.localgovernment.vic.gov.au/strengthening-councils/sector-guidance-planning-and-reporting>

Acknowledgement of Country

Council acknowledges the traditional custodians of the land comprising the Mildura Rural City Council area, and those of our neighbouring municipalities. We pay our respects to Elders past and present, and celebrate and respect their continuing culture and connection to the land.

Mayor Introduction

On behalf of my fellow Councillors I'm pleased to present Mildura Rural City Council's 2021-22 Budget.

Our Budget is one of our organisation's most important documents in detailing how we will fund and resource the delivery of more than 100 essential services, facilities and infrastructure to residents throughout our region.

It will also support the broader aims of our new four-year Council Plan, which is currently being developed as part of *Imagine 2040*, our community's vision for the coming two decades.

Development of this year's \$145.07 million budget has come at a challenging time as our region looks to recover from not only the economic impacts of the COVID-19 pandemic but also drought (Millewa Sand Drifts).

We certainly recognise that many residents, businesses, community and sporting groups have suffered financially as a result of the pandemic and its restrictions along with the drought, and Council has not been immune to these impacts.

The combination of reduced income and delivering millions of dollars in COVID-19 support to our community and maintaining road access and clearing sand drifts over the past year, means we're expecting a \$1.01 million operating deficit in the 2021-22 budget.

It is estimated that Council has provided in the vicinity of \$5.00 million in direct and indirect financial support to the community during COVID-19. Whether this was through rate relief, waiving of various fees and charges, provision of grants, assistance with food parcels, increased cleaning of community facilities such as toilets and playgrounds, and adaption of services to online or to meet government requirements.

Despite these financial pressures we've made it a priority to ensure there is no reduction in the number of valuable services our community receives, which is reflected in a healthy focus on service delivery including during 2021-22 including:

- \$7.87 million for youth, children and family services
- \$5.66 million for aged and disability support services
- \$3.55 million for customer services
- \$3.36 million for community safety, health and wellbeing

We are also acutely aware of keeping to a minimum the imposing of more financial pressures on to ratepayers, which is why we have not sought an increase over the Victorian Government's Fair Go Rate Cap of 1.50%.

Despite the challenges I look forward to the continued investment into the community and just some of the highlights of the coming 12 months' capital works program include:

- \$18.90 million for buildings and improvements including Stage 2 of the Mildura South Regional Sporting Precinct and the redevelopment of the Powerhouse precinct on Mildura's riverfront
- \$12.80 million on roads projects
- \$2.72 million for waste management projects
- \$1.94 million on recreation, leisure and community facilities projects
- \$1.64 million on parks, open spaces and streetscapes

I am also incredibly proud to see the opening of the Mildura South Regional Sporting Precinct during 2021-22 with the commencement of sporting activities and other events, for what is the largest project of this type undertaken by Council.

The 2021-22 Budget is the result of a rigorous process and an exhaustive amount of work to ensure it meets the needs of our community and is financially responsible, and I think this budget achieves those objectives.

Cr Jason Modica

Mayor

Mildura Rural City Council

Executive Summary

As a local government organisation we deliver more than 100 different services, facilities and infrastructure for people who live, work and visit our region. The work we do is vital to ensure our regional city continues to grow and attract new business and investment. This year also sees the ongoing implementation of the *Local Government Act 2020*, *Gender Equality Act 2020* and amendments that may occur in more than 150 pieces of legislation, regulations and guidelines that Council must work within.

Like most organisations, businesses and councils across the country, both our 2020-21 and 2021-22 budgets, have been severely impacted by the effects of the COVID-19 pandemic. This budget therefore prioritises investment in crucial services and infrastructure Council delivers to not only ensure their continuity of delivery and availability to the community, but also put measures in place to achieve a balanced budget position again as soon as possible.

On top of this, Council also needs to take into account the community's capacity to pay in accordance with the state government's rate capping requirements.

Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of the Council.

Due to the effects of the COVID-19 global pandemic, Council will over the next twelve to eighteen months review and refine operations in a bid to reduce costs where possible, and find additional sources of revenue to bring the budget back into an operating surplus in future years. We will look at how our resources are allocated and ensure we are working to deliver our services as efficiently and effectively as possible.

This will be further detailed when Council's long term Financial Plan is adopted in accordance with the *Local Government Act 2020*.

This will involve a systematic approach to reviewing services throughout Council to identify possible cost savings and align with the needs of the community. It is an ongoing process of continuous improvement with a focus on sustainable, high quality, responsive and accessible services. The Australian Business Excellence Framework (ABEF) is an integrated leadership and management system across Council that describes the elements essential to organisations sustaining high levels of performance.

The 2021-22 Budget includes a range of services and initiatives to be funded, which will contribute to achieving the strategic objectives specified in the Community and Council Plan.

The average base rate will rise by 1.50% in line with the order by the Minister for Local Government in December 2020 in accordance with the Fair Go Rates System (FGRS). The 1.50% rise will provide total rates income of \$79.01 million including waste charges.

This budget projects an overall surplus of \$15.30 million for 2021-22. This is due predominately to budgeted capital grant funding of \$15.01 million. Our operating result, after removing the effect of capital grants and other capital funding sources, is a deficit \$1.01 million.

COVID-19 Community Recovery

Council has responsibilities for relief and recovery under the *Emergency Management Act 2013* and has contributed to the relief, support and recovery of our community through the pandemic.

For the 2020-21 financial year Council allocated \$1.50 million for a COVID-19 Community Relief and Recovery Fund.

During the pandemic, Council has strived to:

- Assist those affected with access to information and linking services and supports such as accommodation, food assistance and other relief.
- Reduce the risk to public health.
- Provide timely information about the pandemic, relief and support options and recovery.
- Creating connections between community members, Council and other service agencies.
- Providing financial relief for those effected including residence, business, community and sporting groups.

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As mentioned in the Mayor Introduction, at the time of writing this document it is estimated that Council has provided in the vicinity of \$5.00 million (including the \$1.50 million recovery fund), in direct and indirect financial support to the community during COVID-19. This was through rate relief, waiving of various fees and charges, provision of grants, assistance with food parcels or increased cleaning of community facilities such as toilets and playgrounds or adaption of services to online or to meet government requirements.

As part of the effort to restore a balanced budget and a surplus position in future years, there are a number of new projects and initiatives that were not able to be funded in the 2020-21 budget. This was also required in order to establish the \$1.50 million COVID-19 Community Relief and Recovery Fund. Some of the projects and initiatives not able to be funded in this budget include:

- Integrated Transport and Land Use Strategy.
- Tourism and Directional Signage Strategy.
- CBD Plan Activation.

Should the financial position improve more rapidly than budgeted, or grant funding opportunities become available, this might allow some of the projects and initiatives to be considered for commencement.

Key things we are funding

Ongoing delivery of services to the Mildura community is funded by a new budget of \$73.82 million. These services are summarised in Section 2.

For the 2021-22 year, \$43.73 million will be spent on capital works projects.

- Road projects - \$12.80 million will be spent.

Significant projects include:

- Reconstruct 5km section of Meridian Road.
- Safety improvements on Seventeenth Street between Benetook Avenue and San Mateo Avenue.
- Realign and reconstruct section of Calotis Street, Red Cliffs.

- Parks, open spaces and streetscapes - \$1.64 million will be spent.

Significant projects include:

- Deakin Avenue median redevelopment from Eighth Street to Ninth Street.
- Design of Langtree Avenue placemaking from Seventh Street to Eighth Street.
- Central Business District tree infrastructure replacement program.
- Renewal of Apex Park BBQ and shelter.
- Replacement of playground equipment at Green Pines Park.
- Replacement of playground equipment at Simon Court Park.
- Improvements to Lake Cullulleraine foreshore amenities.

- Buildings and building improvements - \$18.90 million will be spent.

Significant projects include:

- Mildura South Regional Sporting Precinct construction stage 2.
- Upgrades to the Powerhouse building on Mildura's riverfront precinct.
- Replacement of aquatic plant and equipment at outdoor swimming pools.
- Irymple kindergarten building extension (subject to grant approval).
- Renewal Mildura and Workingman's Bowls Clubhouse (subject to grant approval).
- Renewal of fire services at Johansen Recreation Reserve, Lake Cullulleraine.
- Replacement of main switchboard at Mildura Recreation Reserve.
- Upgrades and improvements to Lake Cullulleraine Community Complex.
- Replacement of amenities block at Lake Cullulleraine Caravan Park.
- Lighting upgrade at Mildura Library.

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- Waste management - \$2.72 million will be invested, including:
 - Mildura glass sorting and reprocessing facility.
 - Mildura landfill rehabilitation.
 - Replacement of the weighbridge at Mildura landfill.
 - Ouyen landfill rehabilitation.
- Drainage - \$0.66 million will be spent on projects including:
 - Drainage upgrades in Symonds Court, Mildura.
 - Repairing 1.2km of stormwater drains throughout the region.
 - Flood mitigation works in Kendall Lane, Mildura.
- Recreational, leisure and community facilities - \$1.94 million will be spent.
Significant projects include:
 - Construction of 4 outdoor courts with competition lighting at Mildura South Regional Sporting Precinct.
 - Construction of lighting and 8 lane turf and synthetic nets at Mildura South Regional Sporting Precinct.
 - Renewal of the Mildura outdoor pool small dive tower.
 - Upgrade of Blackburn Park synthetic bowls green.
 - Upgrade Quandong Park cricket net.
 - Upgrade lighting at the Henshilwood recreation reserve.

The Statement of Capital Works can be found in Section 3 and further details on the capital works budget can be found in Section 4.5.

The rate rise

The base average rate will rise by 1.50% in line with the order by the Minister for Local Government in December 2020 in accordance with the Fair Go Rates System (FGRS).

All of Victoria's 79 councils have been operating under rate caps since 1 July 2016.

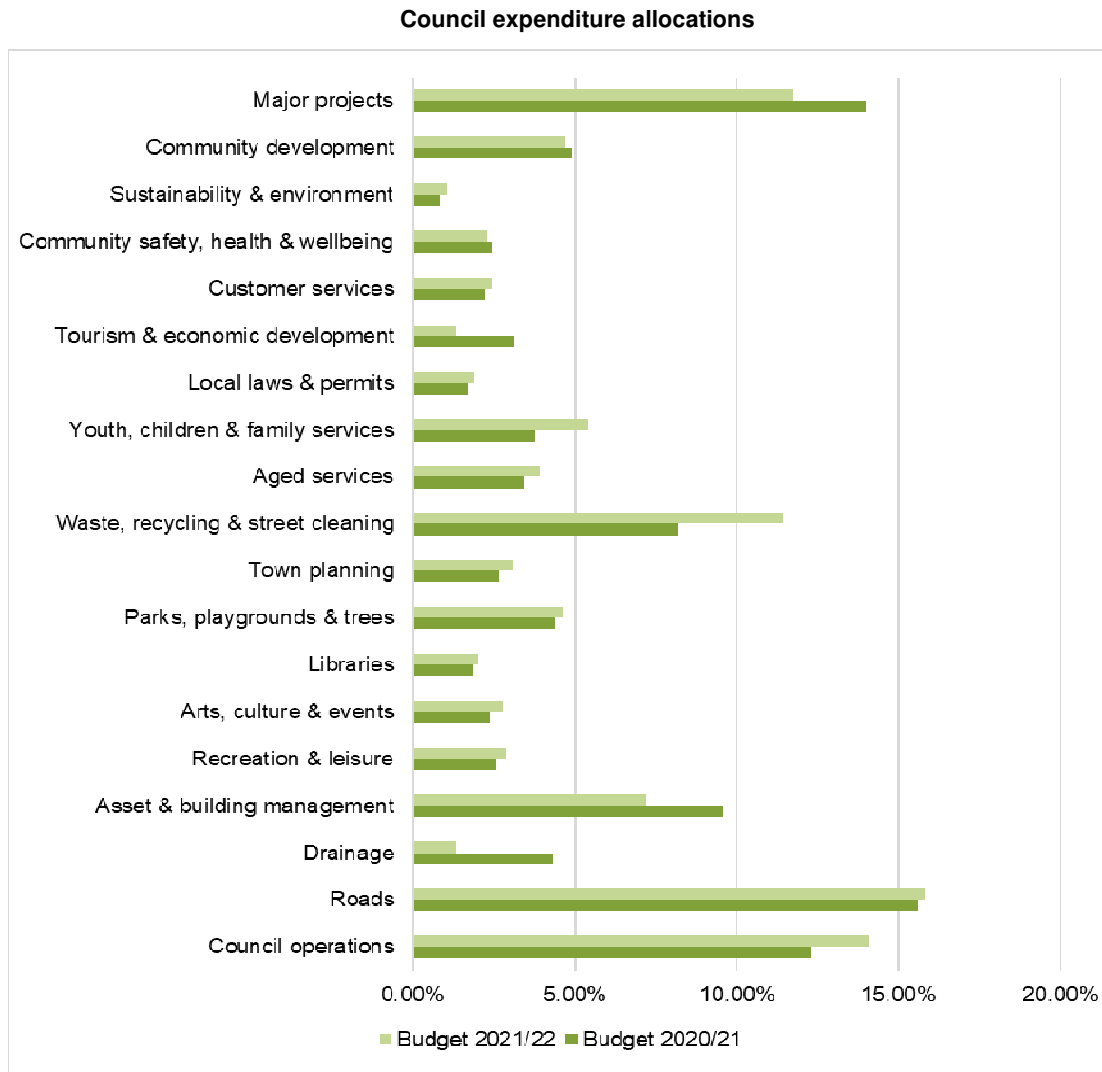
Each year the Minister for Local Government sets a cap on rate increases based on that period's Consumer Price Index (CPI) and advice from the Essential Services Commission (ESC). The decision must be made by 31 December each year to apply to rates in the following financial year.

As a direct outcome of Council's ongoing effort to identify savings in a financially sustainable manner, there has been a decline in rate increases from a high of 6.00% in 2012-13. Recognising the community's capacity to pay, Council commenced work to reduce rate increases prior to the introduction of a rate cap by the Victorian Government.

Executive Summary

Council expenditure allocations

The below chart provides an indication of how we allocate our expenditure across the main services that we deliver. It shows how much is allocated to each service area for every \$100 that Council spends.



Executive Summary

Key budget statistics

- Adjusted underlying operating result:
Operating deficit of \$1.01 million (2020-21 = deficit of \$0.02 million)
(Note: the underlying operating result is an important measure of financial sustainability, as it excludes income which is to be used for capital from being allocated to cover operating expenses).
- Cash result:
\$3.75 million deficit (2020-21 = \$15.65 million deficit)
The \$15.65 million deficit for 2020-21 and \$3.75 million deficit for 2021-22 includes capital works expenditure including Mildura South Regional Sporting Precinct and Roads to Recovery (RTR) program. Carried forward capital works for 2020-21 are also \$14.17 million, with this expenditure now occurring in the 2021-22 budget. This is also the net funding result after considering the funding requirements to meet loan principal repayments and the reserve transfers.
(Refer Statement of Cash Flows in Section 3)

Total capital works program is \$43.73 million:

Funded from:

\$ 28.44 million from Council operations (rates funded)

\$ 0.28 million from contributions

\$ 15.01 million from external grants

(Refer to Statement of Capital Works Section 3 and 4.5)

Budget influences

As a result of the city's demographic profile, there are a number of budget implications in the short and long term as follows:

- Mildura Rural City Council encompasses 22,330 square kilometres, which is almost 10% of the state. The vast area increases service delivery costs when compared to metropolitan councils and resourcing ratios are higher as a result, because services need to be accessible to all as far as practicable.
- The city is substantially developed and is experiencing only an increase in property numbers. The budget implications arise due to the need to install, maintain and replace important infrastructure such as drainage.
- Approximately 15% of our ratepayers are entitled to the pensioner rebate. As pensioners are often asset rich but income poor, the adoption of significant rate increases has a real impact on the disposable income of a significant proportion of our community.

External influences

The preparation of the budget is influenced by the following external factors:

- The Federal Assistance Grant payments have been 50% forward paid this year. This is now an annual occurrence and the 50% advanced payment will be assumed to be received annually each year in June. This is merely a timing difference and has no overall effect on Council's budget or grant allocations.
- The freezing of Federal Assistance Grants funding for three years from 2014-15 to 2016-17. It is estimated to cost Council accumulatively over \$18.00 million dollars over the 10-year period from 2014-15 to 2023-24. At the time of preparing this budget, due to COVID-19 expectations, income from these grants is expected to be lower than formally forecast.
- The Victorian Government has introduced a cap on rate increases from 2016-17. The cap for 2021-22 has been set at 1.50%, which is based on the state-wide CPI forecast for the 2021-22 year.
- The Reserve Bank of Australia has reduced interest rates to historic lows due to the economic impacts of COVID-19. This has directly impacted on investment returns e.g. interest earned on term deposits.

Executive Summary

- Preparation of the 2021-22 Budget has been undertaken during unprecedented times, in the face of both a health and economic crisis as a result of the global COVID-19 pandemic. Council has taken these significant local and global impacts into account when preparing this budget, including future challenges and the potential for continuing economic uncertainty.
- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of government in Australia. In addition, councils are entrusted with the maintenance of more than 85% of all local roads across Australia and more than 30% of all Australian public assets including bridges, parks, footpaths, drainage and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels.
- The Fire Services Property Levy will continue to be collected by Council on behalf of the state government with the introduction of the *Fire Services Property Levy Act 2012*.
- The superannuation guarantee rate is increasing starting 1 July 2021 from current 9.5% to 10%. This will continue to increase annually by 0.5% until it reaches 12% on 1 July 2025.

Internal influences

As well as external influences, there are also a number of internal influences which are expected to have a significant impact on the preparation of the 2021-22 budget. These matters and their financial impact are set out below:

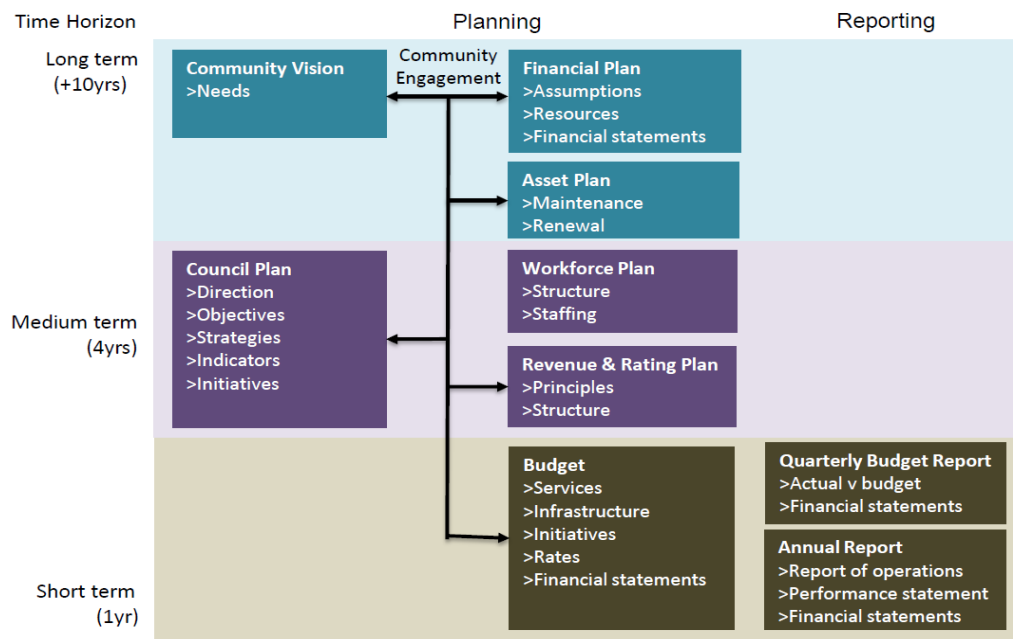
- Our asset renewal requirements continue to increase each year as our asset base grows. In the 2020-21 financial year Council's property, infrastructure, plant and equipment increased in value by \$15.29 million, and capital works expenditure also increases the asset base annually adding to asset renewal requirements.
- Continued development of Mildura South Regional Sporting Precinct. This is one part of the Mildura Future Ready advocacy and funding strategy, and the largest initiative Mildura Rural City Council has undertaken.
- Debt servicing costs as a result of borrowings required to complete construction of the Mildura South Regional Sporting Precinct, supplementing the contributions from state and federal governments and sporting and community associations.
- Continued support due to impacts of COVID-19 to aid in community support and economic recovery.
- Reviews of our services have found cost savings which will assist with ongoing financial sustainability.

1. Link to the Integrated Planning and Reporting Framework

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

1.1 Planning and accountability framework

The Budget is a rolling four-year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The diagram below depicts the integrated planning and reporting framework that applies to local government in Victoria. At each stage of the integrated planning and reporting framework there are opportunities for community and stakeholder input. This is important to ensure transparency and accountability to both residents and ratepayers.



Source: Mark Davies (Financial Professional Solutions)

The timing of each component of the integrated planning and reporting framework is critical to the successful achievement of the planned outcomes.

1.1.2 Key planning considerations

Service level planning

Although councils have a legal obligation to provide some services—such as animal management, local roads, food safety and statutory planning—most Council services are not legally mandated, including some services closely associated with councils, such as libraries, building permits and sporting facilities. Further, over time, the needs and expectations of communities can change. Therefore councils need to have robust processes for service planning and review to ensure all services continue to provide value for money and are in line with community expectations. In doing so, councils should engage with communities to determine how to prioritise resources and balance service provision against other responsibilities such as asset maintenance and capital works.

Community consultation needs to be in line with Council's adopted Community Engagement Policy and Public Transparency Policy.

1.2 Our purpose

Our vision

Making this the most liveable, people-friendly community in Australia

Our values

Respect – We will be respectful towards others and value differences

Honesty – We will be ethical and open

Integrity – We will be reliable and trustworthy in all that we do

Transparency – We will be objective and fair in our communications and decisions

Accountability – We will be consistent and responsible for our actions

1.3 Our principles

Leadership

By providing clear direction through strategies and plans, Council will achieve agreed outcomes for the community.

Customers

Council is here to provide services to the whole municipality and therefore our community should have a say in what we do and how we do it.

Systems Thinking

Council recognises that achieving excellent outcomes for our community is done through all parts of the organisation working together effectively and with other levels of government and the wider community.

People

By involving and developing people, Council enhances commitment, performance and working relationships to improve organisational outcomes.

Continuous Improvement

To remain relevant and capable of producing excellent results, our organisation needs to continually learn and adapt.

Information and Knowledge

Council will make the best quality decisions when effort is spent to collect and present all objective relevant data and information.

Variation

By addressing the underlying factors that cause our processes to deliver inconsistent or unpredictable outcomes (variation), Council's customers will receive the highest standards of service.

Corporate and Social Responsibility

Council will manage its operations to comply with the law and ethical standards and to produce an overall positive impact on our community.

Sustainable Results.

To deliver sustainable results, Council must have a culture that promotes accountability through all levels of the organisation.

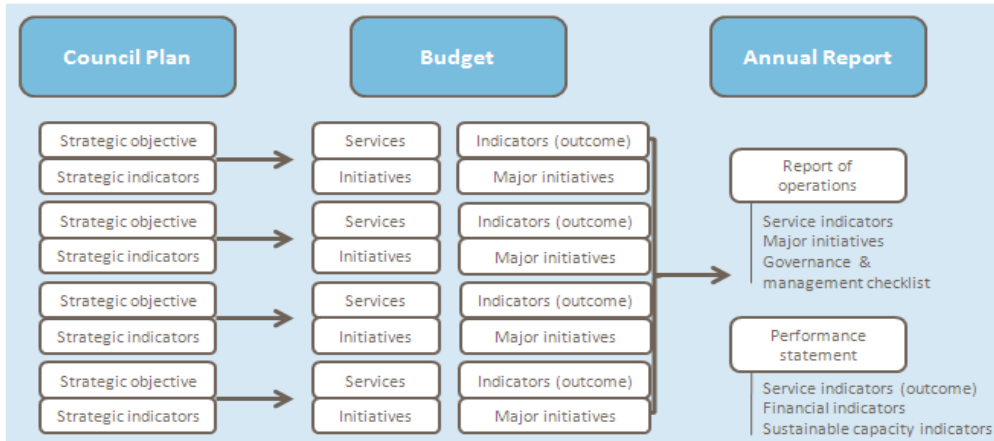
1.4 Strategic objectives

Council delivers activities and initiatives under 31 major service categories. Each contributes to the achievement of one of the four strategic objectives set out in the Community and Council Plan 2017-2021. The following table lists the four strategic objectives as described in the Community and Council Plan.

Strategic Objective	Description
Strategic Objective 1	We will create a safe, supportive place to live, where diversity and lifestyle opportunities are enhanced.
Strategic Objective 2	We will create and promote sustainable natural and built environments.
Strategic Objective 3	We will encourage diverse and sustainable economic development that provides growth in jobs, investment and quality of life.
Strategic Objective 4	We will manage resources in a sustainable manner to provide services that are relevant, of a high standard and respond to identified community needs.

2. Services and service performance indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2021-22 financial year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes several initiatives and service performance outcome indicators for key areas of Council's operations. Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Jobs, Precincts and Regions

2.1 Strategic Objective 1: Community

To achieve the strategic objective of **Community**, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each service area is described below.

Services

Service area		2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Budget \$'000
Aged & disability services	<i>Income</i>	3,798	4,088	4,024
	<i>Expenditure</i>	4,721	5,136	5,987
	<i>Surplus / (deficit)</i>	(923)	(1,048)	(1,963)

This service provides a range of home and community care services for the aged and people with a disability including home care, personal care, respite care, home maintenance and planned activity groups.

Community health	<i>Income</i>	1,169	1,297	1,286
	<i>Expenditure</i>	1,824	2,032	2,551
	<i>Surplus / (deficit)</i>	(655)	(735)	(1,265)

This service provides family oriented support services including universal and enhanced **maternal and child health** and immunisation.

Early years	<i>Income</i>	2,516	2,684	2,613
	<i>Expenditure</i>	2,638	3,113	3,021
	<i>Surplus / (deficit)</i>	(122)	(429)	(408)

Provides family day care, centre based child care and other Early years planning and programs such as Best Start and supported playgroups.

Youth services	<i>Income</i>	852	681	751
	<i>Expenditure</i>	1,311	1,285	1,266
	<i>Surplus / (deficit)</i>	(459)	(604)	(515)

This service provides youth oriented services including education programs, personal development programs, and health & safety programs.

Environmental health	<i>Income</i>	405	138	413
	<i>Expenditure</i>	934	1,080	1,105
	<i>Surplus / (deficit)</i>	(529)	(942)	(692)

This service protects the community's health and well-being by coordination of regulatory services of premises for **food safety**, accommodation, hair and beauty, skin penetration businesses, tobacco retailers, smoke free legislation and wastewater disposal. The service also works to rectify any public health concerns relating to unreasonable noise emissions, air quality issues and smells etc.

Arts and culture	<i>Income</i>	1,103	786	1,407
	<i>Expenditure</i>	2,354	2,591	3,121
	<i>Surplus / (deficit)</i>	(1,251)	(1,805)	(1,714)

This service provides arts and culture activities throughout the municipality. With the delivery of visual and performing arts programs and services at Mildura Arts Centre across gallery and heritage, community cultural development, marketing and development (including customer service/box office ticketing, café and theatre) and technical services. The presentation of an entrepreneur program in both the visual and performing arts through funding from Arts Victoria, as well as the venue hires of the theatre auditorium and foyer spaces for local and commercial organisation. This service also includes overseeing Mildura's most important heritage building Rio Vista Historic House, as well as Mildura Station Homestead and venue hires of woolshed and cottage.

Service area	2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Budget \$'000
Libraries			
<i>Income</i>	433	429	448
<i>Expenditure</i>	2,427	2,447	2,497
<i>Surplus / (deficit)</i>	(1,994)	(2,018)	(2,049)

This service provides public **libraries** at five locations plus outreach library services to four remote locations. It provides a customer focused service that caters for the cultural, educational and recreational needs of residents and visitors. The service also provides a focal point for the community where they can meet, relax and enjoy the facilities, programs and services offered.

Recreation and sport			
<i>Income</i>	74	138	498
<i>Expenditure</i>	2,166	2,524	2,705
<i>Surplus / (deficit)</i>	(2,092)	(2,386)	(2,207)

This service includes management of recreation facilities (wet and dry) including **aquatic facilities**, facility redevelopment, provision of grant funding for grass roots participation.

Community development			
<i>Income</i>	962	150	-
<i>Expenditure</i>	2,843	3,205	2,577
<i>Surplus / (deficit)</i>	(1,881)	(3,055)	(2,577)

This service has the responsibility to support and develop community initiatives listed in individualised, township based community plans and to strengthen local community's capacity to drive its own growth, economic, social and physical development. The service is a conduit between Council services and the wider community.

Social development and projects			
<i>Income</i>	1,377	1,998	876
<i>Expenditure</i>	1,487	2,030	1,364
<i>Surplus / (deficit)</i>	(110)	(32)	(488)

This service has the responsibility to frame and respond to the challenges of social inclusion across a broad range of areas. It is the responsibility of this service to ensure that issues of a social policy nature are responded to appropriately by Council. The area also manages a broad range of specific project based initiatives including Advancing Country Towns, Northern Mallee Community Partnership and Community safety.

Civic compliance			
<i>Income</i>	1,287	1,088	1,365
<i>Expenditure</i>	1,837	2,015	2,028
<i>Surplus / (deficit)</i>	(550)	(927)	(663)

This service provides staff at school crossings throughout the municipality to ensure that all pedestrians, but mainly school aged children, are able to cross the road safely. It maintains and improves the health and safety of people, animals and the environment providing **animal management** services including a cat trapping program, a dog and cat collection service, a lost and found notification service, a pound service, a registration and administration service, an after hours service and an emergency service. It also provides education, regulation and enforcement of the general local law and relevant state legislation.

Major Initiatives

- 1) Continue construction of Stage 2 of the Mildura South Regional Sporting Precinct.
- 2) Continue construction of Mildura Riverfront Stage 2 - Powerhouse Precinct Project.

Other Initiatives

- 3) Develop and implement Arts, Culture and Heritage Strategy.
- 4) Detailed consultation and design for Langtree Avenue Placemaking.
- 5) Develop and implement Community Health and Wellbeing Plan 2021-2025.
- 6) Develop Early Years Infrastructure Strategy.
- 7) Develop and implement Healthy Aging Strategy 2021-2025.
- 8) Implement Municipal Early Years Plan 2020-2025.
- 9) Implement Youth Engagement Strategy 2020-2023.
- 10) Implement Recreation Strategy 2021-2031.
- 11) Implement Library Service Strategy 2020-2025.
- 12) Develop a Community Plan for Cardross.
- 13) Develop a Community Plan for Nichols Point.

Service Performance Outcome Indicators

Service	Indicator	2019/20 Actual	2020/21 Forecast	2021/22 Budget
Maternal and child health*	Participation	73.05%	118%	82%
	Participation	68.94%	118%	72%
Libraries*	Participation	11.09%	9%	12%
Aquatic facilities*	Utilisation	5.55%	4%	8.00%
Animal management*	Health and safety	0.00%	100%	100%
Food safety*	Health and safety	74.55%	100%	100%

* Refer to section 2.5 for information on the calculation of Service Performance Outcome Indicators.

2.2 Strategic Objective 2: Environment

To achieve the strategic objective of **Environment**, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each service area is described below.

Services

Service area	2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Budget \$'000
Engineering services	<i>Income</i>	881	677
	<i>Expenditure</i>	2,525	3,038
	<i>Surplus / (deficit)</i>	(1,644)	(2,361)

This service undertakes design, tendering, contract, project management, and supervision of various infrastructure works within Council's capital works program. The service also approves and supervises private development activities such as subdivisions and infrastructure associated with unit developments.

Asset management	<i>Income</i>	117	-
	<i>Expenditure</i>	1,910	2,284
	<i>Surplus / (deficit)</i>	(1,793)	(2,284)

This service prepares long term maintenance management programs for Council's infrastructure assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These assets include road and drainage networks, municipal buildings, pavilions and other recreational equipment and outdoor spaces.

Works and infrastructure services	<i>Income</i>	661	1,031
	<i>Expenditure</i>	8,064	8,316
	<i>Surplus / (deficit)</i>	(7,403)	(7,251)

This service inspects and maintains Council's main civil infrastructure assets in a sustainable and prioritised manner to a defined service level. These include **roads**, laneways, car parks, footpaths, shared/bike paths and Council's drainage network. The service also includes delivery of civil capital works projects, plus inspection and maintenance of VicRoads arterial roads located within the municipality.

Statutory planning	<i>Income</i>	684	704
	<i>Expenditure</i>	1,574	1,709
	<i>Surplus / (deficit)</i>	(890)	(924)

The **statutory planning** service processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary.

Service area		2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Budget \$'000
Building maintenance	Income	67	52	46
	Expenditure	6,704	7,037	8,486
	Surplus / (deficit)	(6,637)	(6,985)	(8,440)

This service is responsible for the maintenance, management and strategic planning for Council's building, land, property leases and licenses.

Parks services	<i>Income</i>	48	56	47
	<i>Expenditure</i>	6,538	6,832	6,819
	<i>Surplus / (deficit)</i>	(6,490)	(6,776)	(6,772)

This service is divided into several operational units including tree pruning, planting, removal of vegetation, planning and street tree strategies. It maintains public spaces including parks and gardens, as well as ovals and recreational spaces. It provides for the management of conservation and parkland areas, and other areas of environmental significance.

Waste	<i>Income</i>	1,850	2,176	3,160
	<i>Expenditure</i>	9,703	12,355	13,707
	<i>Surplus / (deficit)</i>	(7,853)	(10,179)	(10,547)

This service provides **waste collection** and waste management services including kerbside collection services, the operation of three landfills and eight rural transfer stations, litter bin collection, street sweeping, bin maintenance, and event bins.

Building enforcement	<i>Income</i>	438	429	387
	<i>Expenditure</i>	605	653	714
	<i>Surplus / (deficit)</i>	(167)	(224)	(327)

This service provides statutory building services to the community including processing of building permits, emergency management responsibilities, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.

Environmental sustainability	<i>Income</i>	168	181	180
	<i>Expenditure</i>	767	789	810
	<i>Surplus / (deficit)</i>	(599)	(608)	(630)

This service develops, coordinates and implements environmental policy, plans, strategies and initiatives and works with other services to improve Council's environmental performance. Reducing energy and water usage within Council operations, protecting and enhancing Council managed natural areas and roadsides, and educating the community are key priority areas for environmental sustainability.

Strategic planning	<i>Income</i>	4	-	-
	<i>Expenditure</i>	870	1,325	1,554
	<i>Surplus / (deficit)</i>	(866)	(1,325)	(1,554)

Strategic planning monitors Council's planning scheme as well as consulting and preparing major policy documents shaping the future of the city. It also prepares and processes amendments to the Council planning scheme and carries out research on demographic, urban development, economic and social issues affecting Council.

Major Initiatives

- 14) Road safety improvement works to Seventeenth Street, between Benetook Avenue and San Mateo Avenue (subject to grant funding).
- 15) Meridian Road reconstruction stage 2 (5km section from south of the Sturt Highway). This project is part of a 3 stage project to construct, widen and seal Meridian Road.
- 16) The Mildura glass sorting and reprocessing facility will screen glass from commingled recyclables. This is part funded by state and federal Regional Victoria Infrastructure Grant.
- 17) Irymple Swimming Pool - renewal of all pool decks and upgrade of the hydraulic system for the main pool and toddlers pool. Structural and access upgrades to the main pool and toddlers pool and reinstatement of both pool shells.
- 18) CBD tree infrastructure replacement program - this project is to rejuvenate and revitalise tree assets and associated infrastructure in the Mildura CBD.

Major Initiatives (cont.)

- 19) Calotis Street realignment and reconstruction - road safety initiative to upgrade a section of Calotis Street.
- 20) Mildura Waves 3 metre dive towers - removal of existing and replacement of both 3 metre dive towers.
- 21) Lake Cullulleraine Johansen Reserve fire services upgrade - upgrade of diesel fire pump, storage tanks and alarm panel.

Other Initiatives

- 22) Council undertakes an annual playground replacement renewal and upgrade program. In this years program we are proposing to replace two playgrounds and provide additional shade at three locations.
- 23) Implement the Native Vegetation Plan 2020-2024.
- 24) Implement Invasive Plants and Animals Plan 2020-2024.
- 25) Implement Towards Zero Emissions Strategy 2021-2050.
- 26) Implement Environmental Education Plan 2020-2024.

Service Performance Outcome Indicators

Service	Indicator	2019/20 Actual	2020/21 Forecast	2021/22 Budget
Statutory Planning*	Decision making	85.71%	100%	90%
Waste collection*	Waste diversion	17.83%	72%	75%
Roads*	Satisfaction	55	56	57

* Refer to Section 2.5 for information on the calculation of Service Performance Outcome Indicators

2.3 Strategic Objective 3: Economy

To achieve the strategic objective of **Economy**, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each service area is described below.

Services

Service area		2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Budget \$'000
Economic development and tourism	<i>Income</i>	337	2,329	358
	<i>Expenditure</i>	2,892	5,856	2,992
	<i>Surplus / (deficit)</i>	(2,555)	(3,527)	(2,634)

The economic development and tourism service assists the organisation to:

- facilitate growth within Council by working with industry and business to grow/sustain existing business and develop new investment opportunities;
- encourage and form strategic alliances with key stakeholders in industry and government to help build a vibrant and sustainable community;
- commit to working in partnership with Mildura Regional Development to maximise economic development within the Council region through specialised projects and initiatives;
- through facilitation of tourism enquiries and booking of accommodation, the Visitor Information Centre (VIC) is responsible for assistance and providing specialised services that are tailored to meet customer and client needs.

Service area	2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Budget \$'000
Events	<i>Income</i>	19	10
	<i>Expenditure</i>	864	1,190
	<i>Surplus / (deficit)</i>	(845)	(1,180)
			(1,250)

The business conferencing and event services are responsible for assistance and facilitation of business enquiries, events and conferencing. Services are specialised and tailored to meet customer and client needs.

Other Initiatives

- 27) Implement Events Strategy 2020-2025.
- 28) Implement Visitor Servicing Strategy 2021-2025.
- 29) Funds provided to Mildura Regional Development to achieve economic and tourism outcomes for the community.
- 30) Continue to work with Mildura Airport and Mildura City Heart to achieve their required outcomes for the community.

2.4 Strategic Objective 4: Council

To achieve the strategic objective of **Council**, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, initiatives, major initiatives and service performance indicators for each service area is described below.

Services

Service area	2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Budget \$'000
Chief executive office	<i>Income</i>	1,100	140
	<i>Expenditure</i>	1,810	3,835
	<i>Surplus / (deficit)</i>	(710)	(3,695)
			(1,659)

This area of **governance** includes the Mayor, Councillors, Chief Executive Officer and associated support.

Organisational development	<i>Income</i>	486	951	367
	<i>Expenditure</i>	2,586	3,199	2,649
	<i>Surplus / (deficit)</i>	(2,100)	(2,248)	(2,282)

This service provides Council with strategic and operational organisation development support. The service develops and implements strategies, policies and procedures through the provision of human resource, industrial relations, and occupational health and safety services. The service also assists managers to determine and progress toward future structures, capability and cultures in their service units. It also includes the payment of salaries and wages to Council employees.

Marketing and communications	<i>Income</i>	-	-	-
	<i>Expenditure</i>	687	853	988
	<i>Surplus / (deficit)</i>	(687)	(853)	(988)

This service works with all areas of the organisation to ensure the community is informed about and involved in Council decisions, services, projects and facilities. Key tasks include media liaison, online communications, website management, publication development, graphic design, advertising and marketing.

Customer support	<i>Income</i>	22	17	21
	<i>Expenditure</i>	1,308	1,452	1,666
	<i>Surplus / (deficit)</i>	(1,286)	(1,435)	(1,645)

Customer support is the first point of contact the public has with Council and acts as the interface between the organisation and the community. This service provides face-to-face service in three Council service centres, call centre operations, processes customer requests and payments and issues permits and receipts. Customer support staff also provide internal administrative support to the whole organisation.

Service area		2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Budget \$'000
Financial services	<i>Income</i>	1,034	369	366
	<i>Expenditure</i>	1,830	1,807	2,107
	<i>Surplus / (deficit)</i>	(796)	(1,438)	(1,741)

This service predominantly provides financial based services to both internal and external customers including the management of Council's finances, raising and collection of rates and charges, and valuation of properties throughout the municipality.

Information systems	<i>Income</i>	-	-	-
	<i>Expenditure</i>	4,083	4,971	5,553
	<i>Surplus / (deficit)</i>	(4,083)	(4,971)	(5,553)

This service enables and supports the information and communication technology (ICT) needs of all of Council. This encompasses all mobile and fixed voice, data record management, GIS and software applications across all sites and field operations to all staff enabling the timely and efficient delivery of services to the community.

Governance and risk	<i>Income</i>	582	352	961
	<i>Expenditure</i>	2,625	3,093	3,655
	<i>Surplus / (deficit)</i>	(2,043)	(2,741)	(2,694)

This area provides a range of governance and statutory services. Services include legislative compliance, maintenance of public registers and coordination of Council meetings, coordination of legal services, insurance, business risk management, and business continuity services and property management services. It also provides leadership in emergency management through planning for disaster emergencies and coordinating emergency services and support agencies in their planning and response to emergencies.

Procurement and fleet	<i>Income</i>	6,857	6,939	7,108
	<i>Expenditure</i>	4,870	4,792	4,855
	<i>Surplus / (deficit)</i>	1,987	2,147	2,253

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. In addition, it also provides procurement and contracting of services.

Other Initiatives

- 31) Develop 10-year Financial Plan in accordance with the *Local Government Act 2020*.
- 32) Develop Workforce Plan in accordance with the *Local Government Act 2020*.
- 33) Continue implementing required changes under the *Local Government Act 2020*.
- 34) Implementation of *Gender Equality Act 2020*.
- 35) Develop Council Plan 2021-2025.
- 36) Council website review and update to increase community engagement, particularly with online capabilities and further improve general communication.
- 37) Council is required to undertake an annual audit program conducted by independent external auditors to verify Council has robust systems and processes in place.

Service Performance Outcome Indicators

Service	Indicator	2019/20 Actual	2020/21 Forecast	2021/22 Budget
Governance*	Satisfaction	50	51	53

* Refer to Section 2.5 for information on the calculation of Service Performance Outcome Indicators

2.5 Service Performance Outcome Indicators

Service	Indicator	Performance Measure	Computation
Governance	Satisfaction	Satisfaction with Council decisions. (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community)	Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the community
Statutory planning	Decision making	Council planning decisions upheld at VCAT. (Percentage of planning application decisions subject to review by VCAT and that were not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100
Roads	Satisfaction	Satisfaction with sealed local roads. (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads.
Libraries	Participation	Active library borrowers. (Percentage of the population that are active library borrowers)	[The sum of the number of active library borrowers in the last 3 financial years / The sum of the population in the last 3 financial years] x100
Waste collection	Waste diversion	Kerbside collection waste diverted from landfill. (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Aquatic Facilities	Utilisation	Utilisation of aquatic facilities. (Number of visits to aquatic facilities per head of population)	Number of visits to aquatic facilities / Population

Service	Indicator	Performance Measure	Computation
Animal Management	Health and safety	Animal management prosecutions. (Percentage of animal management prosecutions which are successful)	Number of successful animal management prosecutions / Total number of animal management prosecutions
Food safety	Health and safety	Critical and major non-compliance outcome notifications. (Percentage of critical and major non-compliance outcome notifications that are followed up by Council)	[Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises] x100
Maternal and Child Health	Participation	Participation in the MCH service. (Percentage of children enrolled who participate in the MCH service)	[Number of children who attend the MCH service at least once (in the financial year) / Number of children enrolled in the MCH service] x100
		Participation in the MCH service by Aboriginal children. (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the financial year) / Number of Aboriginal children enrolled in the MCH service] x100

2.6 Reconciliation with budgeted operating result

	Surplus/ (Deficit)	Expenditure	Revenue
	\$'000	\$'000	\$'000
Strategic Objective 1: Community	(14,541)	28,222	13,681
Strategic Objective 2: Environment	(41,090)	47,437	6,347
Strategic Objective 3: Economy	(3,884)	4,242	358
Strategic Objective 4: Council	(14,309)	23,132	8,823
Total	(73,824)	103,033	29,209
Others non-attributable	(6,197)		
Surplus/(deficit) before funding sources	(80,021)		
Funding sources added in:			
Rates and charges revenue	66,938		
Waste charge revenue	12,076		
Capital income	16,302		
Surplus/(deficit) for the year	15,295		

3. Financial Statements

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

This section includes the following financial statements prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

Comprehensive Income Statement
Balance Sheet
Statement of Changes in Equity
Statement of Cash Flows
Statement of Capital Works
Statement of Human Resources
Budgeted Operating Income Statement

Comprehensive Income Statement

For the four years ending 30 June 2025

		Forecast Actual	Budget	Projections		
		2020/21	2021/22	2022/23	2023/24	2024/25
		\$'000	\$'000	\$'000	\$'000	\$'000
Notes						
Income						
Rates and charges	4.1.1	76,849	79,014	81,149	83,489	85,890
Statutory fees and fines	4.1.2	2,069	2,391	2,433	2,482	2,532
User fees	4.1.3	5,833	8,620	8,952	9,131	9,314
Grants - operating	4.1.4	26,433	22,056	22,277	22,500	22,725
Grants - capital	4.1.4	42,898	15,010	3,808	3,055	3,055
Contributions - monetary	4.1.5	2,264	1,282	1,289	1,299	1,309
Contributions - non-monetary	4.1.5	1,839	1,952	1,922	1,956	1,995
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		(2,253)	(1,683)	(1,713)	(1,747)	(1,782)
Other income	4.1.6	5,059	5,761	5,866	5,984	6,103
Total income		160,991	134,403	125,983	128,149	131,141
Expenses						
Employee costs	4.1.7	51,337	53,446	55,281	57,179	59,142
Materials and services	4.1.8	46,523	45,123	45,427	46,152	46,802
Depreciation	4.1.9	18,711	17,607	18,121	18,575	19,040
Amortisation - intangible assets	4.1.10	230	161	165	169	173
Amortisation - right of use assets	4.1.11	-	74	72	70	68
Bad and doubtful debts		133	133	135	138	141
Borrowing costs		1,141	1,079	993	924	868
Other expenses	4.1.12	1,263	1,485	1,511	1,537	1,564
Total expenses		119,338	119,108	121,705	124,744	127,798
Surplus/(deficit) for the year		41,653	15,295	4,278	3,405	3,343
Other comprehensive income						
Items that will not be reclassified to surplus or deficit in future periods						
Net asset revaluation increment/(decrement)		18,534	18,905	19,283	19,669	20,062
Share of other comprehensive income of associates and joint ventures		(24)	(990)	886	906	926
Total comprehensive result		60,163	33,210	24,447	23,980	24,331

Balance Sheet

For the four years ending 30 June 2025

		Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	2022/23 \$'000	Projections 2023/24 \$'000	2024/25 \$'000
	Notes					
Assets						
Current assets						
Cash and cash equivalents		60,785	57,031	56,944	57,250	58,068
Trade and other receivables		7,227	7,251	7,254	7,266	7,276
Other financial assets		2,850	2,850	2,850	2,850	2,850
Inventories		567	576	586	598	610
Other assets		1,350	1,370	1,394	1,422	1,450
Total current assets	4.2.1	72,779	69,078	69,028	69,386	70,254
Non-current assets						
Trade and other receivables		4,141	3,787	3,421	3,043	2,652
Other financial assets		1,750	1,750	1,750	1,750	1,750
Right-of-use assets		1,112	1,038	966	896	828
Investments in associates, joint arrangement and subsidiaries		51,617	50,627	51,513	52,419	53,345
Property, infrastructure, plant and equipment		922,635	967,548	991,486	1,015,047	1,038,448
Intangible assets		11,300	10,909	10,744	10,575	10,402
Total non-current assets	4.2.1	992,555	1,035,659	1,059,880	1,083,730	1,107,425
Total assets		1,065,334	1,104,737	1,128,908	1,153,116	1,177,680
Liabilities						
Current liabilities						
Trade and other payables		2,704	2,704	2,704	2,704	2,704
Trust funds and deposits		1,511	1,507	1,507	1,511	1,521
Unearned income		3,778	3,778	3,778	3,778	3,778
Provisions		12,277	12,699	13,135	13,586	14,052
Interest-bearing liabilities	4.2.3	1,364	3,214	1,734	1,285	1,338
Lease liabilities	4.2.4	86	86	86	86	86
Total current liabilities	4.2.2	21,720	23,988	22,944	22,950	23,479
Non-current liabilities						
Provisions		28,798	29,787	30,809	31,867	32,962
Interest-bearing liabilities		15,904	18,840	18,586	17,750	16,359
Lease liabilities		1,484	1,484	1,484	1,484	1,484
Total non-current liabilities	4.2.2	46,186	50,111	50,879	51,101	50,805
Total liabilities		67,906	74,099	73,823	74,051	74,284
Net assets		997,428	1,030,638	1,055,085	1,079,065	1,103,396
Equity						
Accumulated surplus		406,769	417,538	419,014	419,545	419,897
Reserves		590,659	613,100	636,071	659,520	683,499
Total equity		997,428	1,030,638	1,055,085	1,079,065	1,103,396

Statement of Changes in Equity

For the four years ending 30 June 2025

	Notes	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2021 Forecast Actual					
Balance at beginning of the financial year		937,266	353,659	506,005	77,602
Surplus/(deficit) for the year		41,629	41,653	-	(24)
Net asset revaluation increment/(decrement)		18,533	-	18,533	-
Transfers to other reserves		-	(16,275)	-	16,275
Transfers from other reserves		-	27,732	-	(27,732)
Balance at end of the financial year		997,428	406,769	524,538	66,121
2022 Budget					
Balance at beginning of the financial year		997,428	406,769	524,538	66,121
Surplus/(deficit) for the year		14,305	15,295	-	(990)
Net asset revaluation increment/(decrement)		18,905	-	18,905	-
Transfers to other reserves	4.3.1	-	(16,124)	-	16,124
Transfers from other reserves	4.3.1	-	11,598	-	(11,598)
Balance at end of the financial year	4.3.2	1,030,638	417,538	543,443	69,657
2023					
Balance at beginning of the financial year		1,030,638	417,538	543,443	69,657
Surplus/(deficit) for the year		5,164	4,278	-	886
Net asset revaluation increment/(decrement)		19,283	-	19,283	-
Transfers to other reserves		-	(15,138)	-	15,138
Transfers from other reserves		-	12,336	-	(12,336)
Balance at end of the financial year		1,055,085	419,014	562,726	73,345
2024					
Balance at beginning of the financial year		1,055,085	419,014	562,726	73,345
Surplus/(deficit) for the year		4,311	3,405	-	906
Net asset revaluation increment/(decrement)		19,669	-	19,669	-
Transfers to other reserves		-	(15,446)	-	15,446
Transfers from other reserves		-	12,572	-	(12,572)
Balance at end of the financial year		1,079,065	419,545	582,395	77,125
2025					
Balance at beginning of the financial year		1,079,065	419,545	582,395	77,125
Surplus/(deficit) for the year		4,269	3,343	-	926
Net asset revaluation increment/(decrement)		20,062	-	20,062	-
Transfers to other reserves		-	(15,759)	-	15,759
Transfers from other reserves		-	12,768	-	(12,768)
Balance at end of the financial year		1,103,396	419,897	602,457	81,042

Statement of Cash Flows

For the four years ending 30 June 2025

	Notes	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	2022/23 \$'000	Projections 2023/24 \$'000	2024/25 \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities						
Rates and charges		76,764	78,949	81,072	83,399	85,798
Statutory fees and fines		2,069	2,391	2,433	2,482	2,532
User fees		6,175	9,103	9,485	9,677	9,874
Grants - operating		27,755	23,159	23,391	23,625	23,861
Grants - capital		45,043	15,761	3,998	3,208	3,208
Contributions - monetary		2,264	1,282	1,289	1,299	1,309
Interest received		885	929	948	967	986
Trust funds and deposits taken		6,000	6,000	6,000	6,000	6,000
Other receipts		4,174	4,832	4,918	5,017	5,117
Net GST refund / payment		895	2,229	2,794	2,884	2,929
Employee costs		(50,886)	(52,979)	(54,799)	(56,680)	(58,626)
Materials and services		(50,277)	(48,722)	(49,030)	(49,800)	(50,480)
Trust funds and deposits repaid		(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Other payments		(1,263)	(1,536)	(1,560)	(1,584)	(1,609)
Net cash provided by/(used in) operating activities	4.4.1	63,598	35,398	24,939	24,494	24,899
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment		(77,018)	(43,733)	(23,194)	(22,899)	(22,819)
Proceeds from sale of property, infrastructure, plant and equipment		195	617	627	640	653
Repayments of loans and advances		320	343	354	366	378
Net cash provided by/(used in) investing activities	4.4.2	(76,503)	(42,773)	(22,213)	(21,893)	(21,788)
Cash flows from financing activities						
Finance costs		(1,274)	(1,028)	(944)	(877)	(823)
Proceeds from borrowings		-	8,000	-	-	-
Repayment of borrowings		(1,364)	(3,214)	(1,734)	(1,285)	(1,338)
Interest paid - lease liability		-	(51)	(49)	(47)	(45)
Repayment of lease liabilities		-	(86)	(86)	(86)	(86)
Net cash provided by/(used in) financing activities	4.4.3	(2,638)	3,621	(2,813)	(2,295)	(2,292)
Net increase/(decrease) in cash and cash equivalents		(15,543)	(3,754)	(87)	306	819
Cash and cash equivalents at the beginning of the financial year		76,328	60,785	49,031	56,944	57,250
Cash and cash equivalents at the end of the financial year		60,785	57,031	48,944	57,250	58,069

Statement of Capital Works

For the four years ending 30 June 2025

	Notes	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Projections		
				2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
Property						
Land		1,363	-	-	-	-
Total land		1,363	-	-	-	-
Buildings		27,430	18,902	2,253	2,324	2,526
Total buildings		27,430	18,902	2,253	2,324	2,526
Total property		28,793	18,902	2,253	2,324	2,526
Plant and equipment						
Computers and telecommunications		1,741	811	356	385	420
Fixtures, fittings and furniture		152	185	-	-	-
Library books		441	315	329	357	389
Plant, machinery and equipment		5,266	2,369	2,302	2,596	2,832
Total plant and equipment		7,600	3,680	2,987	3,338	3,641
Infrastructure						
Roads		28,059	12,803	9,718	9,506	9,306
Footpaths and cycle ways		577	1,022	474	634	687
Drainage		6,395	658	3,525	3,691	3,886
Recreational, leisure and community		1,691	1,939	235	158	173
Waste management		726	2,723	1,100	1,100	550
Parks, open space and streetscapes		2,877	1,635	2,518	1,738	1,603
Kerb and channel		283	371	384	410	447
Off street car parks		17	-	-	-	-
Total infrastructure		40,625	21,151	17,954	17,237	16,652
Total capital works expenditure	4.5.1	77,018	43,733	23,194	22,899	22,819
Represented by:						
New asset expenditure		33,232	18,006	5,780	5,863	5,893
Asset renewal expenditure		32,172	18,566	13,360	13,304	13,535
Asset expansion expenditure		1,512	1,951	2,509	2,560	2,134
Asset upgrade expenditure		10,102	5,210	1,545	1,172	1,257
Total capital works expenditure	4.5.1	77,018	43,733	23,194	22,899	22,819
Funding sources represented by:						
Grants		42,898	15,010	3,808	3,055	3,055
Contributions		2,018	281	-	-	-
Council cash		32,102	28,442	19,386	19,844	19,764
Total capital works expenditure	4.5.1	77,018	43,733	23,194	22,899	22,819

Statement of Human Resources

For the four years ending 30 June 2025

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Projections		
			2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
Staff expenditure					
Employee costs - operating	51,337	53,446	55,281	57,179	59,142
Employee costs - capital	3,316	2,369	2,374	2,378	2,383
Total staff expenditure	54,653	55,815	57,655	59,557	61,525
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employees	522.91	528.78	528.78	528.78	528.78
Total staff numbers	522.91	528.78	528.78	528.78	528.78

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

Department	Comprises			
	Budget	Permanent	Permanent	Casual
	2021/22 \$'000	Full Time \$'000	Part Time \$'000	\$'000
Asset Services	2,926	2,794	132	-
Executive Services	556	556	-	-
Community Care Services	9,537	3,572	5,707	258
Community Futures	4,570	3,307	986	277
Community General Manager	599	560	-	39
Corporate Administration	4,596	4,269	192	135
Corporate General Manager	339	276	63	-
Development General Manager	380	380	-	-
Development Services	4,573	3,223	1,094	256
Financial Services	2,517	2,511	3	3
Information Systems	1,874	1,728	146	-
Leisure and Cultural Services	5,781	4,536	1,240	5
Organisational Development	2,025	1,761	264	-
Parks and Waste Services	6,090	5,874	216	-
Works and Engineering Services	7,083	7,083	-	-
Total staff expenditure	53,446	42,430	10,043	973
Capitalised labour costs *	2,369			
Total expenditure	55,815			

* Capitalised labour cost refers to wages and salaries which are costed to capital works projects. This expenditure won't appear in the operating expenditure for employee cost.

The above figures include employee cost for funded and temporary positions. The level of funding and grants will impact employee cost and the number of employees which will vary from year to year.

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

Department	Budget 2021/22	Comprises		Casual
		Permanent Full Time	Permanent Part Time	
Asset Services	29.99	28.64	1.35	-
Executive Services	3.00	3.00	-	-
Community Care Services	98.64	36.94	59.03	2.67
Community Futures	40.51	29.31	8.74	2.46
Community General Manager	3.60	3.60	-	-
Corporate Administration	33.01	30.66	1.38	0.97
Corporate General Manager	9.60	7.00	1.60	1.00
Development General Manager	2.00	2.00	-	-
Development Services	45.40	32.00	10.86	2.54
Financial Services	19.06	19.02	0.02	0.02
Information Systems	16.04	14.79	1.25	-
Leisure and Cultural Services	49.22	38.62	10.56	0.04
Organisational Development	13.88	12.07	1.81	-
Parks and Waste Services	70.52	68.02	2.50	-
Works and Engineering Services	66.31	66.31	-	-
Total staff FTE	500.78	391.98	99.10	9.70
Capitalised labour costs	28.00			
Total staff FTE	528.78			

Budgeted Operating Income Statement

For the four years ending 30 June 2025

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Projections 2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
Income					
Rates and charges	76,849	79,014	81,149	83,489	85,890
Statutory fees and fines	2,069	2,391	2,433	2,482	2,532
User fees	5,833	8,620	8,952	9,131	9,314
Grants - operating	26,433	22,056	22,277	22,500	22,725
Contributions - monetary	246	259	264	269	274
Other income	5,059	5,761	5,866	5,984	6,103
Total income	116,489	118,101	120,941	123,855	126,838
Expenses					
Employee costs	51,337	53,446	55,281	57,179	59,142
Materials and services	46,523	45,123	45,427	46,152	46,802
Bad and doubtful debts	133	133	135	138	141
Depreciation	18,941	17,607	18,121	18,575	19,040
Amortisation - intangible assets	-	161	165	169	173
Amortisation - right of use assets	-	74	72	70	68
Borrowing costs	1,141	1,028	944	877	823
Finance costs - leases	-	51	49	47	45
Other expenses	1,263	1,485	1,511	1,537	1,564
Total expenses	119,338	119,108	121,705	124,744	127,798
Surplus/(deficit) from operations	(2,849)	(1,007)	(764)	(889)	(960)
Capital funding					
Grants - capital	42,898	15,010	3,808	3,055	3,055
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(2,253)	(1,683)	(1,713)	(1,747)	(1,782)
Contributions - monetary (capital)	2,018	1,023	1,025	1,030	1,035
Contributions - non-monetary (capital)	1,839	1,952	1,922	1,956	1,995
Total surplus/(deficit)	41,653	15,295	4,278	3,405	3,343
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods:					
Net asset revaluation increment/(decrement)	18,534	18,905	19,283	19,668	20,062
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	(24)	(990)	886	906	926
Total comprehensive result	60,163	33,210	24,447	23,979	24,331

Summary of Planned Human Resources Expenditure

For the four years ended 30 June 2025

In accordance with the *Local Government Regulations 2020*, the below tables contain a four year summary of the planned human resources expenditure and the planned number of full-time equivalent Council staff categorised by our organisational structure. The summary also provides a breakup of subcategories as women, men or persons of self-described gender.

	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
Asset Services				
Permanent - Full time	2,794	2,889	2,989	3,092
Female	683	706	731	756
Male	2,111	2,183	2,258	2,336
Self-described gender	-	-	-	-
Permanent - Part time	132	136	141	146
Female	132	136	141	146
Male	-	-	-	-
Self-described gender	-	-	-	-
Total - Asset Services	2,926	3,025	3,130	3,238
Executive Services				
Permanent - Full time	556	575	595	616
Female	556	575	595	616
Male	-	-	-	-
Self-described gender	-	-	-	-
Permanent - Part time	-	-	-	-
Female	-	-	-	-
Male	-	-	-	-
Self-described gender	-	-	-	-
Total - Executive Services	556	575	595	616
Community Care Services				
Permanent - Full time	3,572	3,692	3,819	3,952
Female	3,185	3,293	3,406	3,524
Male	387	399	413	428
Self-described gender	-	-	-	-
Permanent - Part time	5,707	5,903	6,104	6,315
Female	5,639	5,833	6,032	6,240
Male	68	70	72	75
Self-described gender	-	-	-	-
Total - Community Care Services	9,279	9,595	9,923	10,267
Community Futures				
Permanent - Full time	3,307	3,421	3,538	3,659
Female	2,404	2,487	2,572	2,660
Male	903	934	966	999
Self-described gender	-	-	-	-
Permanent - Part time	986	1,020	1,055	1,091
Female	758	784	811	839
Male	228	236	244	252
Self-described gender	-	-	-	-
Total - Community Futures	4,293	4,441	4,593	4,750
Community General Manager				
Permanent - Full time	560	580	600	620
Female	93	97	100	103
Male	467	483	500	517
Self-described gender	-	-	-	-
Total - Community General Manager	560	580	600	620

Summary of Planned Human Resources Expenditure (cont.)

For the four years ended 30 June 2025

	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
Corporate Administration				
Permanent - Full time	4,269	4,416	4,568	4,725
Female	3,016	3,120	3,227	3,338
Male	1,253	1,296	1,341	1,387
Self-described gender	-	-	-	-
Permanent - Part time	192	199	206	213
Female	192	199	206	213
Male	-	-	-	-
Self-described gender	-	-	-	-
Total - Corporate Administration	4,461	4,615	4,774	4,938
Corporate General Manager				
Permanent - Full time	276	286	296	306
Female	158	163	169	175
Male	118	123	127	131
Self-described gender	-	-	-	-
Permanent - Part time	63	65	68	70
Female	63	65	68	70
Male	-	-	-	-
Self-described gender	-	-	-	-
Total - Corporate General Manager	339	351	364	376
Development General Manager				
Permanent - Full time	380	393	406	420
Female	380	393	406	420
Male	-	-	-	-
Self-described gender	-	-	-	-
Total - Development General Manager	380	393	406	420
Development Services				
Permanent - Full time	3,223	3,333	3,447	3,566
Female	1,410	1,458	1,508	1,560
Male	1,813	1,875	1,939	2,006
Self-described gender	-	-	-	-
Permanent - Part time	1,094	1,131	1,170	1,210
Female	849	878	908	939
Male	245	253	262	271
Self-described gender	-	-	-	-
Total - Development Services	4,317	4,464	4,617	4,776
Financial Services				
Permanent - Full time	2,511	2,598	2,687	2,779
Female	927	959	992	1,026
Male	1,584	1,639	1,695	1,753
Self-described gender	-	-	-	-
Permanent - Part time	3	3	3	3
Female	-	-	-	-
Male	3	3	3	3
Self-described gender	-	-	-	-
Total - Financial Services	2,514	2,601	2,690	2,782
Information Systems				
Permanent - Full time	1,728	1,788	1,849	1,912
Female	560	579	599	619
Male	1,168	1,209	1,250	1,293
Self-described gender	-	-	-	-
Permanent - Part time	146	151	156	162
Female	84	87	90	93
Male	62	64	66	69
Self-described gender	-	-	-	-
Total - Information Systems	1,874	1,939	2,005	2,074

Summary of Planned Human Resources Expenditure (cont.)

For the four years ended 30 June 2025

	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
Leisure and Cultural Services				
Permanent - Full time	4,536	4,692	4,853	5,019
Female	3,831	3,963	4,099	4,239
Male	705	729	754	780
Self-described gender	-	-	-	-
Permanent - Part time	1,240	1,283	1,327	1,372
Female	1,240	1,283	1,327	1,372
Male	-	-	-	-
Self-described gender	-	-	-	-
Total - Leisure and Cultural Services	5,776	5,975	6,180	6,391
Organisational Development				
Permanent - Full time	1,761	1,821	1,884	1,949
Female	1,322	1,367	1,414	1,463
Male	439	454	470	486
Self-described gender	-	-	-	-
Permanent - Part time	264	273	283	292
Female	264	273	283	292
Male	-	-	-	-
Self-described gender	-	-	-	-
Total - Organisational Development	2,025	2,094	2,167	2,241
Parks and Waste Services				
Permanent - Full time	5,874	6,075	6,284	6,500
Female	952	984	1,018	1,053
Male	4,922	5,091	5,266	5,447
Self-described gender	-	-	-	-
Permanent - Part time	216	223	231	238
Female	128	132	137	141
Male	88	91	94	97
Self-described gender	-	-	-	-
Total - Parks and Waste Services	6,090	6,298	6,515	6,738
Works & Engineering Services				
Permanent - Full time	7,083	7,327	7,578	7,838
Female	388	401	415	429
Male	6,695	6,926	7,163	7,409
Self-described gender	-	-	-	-
Permanent - Part time	-	-	-	-
Female	-	-	-	-
Male	-	-	-	-
Self-described gender	-	-	-	-
Total - Works & Engineering Services	7,083	7,327	7,578	7,838
Casuals, temporary and other expenditure	973	1,008	1,042	1,077
Capitalised labour costs	2,369	2,374	2,378	2,383
Total staff expenditure	55,815	57,655	59,557	61,525

Summary of Planned Human Resources Expenditure (cont.)

For the four years ended 30 June 2025

	2021/22 FTE	2022/23 FTE	2023/24 FTE	2024/25 FTE
Asset Services				
Permanent - Full time	28.64	28.64	28.64	28.64
Female	7.00	7.00	7.00	7.00
Male	21.64	21.64	21.64	21.64
Self-described gender	-	-	-	-
Permanent - Part time	1.35	1.35	1.35	1.35
Female	1.35	1.35	1.35	1.35
Male	-	-	-	-
Self-described gender	-	-	-	-
Total - Asset Services	29.99	29.99	29.99	29.99
Executive Services				
Permanent - Full time	3.00	3.00	3.00	3.00
Female	3.00	3.00	3.00	3.00
Male	-	-	-	-
Self-described gender	-	-	-	-
Permanent - Part time	-	-	-	-
Female	-	-	-	-
Male	-	-	-	-
Self-described gender	-	-	-	-
Total - Executive Services	3.00	3.00	3.00	3.00
Community Care Services				
Permanent - Full time	36.94	36.94	36.94	36.94
Female	32.94	32.94	32.94	32.94
Male	4.00	4.00	4.00	4.00
Self-described gender	-	-	-	-
Permanent - Part time	59.03	59.03	59.03	59.03
Female	58.33	58.33	58.33	58.33
Male	0.70	0.70	0.70	0.70
Self-described gender	-	-	-	-
Total - Community Care Services	95.97	95.97	95.97	95.97
Community Futures				
Permanent - Full time	29.31	29.31	29.31	29.31
Female	21.31	21.31	21.31	21.31
Male	8.00	8.00	8.00	8.00
Self-described gender	-	-	-	-
Permanent - Part time	8.74	8.74	8.74	8.74
Female	6.72	6.72	6.72	6.72
Male	2.02	2.02	2.02	2.02
Self-described gender	-	-	-	-
Total - Community Futures	38.05	38.05	38.05	38.05
Community General Manager				
Permanent - Full time	3.60	3.60	3.60	3.60
Female	0.60	0.60	0.60	0.60
Male	3.00	3.00	3.00	3.00
Self-described gender	-	-	-	-
Permanent - Part time	-	-	-	-
Female	-	-	-	-
Male	-	-	-	-
Self-described gender	-	-	-	-
Total - Community General Manager	3.60	3.60	3.60	3.60

Summary of Planned Human Resources Expenditure (cont.)

For the four years ended 30 June 2025

	2021/22 FTE	2022/23 FTE	2023/24 FTE	2024/25 FTE
Corporate Administration				
Permanent - Full time	30.66	30.66	30.66	30.66
Female	21.66	21.66	21.66	21.66
Male	9.00	9.00	9.00	9.00
Self-described gender	-	-	-	-
Permanent - Part time	1.38	1.38	1.38	1.38
Female	1.38	1.38	1.38	1.38
Male	-	-	-	-
Self-described gender	-	-	-	-
Total - Corporate Administration	32.04	32.04	32.04	32.04
Corporate General Manager				
Permanent - Full time	7.00	7.00	7.00	7.00
Female	4.00	4.00	4.00	4.00
Male	3.00	3.00	3.00	3.00
Self-described gender	-	-	-	-
Permanent - Part time	1.60	1.60	1.60	1.60
Female	1.60	1.60	1.60	1.60
Male	-	-	-	-
Self-described gender	-	-	-	-
Total - Corporate Manager	8.60	8.60	8.60	8.60
Development General Manager				
Permanent - Full time	2.00	2.00	2.00	2.00
Female	2.00	2.00	2.00	2.00
Male	-	-	-	-
Self-described gender	-	-	-	-
Total - Development General Manager	2.00	2.00	2.00	2.00
Development Services				
Permanent - Full time	32.00	32.00	32.00	32.00
Female	14.00	14.00	14.00	14.00
Male	18.00	18.00	18.00	18.00
Self-described gender	-	-	-	-
Permanent - Part time	10.86	10.86	10.86	10.86
Female	8.43	8.43	8.43	8.43
Male	2.43	2.43	2.43	2.43
Self-described gender	-	-	-	-
Total - Development Services	42.86	42.86	42.86	42.86
Financial Services				
Permanent - Full time	19.02	19.02	19.02	19.02
Female	7.02	7.02	7.02	7.02
Male	12.00	12.00	12.00	12.00
Self-described gender	-	-	-	-
Permanent - Part time	0.02	0.02	0.02	0.02
Female	-	-	-	-
Male	0.02	0.02	0.02	0.02
Self-described gender	-	-	-	-
Total - Financial Services	19.04	19.04	19.04	19.04

Summary of Planned Human Resources Expenditure (cont.)

For the four years ended 30 June 2025

	2021/22 FTE	2022/23 FTE	2023/24 FTE	2024/25 FTE
Information Systems				
Permanent - Full time	14.79	14.79	14.79	14.79
Female	4.79	4.79	4.79	4.79
Male	10.00	10.00	10.00	10.00
Self-described gender	-	-	-	-
Permanent - Part time	1.25	1.25	1.25	1.25
Female	0.72	0.72	0.72	0.72
Male	0.53	0.53	0.53	0.53
Self-described gender	-	-	-	-
Total - Information Systems	16.04	16.04	16.04	16.04
Leisure and Cultural Services				
Permanent - Full time	38.62	38.62	38.62	38.62
Female	32.62	32.62	32.62	32.62
Male	6.00	6.00	6.00	6.00
Self-described gender	-	-	-	-
Permanent - Part time	10.56	10.56	10.56	10.56
Female	10.56	10.56	10.56	10.56
Male	-	-	-	-
Self-described gender	-	-	-	-
Total - Leisure and Cultural Services	49.18	49.18	49.18	49.18
Organisational Development				
Permanent - Full time	12.07	12.07	12.07	12.07
Female	9.06	9.06	9.06	9.06
Male	3.01	3.01	3.01	3.01
Self-described gender	-	-	-	-
Permanent - Part time	1.81	1.81	1.81	1.81
Female	1.81	1.81	1.81	1.81
Male	-	-	-	-
Self-described gender	-	-	-	-
Total - Organisational Development	13.88	13.88	13.88	13.88
Parks and Waste Services				
Permanent - Full time	68.02	68.02	68.02	68.02
Female	11.02	11.02	11.02	11.02
Male	57.00	57.00	57.00	57.00
Self-described gender	-	-	-	-
Permanent - Part time	2.50	2.50	2.50	2.50
Female	1.48	1.48	1.48	1.48
Male	1.02	1.02	1.02	1.02
Self-described gender	-	-	-	-
Total - Parks and Waste Services	70.52	70.52	70.52	70.52
Works & Engineering Services				
Permanent - Full time	66.31	66.31	66.31	66.31
Female	3.63	3.63	3.63	3.63
Male	62.68	62.68	62.68	62.68
Self-described gender	-	-	-	-
Permanent - Part time	-	-	-	-
Female	-	-	-	-
Male	-	-	-	-
Self-described gender	-	-	-	-
Total - Parks and Waste Services	66.31	66.31	66.31	66.31
Casuals and temporary staff	9.70	9.70	9.70	9.70
Capitalised labour	28.00	28.00	28.00	28.00
Total staff numbers	528.78	528.78	528.78	528.78

4. Notes to the financial statements

This section presents detailed information on material components of the financial statements. Council needs to assess which components are material, considering the dollar amounts and nature of these components.

4.1 Comprehensive Income Statement

4.1.1 Rates and charges

Rates and charges are required by the Act and 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 2021-22 the FGRS cap has been set at 1.5%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

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

To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 1.50% in line with the rate cap.

This will raise total rates and charges for 2021-22 of \$79.01 million.

The figures in the rates and charges section are based upon a 100% Residential differential rate, 76% Dryland Farm differential rate, 76% Irrigated Farm differential rate, 120% Business differential rate and a 10% Cultural and Recreation Land differential rate.

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

	Forecast Actual	Budget	Change	
	2020/21	2021/22		
	\$'000	\$'000	\$'000	%
General rates*	63,961	65,443	1,482	2.3%
Waste management charge	11,638	12,076	438	3.8%
Abandonments	(10)	(10)	-	0.0%
Special rates and charges	617	640	23	3.7%
Supplementary rates and rate adjustments	500	678	178	35.6%
Cultural land	16	17	1	6.3%
Payments in lieu of rates	127	170	43	33.9%
Total rates and charges	76,849	79,014	2,165	2.8%

*These items are subject to the rate cap established under the FGRS.

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

Type or class of land	2020/21 cents/\$CIV*	2021/22 cents/\$CIV*	Change
Residential differential rate	0.00620605	0.00629578	1.4%
Dryland farm differential rate	0.00471660	0.00478479	1.4%
Irrigated farm differential rate	0.00471660	0.00478479	1.4%
Business differential rate	0.00744726	0.00755494	1.4%
Cultural and recreation	0.00062061	0.00062958	1.4%
Mildura City Heart special rate*	0.00251790	0.00258319	2.6%

* Mildura City Heart special rate is levied only on those properties in the specified zone and paid directly to Mildura City Heart Inc.

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

Type or class of land	2020/21 \$'000	2021/22 \$'000	Change \$'000	%
Residential differential rate	39,876	41,185	1,309	3.3%
Dryland farm differential rate	4,175	4,238	63	1.5%
Irrigated farm differential rate	6,223	6,408	185	3.0%
Business differential rate	13,687	13,612	(75)	(0.5%)
Cultural and recreational	16	17	1	6.3%
Total amount to be raised by general rates	63,977	65,460	1,483	2.3%
Mildura City Heart special rate	625	640	15	2.4%
Total amount to be raised by general rates	64,602	66,100	1,498	2.3%

4.1.1(d) The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year.

Type or class of land	2020/21 Number	2021/22 Number	Change \$'000	%
Residential differential rate	23,813	24,141	328	1.4%
Dryland farm differential rate	1,547	1,557	10	0.6%
Irrigated farm differential rate	1,782	1,783	1	0.1%
Business differential rate	2,408	2,406	(2)	(0.1%)
Cultural and recreational	85	85	-	0.0%
Total number of rateable assessments	29,635	29,972	337	1.1%
Mildura City Heart special rate	369	367	(2)	(0.5%)

4.1.1(e) The basis of valuation to be used is the Capital Improved Value (CIV).

4.1.1(f) The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year.

Type or class of land	2020/21 \$'000	2021/22 \$'000	Change \$'000	%
Residential differential rate	6,423,854	6,541,746	117,892	1.8%
Dryland farm differential rate	885,082	885,753	671	0.1%
Irrigated farm differential rate	1,319,485	1,339,189	19,704	1.5%
Business differential rate	1,837,820	1,801,750	(36,070)	(2.0%)
Cultural and recreational	26,552	26,552	-	0.0%
Total value of land	10,492,793	10,594,990	102,197	1.0%
Mildura City Heart special rate	248,223	247,756	(467)	(0.2%)

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

Type of Charge	Per Rateable Property 2020/21 \$	Per Rateable Property 2021/22 \$	Change \$ %	
Municipal	-	-	-	0.0%

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

Type of Charge	2020/21 \$'000	2021/22 \$'000	Change \$'000 %	
Municipal	-	-	-	0.0%

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

Type of Charge	Per Rateable Property 2020/21 \$	Per Rateable Property 2021/22 \$	Change \$ %	
Municipal waste	229	235	6	2.8%
Kerbside collection - landfill	59	62	3	4.6%
Kerbside collection - recycling	76	77	1	1.3%
Kerbside collection - organics	71	72	1	1.4%
Total	435	446	11	2.6%

4.1.1(j) The estimated total amount to be raised by each type of service rate or charge, and the estimated total amount to be raised by service rates and charges, compared with the previous financial year.

Type of Charge	2020/21 \$'000	2021/22 \$'000	Change \$'000 %	
Municipal waste	6,118	6,400	282	4.6%
Kerbside collection - landfill	1,665	1,691	26	1.6%
Kerbside collection - recycling	1,990	2,053	63	3.2%
Kerbside collection - organics	1,855	1,932	77	4.2%
Total	11,628	12,076	448	3.9%

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

Type of Charge	2020/21 \$'000	2021/22 \$'000	Change \$'000 %	
General rates and cultural rates	63,977	65,460	1,483	2.3%
Municipal waste and kerbside collections	11,628	12,076	448	3.9%
Rates and charges	75,605	77,536	1,931	2.6%
Mildura City Heart Special rate	617	640	23	3.7%
Total rates and charges	76,222	78,176	1,954	2.6%

4.1.1(l) Fair Go Rates System compliance.

Mildura Rural City Council is required to comply with the state government's Fair Go Rates System (FGRS).

The table below details the budget assumptions consistent with the requirements of the FGRS.

	Annual Budget 2020/21 \$'000	Budget 2021/22 \$'000
Total rates	\$62,698	\$65,460
Number of rateable properties*	29,550	29,972
Base average rates	\$2,121	\$2,184
Maximum rate increase (set by the state government)	2.00%	1.50%
Capped average rate	\$2,163	\$2,217
Maximum general rates and municipal charges revenue	\$63,917	\$66,443
Budgeted general rates and municipal charges revenue	\$63,961	\$65,443
Budgeted supplementary rates	\$500	\$678
Budgeted total rates and municipal charges revenue	\$64,461	\$66,121

* Estimated total rates and number of properties as at 30 June

4.1.1(m) Any significant changes that may affect the estimated amounts to be raised by rates and charges.

There are no known other 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 (2021-22: estimated \$0.68 million and 2020-21: \$0.50 million)
- The variation of returned levels of value (e.g. valuation appeals)
- Changes of use of land such that rateable land becomes non-rateable land and vice versa;
- Changes of use of land such that residential land becomes business land and vice versa.

4.1.1(n) Differential rates

The rate and amount of rates payable in relation to land in each category of differential are:

- Residential differential rate of 0.629578% (0.00629578 cents in the dollar of CIV) for all rateable residential properties
- Dryland farm differential rate of 0.478479% (0.00478479 cents in the dollar of CIV) for all rateable dryland farming properties
- Irrigated farm differential rate of 0.478479% (0.00478479 cents in the dollar of CIV) for all rateable irrigated farming properties
- Business differential rate of 0.755494% (0.00755494 cents in the dollar of CIV) for all rateable business properties
- Cultural and recreational concessional rate of 0.062958% (0.00062958 cents in the dollar of CIV) for all rateable cultural and recreational properties

Each differential rate will be determined by multiplying the CIV of each rateable land by the relevant percentages indicated above.

Council considers that each differential rate will contribute to the equitable and efficient carrying out of Council functions. Details of the objectives of each differential rate, the types of classes of land, which are subject to each differential rate and the uses of each differential rate, are set out in Council's Rating Strategy 2020-2024 which is available for viewing on the Council's website.

4.1.2 Statutory fees and fines

	Forecast Actual 2020/21	Budget 2021/22	Change	
	\$'000	\$'000	\$'000	%
Infringements and costs	386	649	263	68.1%
Land information certificates	65	54	(11)	(16.9%)
Permits	419	377	(42)	(10.0%)
Statutory planning fees	695	780	85	12.2%
Valuations database	244	250	6	2.5%
Other statutory fees and fines	260	281	21	8.1%
Total statutory fees and fines	2,069	2,391	322	15.6%

Statutory fees and fines (\$0.32 million increase)

Statutory fees relate mainly to fees and fines levied in accordance with legislation including animal registrations, and registrations and parking fines per the *Public Health and Wellbeing Act 2008*. Increases in statutory fees are made in accordance with legislative requirements. Fees will be amended in line with any increase should one be determined by the Victorian Government over the course of the 2021-22 year.

Statutory fees are forecast to increase by 15.6% or \$0.32 million compared to 2020-21 forecast. The increase in fees relate to mostly to infringements which were decreased during the 2020-21 financial year due to impact of COVID-19 and required restrictions, and are expected to return to normal levels for 2021-22.

A detailed listing of statutory fees can be obtained from the Fees and Charges Schedule 2021-22 which can be viewed on Council's website.

4.1.3 User fees

	Forecast Actual 2020/21	Budget 2021/22	Change	
	\$'000	\$'000	\$'000	%
Rent/lease fees	326	942	616	189.0%
Animal control and local laws	526	540	14	2.7%
Child care/children's programs	445	670	225	50.6%
Aged and health services	972	1,145	173	17.8%
Other fees and charges	277	383	106	38.3%
Contract works	830	855	25	3.0%
Entrance charges	307	663	356	116.0%
Environmental health services	12	276	264	2,200.0%
Waste management services	2,040	3,004	964	47.3%
Commission/agency fees	98	142	44	44.9%
Total user fees	5,833	8,620	2,787	47.8%

User fees (\$2.79 million increase)

User charges relate to the recovery of service delivery costs through the charging of fees to users of Council's services. These include separate rating schemes, use of leisure, entertainment and other community facilities and the provision of human services such as family day care and home help services. In setting the budget, the key principle for determining the level of user charges is cost recovery and that any increase does not exceed the local government cost index or market levels.

Overall user charges income is projected to increase from 2020-21 forecast. The majority of the increase in user fees and charges has come from waste management and landfill fees, due to a significant increase in the Environmental Protection Authority (EPA) levy. Rent and lease fees were also lower in 2020-21 due to Community Support measures being implemented for COVID-19 recovery, with income resuming to normal levels for 2021-22.

A detailed listing of user fees can be obtained from the Fees and Charges Schedule 2021-22 which can be viewed on Council's website.

4.1.4 Grants

Grants are required by the Act and the Regulations to be disclosed in Council's Budget.

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Change	
			\$'000	%
Grants were received in respect of the following:				
Summary of grants				
Commonwealth funded grants	47,840	21,225	(26,615)	(55.6%)
State funded grants	21,491	15,841	(5,650)	(26.3%)
Total grants received	69,331	37,066	(32,265)	(46.5%)
Operating Grants				
<i>Recurrent - Commonwealth Government</i>				
Aged care	2,200	2,160	(40)	(1.8%)
Family day care	130	-	(130)	(100.0%)
Federal Assistance Grants	15,621	15,621	-	0.0%
Primary Care Partnership	310	425	115	37.1%
<i>Recurrent - State Government</i>				
Aged care	560	457	(103)	(18.4%)
Arts and culture	190	190	-	0.0%
Environmental health	32	35	3	9.4%
Community health	1,242	1,242	-	0.0%
Early years	290	296	6	2.1%
Libraries	391	411	20	5.1%
Primary care partnerships	465	100	(365)	(78.5%)
Road maintenance	120	127	7	5.8%
School crossing supervisor	175	175	-	0.0%
Youth services	183	154	(29)	(15.8%)
Total recurrent grants	21,909	21,393	(516)	(2.4%)
<i>Non-recurrent - Commonwealth Government</i>				
Airport	2,000	-	(2,000)	(100.0%)
Family day care	189	-	(189)	(100.0%)
Playalong	70	-	(70)	(100.0%)
<i>Non-recurrent - State Government</i>				
Community development	124	-	(124)	(100.0%)
COVID-19 response	466	-	(466)	(100.0%)
Early years	5	5	-	0.0%
Engineering	5	5	-	0.0%
Environment	181	180	(1)	(0.6%)
Governance and risk	120	120	-	0.0%
Libraries	15	-	(15)	(100.0%)
Social development	1,200	351	(849)	(70.8%)
Sunraysia Pest Free	137	-	(137)	(100.0%)
Youth services	2	2	-	0.0%
Waste	10	-	(10)	(100.0%)
Total non-recurrent grants	4,524	663	(3,861)	(85.3%)
Total operating grants	26,433	22,056	(4,377)	(16.6%)

Operating Grants (\$4.38 million decrease)

Operating grants include all monies received from state and federal sources for the purposes of funding the delivery of Council's services to ratepayers. Council received one-off grants in the 2019-20 financial year including \$2.00 million for development of instrument landing system at Mildura Airport, and additional social and community support grants relating to COVID-19. Therefore the level of operating grants is projected to decrease by 16.6% or \$4.38 million compared to 2020-21.

A list of operating grants by type and source, classified into recurrent and non-recurrent, is included on the previous page.

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000 %	
Capital Grants				
<i>Recurrent - Commonwealth Government</i>				
Roads to Recovery	4,000	2,905	(1,095)	(27.4%)
Total recurrent grants	4,000	2,905	(1,095)	(27.4%)
<i>Non-recurrent - Commonwealth Government</i>				
Building	15,046	-	(15,046)	(100.0%)
Roads	7,274	-	(7,274)	(100.0%)
Drains	1,000	114	(886)	(88.6%)
<i>Non-recurrent - State Government</i>				
Buildings	13,188	7,658	(5,530)	(41.9%)
Roads	665	2,777	2,112	317.6%
Parks, open space and streetscapes	451	-	(451)	(100.0%)
Recreational, leisure and community facilities	774	1,441	667	100.0%
Fixtures, fittings and furniture	500	-	(500)	(100.0%)
Waste management	-	115	115	(100.0%)
Total non-recurrent grants	38,898	12,105	(26,793)	(68.9%)
Total capital grants	42,898	15,010	(27,888)	(65.0%)
Total grants	69,331	37,066	(32,265)	(46.5%)

Capital Grants (\$27.89 million decrease)

Capital grants include all monies received from state, federal sources for the purposes of funding our capital works program. Overall, the level of capital grants has decreased by 65.0% or \$27.89 million compared to 2020-21. The decrease is mostly due to funding being received in 2020-21 financial year for Mildura South Regional Sporting Precinct stage 1 and 2, and Mildura Riverfront Precinct Village Square and therefore these grants are decreased in 2021-22.

A list of capital grants by type and source, classified into recurrent and non-recurrent, is included above.

4.1.5 Contributions

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Change	
			\$'000	%
Monetary	1,928	1,282	(646)	(33.5%)
Non-monetary	1,839	1,952	113	6.1%
Total contributions	3,767	3,234	(533)	(14.1%)

Contributions (\$0.53 million decrease)

Monetary contributions relate to monies paid by developers in regard to public amenities and recreation, drainage and car parking in accordance with planning permits issued for property development. Non-monetary contributions relate to assets that are handed over to Council, generally by developers, in the construction of residential sub-divisions.

Monetary contributions are projected to decrease by \$0.53 million or 14.1% compared to 2020-21.

4.1.6 Other income

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Change	
			\$'000	%
Interest	656	529	(127)	(19.4%)
Interest on rates	228	400	172	75.4%
Sales	237	808	571	240.9%
Other	7	7	-	0.0%
Child care reimbursement	1,552	1,640	88	5.7%
Fuel tax rebate	225	200	(25)	(11.1%)
WorkCover costs reimbursements	485	360	(125)	(25.8%)
Legal costs recouped	65	215	150	230.8%
Airport reimbursement	7	10	3	42.9%
Utilities reimbursement	3	3	-	0.0%
Youth case management reimbursement	495	593	98	19.8%
Insurance reimbursement	412	59	(353)	(85.7%)
Other costs reimbursement	1,023	937	(86)	(8.4%)
Total other income	5,395	5,761	366	6.8%

Other income (\$0.37 million increase)

Other income as shown above relates to a range of items such as private works, cost recoups and other miscellaneous income items. It also includes interest revenue on investments and rate arrears.

Other income is forecast to increase overall compared to 2020-21. This relates predominantly to interest on rates, sales income, child care reimbursement and youth case management reimbursement which were impacted by COVID-19 in 2020-21 are all forecast higher in 2021-22. Interest earned is expected to decrease in 2021-22 due to continued lowering of term deposit rates.

4.1.7 Employee costs

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000 %	
Wages and salaries	46,774	48,681	1,907	4.1%
Payroll tax	12	16	4	33.3%
Superannuation	4,347	4,524	177	4.1%
Fringe benefits tax	204	225	21	10.3%
Total employee costs	51,337	53,446	2,109	4.1%

Employee costs (\$2.11 million increase)

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, and so forth.

Employee costs are forecast to increase by 4.1% or \$2.11 million in comparison to 2020-21. Of this, wages and salaries are forecast to increase by \$1.91 million or 4.1%.

From the Statement of Human Resources in Section 3 Council has 500.78 full time equivalent staff (FTE). In addition Council has 28 FTE staff budgeted in the capital works program, to maintain, upgrade and develop new infrastructure. Capitalised salaries are not shown as part of Council's employee benefits in the Comprehensive Income Statement, but they form part of Council's \$43.73 million capital works program.

4.1.8 Materials and services

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000 %	
Contract payments	8,989	10,027	1,038	11.5%
Consultants	2,494	2,123	(371)	(14.9%)
Environmental protection waste levy	1,708	2,601	893	52.3%
Facilities maintenance	1,985	2,140	155	7.8%
Grants, contributions and donations	7,908	3,436	(4,472)	(56.6%)
Utilities	3,636	4,236	600	16.5%
Office administration	891	1,094	203	22.8%
General maintenance	477	535	58	12.2%
Materials purchased	3,858	3,628	(230)	(6.0%)
Plant and vehicle costs	2,143	2,220	77	3.6%
Information technology	1,694	1,993	299	17.7%
Insurance	1,317	1,238	(79)	(6.0%)
Training	1,016	1,098	82	8.1%
Other materials and contractors	704	420	(284)	(40.3%)
Swimming pools	1,599	1,492	(107)	(6.7%)
Waste management contracts	6,104	6,842	738	12.1%
Total materials and services	46,523	45,123	(1,400)	(3.0%)

Material and services (\$1.40 million decrease)

Materials and services include the purchases of consumables, payments to contractors for the provision of services and utility costs. Materials and services are forecast to decrease by 3.0% or \$1.40 million compared to 2020-21.

Materials and services is showing a decrease over the previous year, partly due to the installation of the instrument landing system at the Mildura Airport with the federal grant of \$2.00 million being received in 2020-21. This has then been paid to Mildura Airport shown as grants, contributions and donations above. Also included in the prior financial year was \$1.50 million for the COVID-19 Community Relief and Recovery Fund. Overall materials and services will decrease for 2021-22.

4.1.9 Depreciation

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000 %	
Buildings	2,563	2,594	31	1.2%
Plant and equipment	3,209	2,914	(295)	(9.2%)
Infrastructure	12,939	12,099	(840)	(6.5%)
Total depreciation	18,711	17,607	(1,104)	(5.9%)

Depreciation (\$1.10 million decrease)

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. Refer to Section 4.5 for a more detailed analysis of Council's capital works program for the 2021-22 year.

4.1.10 Amortisation - intangible assets (AASB16 Leases)

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000 %	
Intangible assets	230	161	(69)	(30.0%)
Total amortisation - intangible assets	230	161	(69)	(30.0%)

Amortisation - intangible assets (\$0.07 million decrease)

This relates to the amortisation (depreciation) of computer software which is forecast to decrease by \$0.07 million or 30% compared to 2020-21.

4.1.11 Amortisation - right of use assets

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000 %	
Right of use assets	-	74	74	100.0%
Total amortisation - right of use assets	-	74	74	100.0%

Amortisation - right of use assets (\$0.07 million increase)

This relates to the amortisation of right of use assets identified in accordance with new accounting standard (AASB16 Leases). A budget has been forecast for 2021-22 of \$0.07 million.

4.1.12 Other expenses

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000 %	
Auditors' remuneration - VAGO - audit of the financial statements and performance statement	60	73	13	21.7%
Auditors' remuneration - internal	148	119	(29)	(19.6%)
Councillors' allowances	329	338	9	2.7%
Refunds	79	67	(12)	(15.2%)
Operating lease rentals	402	388	(14)	(3.5%)
Other	245	500	255	104.1%
Total other expenses	1,263	1,485	222	17.6%

Other expenses (\$0.22 million increase)

Other expenses relate to a range of unclassified items, including auditors remuneration, college lease, elected members' vehicle allowance, stock adjustment/write off expense and planning fee refunds. Other expenses are forecast to increase by \$0.22 million or 17.6%.

4.2 Balance Sheet

4.2.1 Assets

Current assets (\$3.70 million decrease) and Non-current assets (\$43.10 million increase)

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 \$3.75 million during the 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. Non-current trade and other receivables relate to loans to community organisations such as the Mildura Airport Pty Ltd.

Other assets include 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. Financial assets are short term deposits greater than 90 days but less than 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 and other infrastructure which has been built up by Council over many years. The \$44.91 million increase in this balance is attributable to the \$43.73 million capital works program.

Please refer to Section 3 Balance Sheet for more details.

4.2.2 Liabilities

Current liabilities (\$2.27 million increase) and Non-current liabilities (\$3.93 million increase)

Provisions include accrued long service leave, annual leave and rostered days off (RDOs) owing to employees. These employee entitlements are expected to remain steady for the 2021-22 year. These entitlements are being actively managed through Council's employee policies. Current interest bearing liabilities will increase in 2021-22 due to principal loan repayments being made, this will also decrease non-current interest bearing liabilities as well.

4.2.3 Borrowings

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

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000
Amount borrowed as at 30 June of the prior year	18,632	17,268
Amount proposed to be borrowed	-	8,000
Amount projected to be redeemed	(1,364)	(3,214)
Amount of borrowings as at 30 June	17,268	22,054

Borrowings are an important funding source for capital works programs. In the past, Council has borrowed to finance large infrastructure projects and since then has been in a phase of debt reduction.

This approach has resulted in a reduction in debt servicing costs but has meant that cash and investment reserves have been used as an alternate funding source to maintain robust capital works programs. Council's long-term borrowing strategy focuses on reaching a debt position that provides future flexibility to use loan funds, without unduly exposing Council to a high debt burden.

For the 2021-22 year, after making loan repayments of \$3.21 million, total borrowings will be \$22.05 million as at 30 June 2022. Council has delayed borrowing of \$8.00 million previously forecast in 2020-21 budget for Mildura South Regional Sporting Precinct. This is due to early receipt of state grants for stage 2 occurring in 2020-21. These borrowings will now be drawn in late 2021-22 financial year, with servicing cost expected to commence in the 2022-23 budget year. Total borrowings will be \$22.05 million as at 30 June 2022.

4.2.4 Leases by category

As a result of the introduction of *AASB 16 Leases*, right-of-use assets and lease liabilities have been recognised as outlined in the table below.

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000
Right-of-use assets		
Property	1,038	966
Total right-of-use assets	1,038	966
Lease liabilities		
Current lease Liabilities		
Land and buildings	86	86
Total current lease liabilities	86	86
Non-current lease liabilities		
Land and buildings	1,484	1,484
Total non-current lease liabilities	1,484	1,484
Total lease liabilities	1,570	1,570

Where the interest rate applicable to a lease is not expressed in the lease agreement, Council applies the average incremental borrowing rate in the calculation of lease liabilities. The current incremental borrowing rate is 3.4%.

4.3 Statement of Changes in Equity

4.3.1 Reserves

Council's reserves include both discretionary and statutory reserves. Statutory reserves 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.

Discretionary reserves, 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.

Transfers to reserves

Transfer to reserves includes both statutory and discretionary reserves. Statutory reserve transfers includes money from developer contributions and from lease income received for crown land.

Discretionary reserve transfers includes money set aside for the land reserves which is used for acquiring strategic pieces of land needed for drainage basins. Also the landfill reserve also receives funds needed for the future after care of the site.

Transfers from reserves

Money transferred from Council's reserves is predominantly for funding required for the 2021-22 capital works program. The majority of the funds are coming from Council's landfill reserve, land reserve and developer contributions reserves.

4.3.2 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.

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.

Accumulated surplus is the value of all net assets less reserves that have accumulated over time. The accumulated surplus is the net result of the comprehensive result and net transfers to reserves, which excludes the asset revaluation reserve.

4.4 Statement of Cash Flows

4.4.1 Net cash flows provided by/used in operating activities

Net cash flows provided by/used in operating activities (\$28.20 million decrease)

The decrease in cash inflows from operating activities is due to decrease in capital grants in 2021-22. The majority of capital grants relating to the construction of the Mildura South Regional Sporting Precinct were budgeted in 2019-20 and 2020-21, with related expenditure occurring in these respective years.

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 Statement of Cash Flows.

4.4.2 Net cash flows provided by/used in investing activities

Net cash flows provided by/used in investing activities (\$33.73 million decrease)

The decrease is due to the construction of the Mildura South Regional Sporting Precinct which had increased Council's 2020-21 capital works program. This has decreased payments for property, infrastructure, plant and equipment for 2021-22 as disclosed in Section 3 and 4.5. The capital works program is also influenced by such things as the availability of grant funding and local capacity to complete the works.

4.4.3 Net cash flows provided by/used in financing activities

Net cash flows provided by/used in financing activities (\$6.26 million increase)

The increase is due to a interest bearing liability (loan) becoming due in the 2021-22 financial year, with a principal repayment of \$2.00 million. Council is also expecting normal principal repayments of \$1.20 million and finance charges of \$1.03 million. Council will also borrow \$8.00 million towards the end of 2021-22 financial year, which has been delayed from the 2020-21 budget, due to earlier than anticipated receipt of capital grants in 2020-21.

4.5 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2021-22 year, classified by expenditure type and funding source. Works are also disclosed as current budget or carried forward from prior year.

4.5.1 Summary

	Forecast Actual 2020/21 \$'000	Budget 2021/22 \$'000	Change \$'000	%
Property	28,793	18,902	(9,891)	(34.4%)
Plant and equipment	7,600	3,680	(3,920)	(51.6%)
Infrastructure	40,625	21,151	(19,474)	(47.9%)
Total	77,018	43,733	(33,285)	(43.2%)

4.5.1 Summary

Property (\$9.89 million decrease)

Property overall has decreased by 34.4% or \$9.89 million compared to 2020-21 due to large grant projects being completed in the prior year.

Plant and equipment (\$3.92 million decrease)

Plant and equipment overall has decreased by 51.6% or \$3.92 million compared to 2020-21 due to reduced expenditure on fleet and IT equipment.

Infrastructure (\$19.47 million decrease)

Infrastructure overall has decreased by 47.9% or \$19.47 million compared to 2020-21. During the 2020-21 financial year Council received additional grants relating to local roads and community infrastructure, drought and sand drift, and roads to recovery (RTR) funding. There was also infrastructure expenditure for major projects including Mildura South Regional Sporting Precinct. These are therefore reduced for the 2021-22 budget.

	Project Cost	Asset Expenditure Types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	18,902	14,121	2,624	1,011	1,146	7,658	101	11,143	-
Plant and equipment	3,680	79	3,268	223	110	-	-	3,680	-
Infrastructure	21,151	3,806	12,674	3,976	695	7,352	180	13,619	-
Total	43,733	18,006	18,566	5,210	1,951	15,010	281	28,442	-

4.5.1 New assets (\$18.01 million), Asset renewal (\$18.57 million), Upgrade (\$5.21 million) and Expansion (\$1.95 million)

A distinction is made between expenditure on new assets, asset renewal, upgrade and expansion. Expenditure on asset renewal is expenditure on an existing asset, or on replacing an existing asset that returns the service of the asset to its original capability. Expenditure on new assets does not have any element of expansion or upgrade of existing assets, but will result in an additional burden for future operation, maintenance and capital renewal.

The major project included in the above categories, which constitutes expenditure on new assets are Mildura South Regional Sporting Precinct and Mildura Riverfront Precinct Village Square. The remaining capital expenditure represents renewals and expansion/upgrades of existing assets.

4.5.2 Current Budget

Capital Works Area	Project Cost \$'000	Asset Expenditure Types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Land									
Land acquisition	-	-	-	-	-	-	-	-	-
Buildings									
Art Centre upgrade program	30	-	30	-	-	-	-	30	-
Environmental management initiatives	75	-	22	53	-	-	-	75	-
Furniture and equipment acquisition	39	-	35	-	4	-	-	39	-
Major projects	1,000	-	-	-	1,000	1,000	-	-	-
Mildura South Regional Sporting Precinct	2,000	2,000	-	-	-	2,000	-	-	-
Riverfront precinct	3,700	3,700	-	-	-	3,700	-	-	-
Specific building upgrade program	1,077	131	683	217	46	33	-	1,044	-
Sporting reserves master plan upgrade program	477	-	382	95	-	250	101	126	-
Swimming pool upgrade program	500	-	500	-	-	-	-	500	-
TOTAL PROPERTY	8,898	5,831	1,652	365	1,050	6,983	101	1,814	-
PLANT AND EQUIPMENT									
Computers and telecommunications									
IT hardware and software	811	34	505	162	110	-	-	811	-
Fixtures, fittings and furniture									
Arts centre	30	-	-	30	-	-	-	30	-
Waste management program	155	-	124	31	-	-	-	155	-
Library books and library books and art works									
Art works acquisition and conservation	75	45	30	-	-	-	-	75	-
Library books and art works	240	-	240	-	-	-	-	240	-
Plant, machinery and equipment									
Fleet replacement	2,139	-	2,139	-	-	-	-	2,139	-
Specific building upgrade program	100	-	100	-	-	-	-	100	-
Swimming pool upgrade program	130	-	130	-	-	-	-	130	-
TOTAL PLANT AND EQUIPMENT	3,680	79	3,268	223	110	-	-	3,680	-

Capital Works Area	Project Cost	Asset Expenditure Types				Summary of Funding Sources			
		New	Renewal	Upgrade	Expansion	Grants	Contrib.	Council cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INFRASTRUCTURE									
Roads									
Design	150	-	150	-	-	-	-	150	-
Gravel resheeting	800	-	800	-	-	-	-	800	-
Intersection improvements	10	-	10	-	-	-	-	10	-
Resealing	1,500	-	1,500	-	-	-	-	1,500	-
Road rehabilitation and reconstruction	826	-	398	238	190	-	-	826	-
Road safety works program	1,379	552	275	414	138	1,226	-	153	-
Road upgrade and widening program	1,876	-	938	938	-	375	-	1,501	-
Road to Recovery resealing	1,505	-	1,505	-	-	1,505	-	-	-
Road to Recovery resheeting	1,200	-	1,200	-	-	1,200	-	-	-
Shoulder rehabilitation	1,500	-	1,500	-	-	-	-	1,500	-
Footpaths and cycle ways									
Footpath program	727	276	451	-	-	-	-	727	-
Drainage									
Stormwater extension	235	12	109	105	9	-	-	235	-
Stormwater replacement and modifications	423	-	423	-	-	-	-	423	-
Recreational, leisure and community facilities									
Sporting reserves master plan upgrade program	574	172	-	402	-	452	122	-	-
Swimming pool upgrade program	107	-	86	21	-	-	-	107	-

Capital Works Area	Project Cost \$'000	Asset Expenditure Types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
Waste management									
Waste management	2,723	1,403	385	660	275	229	58	2,436	-
Parks, open space and streetscapes									
Caravan park upgrade	120	-	120	-	-	-	-	120	-
Major projects	340	68	204	68	-	-	-	340	-
Mildura CBD development works program	325	30	250	-	45	-	-	325	-
Parks and natural area development program	60	-	-	60	-	-	-	60	-
Playground equipment replacement program	235	-	188	9	38	-	-	235	-
Kerb and channel									
Kerb and channel	371	166	205	-	-	-	-	371	-
TOTAL INFRASTRUCTURE	16,986	2,679	10,697	2,915	695	4,987	180	11,819	-
TOTAL CAPITAL WORKS	29,564	8,589	15,617	3,503	1,855	11,970	281	17,313	-

4.5.2 Current Budget

Property (\$8.90 million)

The property class comprises buildings and building improvements including community facilities, municipal offices, sports facilities, pavilions and swimming pools.

For 2021-22, \$8.89 million will be expended on building and building improvement projects. The more significant projects include:

- Mildura South Regional Sporting Precinct construction stage 2.
- Mildura Riverfront and Village Square.
- Renewal of annual aquatic facility.
- Irymple kindergarten extension (subject to grant approval).
- Renewal Mildura and Workingman's Bowls Clubhouse (subject to grant approval).
- Renewal of fire services at Johansen Reserve.
- Replacement Mildura Recreation Reserve main switchboard.
- Upgrade of lighting at Mildura Library and The Alfred Deakin Centre.

Plant and equipment (\$3.68 million)

Plant and equipment includes plant, machinery and equipment, computers and telecommunications, Mildura Arts Centre gallery and theatre equipment upgrade and library books.

For the 2021-22 year, \$3.68 million will be expended on plant, equipment and other projects. The more significant include ongoing replacement of the plant and vehicle fleet, replacement of information technology, library material purchases and replacement of information technology disaster recovery and business continuity system.

Infrastructure (\$16.99 million)

Infrastructure includes roads, footpaths and cycle ways, drainage, recreation, leisure and community facilities, waste management, parks, open space and streetscapes, and kerb and channel.

For the 2021-22 year, expenditure on road projects will be \$10.75 million. The more significant projects include federally funded Roads to Recovery projects (\$2.70 million), resealing, gravel resheeting, road rehabilitation and reconstruction program, shoulder rehabilitation, road upgrade and widening program, and road safety works program.

Expenditure on footpaths and cycle ways projects will be \$0.73 million. The projects include renewal, new and upgrade to existing footpaths, including new and missing link footpaths throughout the municipality.

Expenditure on drainage projects will be \$0.66 million. This includes stormwater drainage rehabilitation pipe and pit replacement, upgrade of drainage in Symonds Court and flood mitigation in Kendal Lane.

Expenditure on recreational, leisure and community facilities projects will be \$0.68 million. The projects include renewal of the Mildura outdoor pool small dive towers and upgrade lighting at the Henshilwood Recreation Reserve.

Expenditure on waste management projects will be \$2.72 million. These projects include a Mildura glass sorting and reprocessing facility, Mildura landfill rehabilitation, replacement of the weighbridge at Mildura landfill and Ouyen landfill rehabilitation.

Expenditure on parks, open space and streetscape projects will be \$1.08 million. The more significant projects include Deakin Avenue redevelopment from Eighth Street to Ninth Street, design of Langtree Avenue placemaking from Seventh Street to Eighth Street, central business district tree infrastructure replacement program, renewal of Apex Park BBQ and shelter, replacement Green Pines park playground equipment and replacement Simon Court park equipment.

Expenditure on kerb and channel projects will be \$0.37 million. The projects include renewal, new and upgrade to existing kerb and channels, including new and missing link kerb and channels throughout the municipality.

4.5.3 Works carried forward from the 2020-21 year

Capital Works Area	Project Cost \$'000	Asset Expenditure Types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
PROPERTY									
Buildings									
Art Centre upgrade program	30	-	-	30	-	-	-	30	-
Drought program	300	150	150	-	-	-	-	300	-
Riverfront precinct	1,175	140	469	470	96	675	-	500	-
Mildura South Regional Sporting Precinct	8,000	8,000	-	-	-	-	-	8,000	-
Specific building	499	-	353	146	-	-	-	499	-
TOTAL PROPERTY	10,004	8,290	972	646	96	675	-	9,329	-
Capital Works Area	Project Cost \$'000	Asset Expenditure Types				Summary of Funding Sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contrib. \$'000	Council cash \$'000	Borrowings \$'000
INFRASTRUCTURE									
Roads									
Road rehabilitation and reconstruction	681	-	681	-	-	-	-	681	-
Road upgrade and widening	1,176	-	440	736	-	1,176	-	-	-
Roads to Recovery reconstruction	200	-	200	-	-	200	-	-	-
Footpaths and cycleways									
Footpath program	296	-	237	59	-	-	-	296	-
Parks, open space and streetscapes									
Drought program	140	14	126	-	-	-	-	140	-
Major projects	415	124	291	-	-	-	-	415	-
Recreational, leisure and community facilities									
Mildura South Regional Sporting Precinct	989	989	-	-	-	989	-	-	-
Sporting reserves master plan upgrade program	268	-	2	266	-	-	-	268	-
TOTAL INFRASTRUCTURE	4,165	1,127	1,977	1,061	-	2,365	-	1,800	-
TOTAL CARRIED FORWARD CAPITAL WORKS 2020-21	14,169	9,417	2,949	1,707	96	3,040	-	11,129	-

4.5.3 Works carried forward from the 2020-21 year (\$14.17 million)

At the end of each financial year, there are projects which are either incomplete or not commenced due to factors including planning issues, extended consultation and weather delays. It should be noted that 30 June is a point in time and projects may be multi-year projects. For example, a grant with income recognised when money is received, but the works may not be completed until the following year, resulting in funds being carried forward between financial years. There may also be situations where a project is physically completed by June 30, but not all invoices have been received resulting in the project not being financially complete by June 30, also requiring funds to be carried into the next financial year.

For the 2020-21 year, it is forecast that \$14.17 million of capital works will be incomplete and be carried forward into the 2021-22 year. The more significant projects include:

- Construction of Mildura South Regional Sporting Precinct Stage 2.
- Mildura Riverfront including Village Square and Powerhouse upgrade.
- Mildura South Regional Sporting Precinct including outdoor courts and lighting etc.
- Upgrade of Blackburn Park synthetic bowls green.
- Upgrade Quandong Park cricket net.
- Lake Cullulleraine foreshore amenities project.
- Upgrade of footpaths in Ouyen central business district.
- Construction of Meridian Road stage 2 and 3.
- Reconstruction of Benetook Avenue from Seventh Street to Cureton Avenue East.
- Reconstruction of The Crescent road from Etiwanda Avenue to Byrne Court.
- Lake Cullulleraine Caravan Park replacement of amenities block.
- Lighting upgrade Mildura Library and The Alfred Deakin Centre.

Summary of Planned Capital Works Expenditure

For the four years ended 30 June 2025

In accordance with Local Government Regulations 2020, the below tables represents statement of capital works expenditure for the budget year and additional three years after. This is also classified into asset expenditure type and funding sources.

2021/22	Asset Expenditure Types					Funding Sources				
	Total	New	Renewal	Expansion	Upgrade	Total	Grants	Contrib.	Council Cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property										
Land	-	-	-	-	-	-	-	-	-	-
Total land	-	-	-	-	-	-	-	-	-	-
Buildings	18,902	6,121	2,624	1,011	1,146	18,902	7,658	101	11,143	-
Total buildings	18,902	6,121	2,624	1,011	1,146	18,902	7,658	101	11,143	-
Total property	18,902	6,121	2,624	1,011	1,146	18,902	7,658	101	11,143	-
Plant and equipment										
Plant, machinery and equipment	2,369	-	2,369	-	-	2,369	-	-	2,369	-
Fixtures, fittings and furniture	185	-	124	61	-	185	-	-	185	-
Computers and telecommunications	811	34	505	162	110	811	-	-	811	-
Library books and art works	315	45	270	-	-	315	-	-	315	-
Total plant and equipment	3,680	79	3,268	223	110	3,680	-	-	3,680	-
Infrastructure										
Roads	12,803	552	9,597	2,326	328	12,803	5,682	-	7,121	-
Footpaths and cycleways	1,023	276	688	59	-	1,023	-	-	1,023	-
Drainage	658	12	532	105	9	658	-	-	658	-
Recreational, leisure and community facilities	1,938	1,161	88	689	-	1,938	1,441	122	375	-
Waste management	2,723	1,403	385	660	275	2,723	229	58	2,436	-
Parks, open space and streetscapes	1,635	236	1,179	137	83	1,635	-	-	1,635	-
Kerb and channel	371	166	205	-	-	371	-	-	371	-
Total infrastructure	21,151	3,806	12,674	3,976	695	21,151	7,352	180	13,619	-
Total capital works expenditure	43,733	10,006	18,566	5,210	1,951	43,733	15,010	281	28,442	-

Summary of Planned Capital Works Expenditure (cont.)

For the four years ended 30 June 2025

2022/23	Asset Expenditure Types					Funding Sources				
	Total	New	Renewal	Expansion	Upgrade	Total	Grants	Contrib.	Council Cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property										
Land	-	-	-	-	-	-	-	-	-	-
Total land	-	-	-	-	-	-	-	-	-	-
Buildings	2,253	208	1,172	203	671	2,253	67	-	2,186	-
Total buildings	2,253	208	1,172	203	671	2,253	67	-	2,186	-
Total property	2,253	208	1,172	203	671	2,253	67	-	2,186	-
Plant and equipment										
Plant, machinery and equipment	2,302	-	2,302	-	-	2,302	-	-	2,302	-
Computers and telecommunications	356	14	221	71	50	356	-	-	356	-
Library books and art works	329	46	283	-	-	329	-	-	329	-
Total plant and equipment	2,987	60	2,806	71	50	2,987	-	-	2,987	-
Infrastructure										
Roads	9,718	486	7,483	1,458	291	9,718	3,655	-	6,063	-
Footpaths and cycleways	474	199	275	-	-	474	-	-	474	-
Drainage	3,525	2,750	599	141	35	3,525	-	-	3,525	-
Recreational, leisure and community facilities	235	59	31	146	-	235	86	-	149	-
Waste management	1,100	561	154	264	121	1,100	-	-	1,100	-
Parks, open space and streetscapes	2,518	1,284	630	227	378	2,518	-	-	2,518	-
Kerb and channel	384	173	211	-	-	384	-	-	384	-
Total infrastructure	17,954	5,512	9,383	2,236	825	17,954	3,741	-	14,213	-
Total capital works expenditure	23,194	5,780	13,361	2,510	1,546	23,194	3,808	-	19,386	-

Summary of Planned Capital Works Expenditure (cont.)

For the four years ended 30 June 2025

2023/24	Asset Expenditure Types					Funding Sources				
	Total	New	Renewal	Expansion	Upgrade	Total	Grants	Contrib.	Council Cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property										
Land	-	-	-	-	-	-	-	-	-	-
Total land	-	-	-	-	-	-	-	-	-	-
Buildings	2,324	256	1,208	186	674	2,324	-	-	2,324	-
Total buildings	2,324	256	1,208	186	674	2,324	-	-	2,324	-
Total property	2,324	256	1,208	186	674	2,324	-	-	2,324	-
Plant and equipment										
Plant, machinery and equipment	2,596	-	2,596	-	-	2,596	-	-	2,596	-
Computers and telecommunications	385	15	239	77	54	385	-	-	385	-
Library books and art works	357	50	307	-	-	357	-	-	357	-
Total plant and equipment	3,338	65	3,142	77	54	3,338	-	-	3,338	-
Infrastructure										
Roads	9,506	476	7,320	1,426	284	9,506	3,055	-	6,451	-
Footpaths and cycleways	634	266	368	-	-	634	-	-	634	-
Drainage	3,691	2,879	627	148	37	3,691	-	-	3,691	-
Recreational, leisure and community facilities	158	123	27	6	2	158	-	-	158	-
Waste management	1,100	275	143	682	-	1,100	-	-	1,100	-
Parks, open space and streetscapes	1,738	1,338	243	35	122	1,738	-	-	1,738	-
Kerb and channel	410	185	226	-	-	410	-	-	410	-
Total infrastructure	17,237	5,542	8,954	2,297	445	17,237	3,055	-	14,182	-
Total capital works expenditure	22,899	5,863	13,304	2,560	1,173	22,899	3,055	-	19,844	-

Summary of Planned Capital Works Expenditure (cont.)

For the four years ended 30 June 2025

2024/25	Asset Expenditure Types					Funding Sources				
	Total	New	Renewal	Expansion	Upgrade	Total	Grants	Contrib.	Council Cash	Borrowings
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property										
Land	-	-	-	-	-	-	-	-	-	-
Total land	-	-	-	-	-	-	-	-	-	-
Buildings	2,526	278	1,314	227	707	2,526	-	-	2,526	-
Total buildings	2,526	278	1,314	227	707	2,526	-	-	2,526	-
Total property	2,526	278	1,314	227	707	2,526	-	-	2,526	-
Plant and equipment										
Plant, machinery and equipment	2,832	-	2,832	-	-	2,832	-	-	2,832	-
Computers and telecommunications	420	17	260	84	59	420	-	-	420	-
Library books and art works	389	54	335	-	-	389	-	-	389	-
Total plant and equipment	3,641	71	3,427	84	59	3,641	-	-	3,641	-
Infrastructure										
Roads	9,306	465	7,166	1,397	279	9,306	3,055	-	6,251	-
Footpaths and cycleways	687	289	398	-	-	687	-	-	687	-
Drainage	3,886	3,031	661	155	39	3,886	-	-	3,886	-
Recreational, leisure and community	173	43	22	107	-	173	-	-	173	-
Waste management	550	281	77	132	61	550	-	-	550	-
Parks, open space and streetscapes	1,603	1,234	224	32	112	1,603	-	-	1,603	-
Kerb and channel	447	201	246	-	-	447	-	-	447	-
Total infrastructure	16,652	5,544	8,794	1,823	491	16,652	3,055	-	13,597	-
Total capital works expenditure	22,819	5,893	13,535	2,134	1,257	22,819	3,055	-	19,764	-

5. 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	Actual 2019/20	Forecast 2020/21	Budget 2021/22	Projections			Trend
						2022/23	2023/24	2024/25	+/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / adjusted underlying revenue	1	10.18%	23.47%	9.26%	(2.84%)	(0.47%)	(0.56%)	-
Liquidity									
Working capital	Current assets / current liabilities	2	418.25%	335.08%	287.97%	300.85%	302.34%	299.22%	+
Unrestricted cash	Unrestricted cash / current liabilities	3	287.62%	242.67%	203.96%	176.69%	210.20%	207.64%	o
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	25.88%	22.65%	28.13%	25.23%	22.97%	20.75%	-
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		2.96%	3.46%	5.41%	3.33%	2.61%	2.53%	-
Indebtedness	Non-current liabilities / own source revenue		52.98%	51.43%	52.32%	51.71%	50.55%	48.93%	-
Asset renewal	Asset renewal expenses / asset depreciation	5	82.41%	171.94%	105.45%	73.73%	71.62%	71.09%	o
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	6	60.31%	47.97%	58.90%	68.22%	66.47%	66.82%	o
Rates effort	Rate revenue / CIV of rateable properties in the municipality		0.76%	0.73%	0.74%	0.75%	0.77%	0.78%	o
Efficiency									
Expenditure level	Total expenses / no. of property assessments		\$3,598.33	\$4,102.95	\$4,030.13	\$4,077.01	\$4,137.15	\$4,196.22	+
Revenue level	Total rate revenue / no. of property assessments		2,099.13	2,158.83	2,184.04	2,224.78	2,269.80	2,315.50	+

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. The 2021-22 year shows a deficit of \$1.01 million. Victorian councils rates have been capped at the average Victorian CPI of 1.50% for the 2021-22 year.

2. Working capital

The proportion of current liabilities represented by current assets. Working capital is forecast to increase in 2021-22 year due to completion of Council's 2021-22 capital works program including completion of Mildura South Regional Sporting Precinct. It will further increase in 2022-23 and further years at an acceptable level.

3. Unrestricted cash

Unrestricted cash represent Council's cash free of external restrictions.

4. Debt compared to rates

The proportion of debt to rates will decrease in 2021-22 due to a principal repayment of loan occurring in 2021-22 financial year. Towards the end of the 2021-22 Financial Year, new borrowings of \$8.00 million will occur. This has been delayed from the 2020-21 financial year. This is due to capital grants being received earlier than anticipated for Mildura South Regional Sporting Precinct. From 2023-24 onwards Council will continue our normal trend of reducing reliance on debt against its annual rate revenue through redemption of long term debt.

5. Asset renewal

This percentage indicates the extent of Council's renewals 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.

6. Rates concentration

Reflects extent of reliance on rate revenues to fund all of Council's ongoing services. Trend indicates Council will become more reliant on rate revenue compared to all other revenue sources.