

ANNUAL BUDGET 2024/25



Contents

Mayor's Introduction	3
Budget Highlights	6
Executive Summary	10
1. Link to the Integrated Planning and Reporting Framework	16
2. Services and Service Performance Indicators	19
3. Financial Statements.....	32
4. Notes to the financial statements.....	40
5. Proposals to Lease Council Land	73
6. Financial Performance Indicators	74

Mayor's Introduction

The preparation of the 2024/25 Annual Budget has been challenging for Council as we attempt to address the expectations of our communities to fund the ongoing delivery of a wide range of services and infrastructure, in a difficult economic environment with escalating costs, and with limits on our ability to raise revenue.

Council has carefully crafted a plan to navigate these financial challenges. Our approach includes advocating for increased government grants, responsible borrowing, comprehensive efficiency reviews, process automation, consideration of asset consolidation, and initiatives aimed at expanding our rate base and stimulating economic growth.

Revenue and Cost Challenges

Just as increases in the cost of living are impacting household budgets, so too are these difficult economic conditions impacting Council's cost of doing business. Cost escalations for goods, road and building materials, contractors and services like insurance increased by 10 to 30 percent over the past 12 months.

As a small rural council, our ability to meet these additional costs is largely limited to rates revenue and annual government financial assistance grants.

- Despite our cost increases, exacerbated by costly recovery efforts following recent severe flood events, the overall increase in rate revenue is limited to 2.75% in line with the Rate Cap set by the Victorian Government.
- Our allocation of financial assistance grants by the Victorian Grants Commission will increase by 3.24%.

These two revenue sources account for 60% of our total annual income, and the budgeted increases unfortunately are not keeping pace with inflationary and other cost pressures.

A Focus on Financial Sustainability

Whilst our current financial position remains relatively sound, these cost pressures mean we face difficult financial challenges over the longer term:

- On the one hand, our projected *operating* result for 2024/25 is a \$2.3 million surplus, with revenue of \$44.53 million and expenditure of \$41.58 million. Our budgeted balance sheet shows that our net assets (our net worth) will increase by \$2.3 million to \$515.8 million, and our working capital (our ability to meet our financial commitments when they fall due) whilst decreasing slightly, remains strong.
- On the other hand, the projected operating surplus result is underpinned by \$5.8 million in grant income to fund capital works. The expenditure associated with this capital income is not included in the operating result, as the assets that are created or renewed are capitalised in the balance sheet. Therefore, a more realistic picture of our ability to meet our operating expenses from our operating revenues (i.e. our sustainability) is to exclude these capital grants from the equation. In doing so, the *underlying* result in the budget is an operating deficit of \$3.6 million in 2024/25, up from a forecast \$3.4 million for the 2023/24 financial year.

Addressing this underlying deficit, without significantly reducing service levels to the community, remains a major challenge to overcome. Over time, if not reversed, these recurrent losses will place greater reliance on the use of Council's financial reserves and ultimately erode our financial position.

Identifying Further Efficiency

Council's operational efficiency and cost of service delivery are quite favourable when compared against similar type councils under the Know Your Council performance reporting scheme. However, our service levels, whilst provided at lower costs, may not fully meet community expectations.

This budget is designed to maintain the delicate balance, minimising costs without compromising the quality of services and works for our community. We're exploring various interventions, including efficiency reviews, shared services, and strategic borrowing for future needs, ensuring that our financial decisions are both prudent and forward-looking. We have set aside an allocation of \$20,000 to identify further operational efficiencies and savings opportunities.

We are continuing our investment in critical contemporary information and communication technologies to streamline access to council information, automate many of our business processes and reduce the risk of costly business interruptions due to emergencies. We will continue to collaborate with our neighbouring councils in the State-supported Rural Councils Transformation Program, with a \$412,000 allocation in 2024/25 for new business system implementations.

Borrowing for the Future

Borrowing is a sound financial management practice to enable the early delivery of new infrastructure and initiatives, where the benefits of these are ongoing. We are including a provision in our budget to borrow a maximum of \$3 million to fund critical projects, where there is a sound business case and opportunity to offset borrowing costs through savings or additional revenues, including opportunities to leverage additional grant funding, where the benefits of the project extend over several years.

For example, we are proposing to borrow \$108,000 to fund Council's contribution to a grant project to replace all low efficiency Mercury Vapour streetlights with low energy (LED) lights which consume 80% less electricity and will provide an operating cost saving in energy and maintenance over their operating life.

Facilitating Growth

As part of our strategy to boost future rates revenue, we aim to grow our population through new development. We are exploring solutions to the housing shortage in our Shire, especially for essential workers. We plan to borrow up to \$1.5 million to help fund partnerships that will create more housing options. This may include using vacant Council land for development. We will carefully evaluate how the expected revenue can cover borrowing costs. Other potential projects involving borrowing are outlined in this document.

In this budget we have also reviewed our rating approach for the 2024/25 year to ensure we continue to provide an equitable distribution of the rate burden and address Council's objectives. Our budget proposes an increase in the differential rate applicable to vacant developable land from 150% to 200% of the residential rate. This is to encourage housing or commercial/industrial development on land that has been specifically zoned for this purpose. This does not raise more revenue for Council, but rather increases the portion of total rate revenue collected from vacant developable land holders and slightly lowers it for others.

Advocating for a Fairer Share

While we have been very successful recently in securing one-off grant funding for new infrastructure projects, including for the Eildon Reserves Redevelopment, we do not feel we get our fair share of untied, recurrent government funding. Understanding the importance of long-term financial planning, we are actively advocating for a review of how the Victorian Local Government Grants Commission allocates funding to councils across the state, and in particular ensuring Murrindindi is getting its fair share. The financial sustainability of local councils, and specifically rural councils, is a broader national issue and the subject of a current federal inquiry. We are actively participating and providing a loud voice in these reviews.

Delivering For the Community

Our budget proposes a capital works program of \$14.1 million, with the bulk of this (\$10.3 million) dedicated to the renewal or upgrade of our existing infrastructure. Approximately 40% of this program is funded via grants and Council funds the remainder from our own sources, including our reserves.

Future Focused, Together

With escalating costs and many of our public building assets underutilised, if we are to solve our underlying deficit, we will need to work with the community to make hard decisions around which assets can be rationalised, and which are prioritised for renewal works into the future.

Despite the challenges, Council has approached this draft budget with optimism, confident in our ability to manage the Council's finances responsibly, equitably, and sustainably. Our collective efforts and strategies are aimed at not just navigating the current economic conditions but emerging stronger, more resilient, and better equipped to serve the needs of the entire municipal community, including future generations.

We seek your considered feedback on this draft budget, and I thank you for your continued support as we work together to ensure a prosperous future for our community.

Cr Damien Gallagher
Mayor
Murrindindi Shire Council

Budget Highlights

The Budget contains several important operational projects and initiatives under the five strategic directions established in consultation with the community in the 2021-2025 Council Plan:

- Resilient Communities
- Beautiful Townships and Rural Settings
- Growth and Opportunity
- Our Protected Environment
- Transparency, Inclusion and Accountability

The Budget will deliver:

Resilient Communities

- \$70,000 per annum to maintain the new Aquatics with Splash - Eildon Splash Park Management
- \$18,000 to undertake community engagement and develop a new Council Plan
- \$10,000 for ongoing support of Council's Reconciliation Action Plan
- Capital projects to improve access for people with a disability, including pedestrian ramps in High Street Yea

Beautiful Townships and Rural Settings

The Capital Works Program includes the following:

- \$200,000 to purchase a tripper truck with a chipper body to assist the Tree Maintenance Response Team
- \$2.7 million towards the Eildon Reserve Redevelopment Stage 1 (funded from grants and reserves)
- \$2 million for Alexandra Landfill cell construction and to commence capping of old landfill cells (funded from waste reserve)
- \$25,000 to undertake nature strip in-fill tree planting of trees to replace removed trees.
- \$40,000 to undertake renewal of park furniture and minor infrastructure.

Growth and Opportunity

- \$160,000 to complete the Local Development Strategy as part of the 'Shaping Murrindindi' Forestry Transition project (Grant funded)

Our Protected Environment

- \$108,000 to upgrade and install energy efficient streetlights (rebate \$33,000 on completion)
- \$30,000 for a Stormwater Management Study to undertake a catchment analysis of urban areas in Murrindindi Shire and identify flooding and drainage issues

- Further initiatives included in the Capital Works Program:
 - \$150,000 for Hall Street / Halls Flat Road, Alexandra drainage (grant funded)
 - \$150,000 for Duke Street, Yea drainage upgrade (grant funded)
 - \$213,127 for Long Gully Road, Flowerdale drainage upgrade (grant funded)
 - \$200,000 for Riverside Crescent, Flowerdale Water Sensitive Urban Design upgrade (grant funded).

Transparency, Inclusion and Accountability

- \$23,000 to support Disaster Recovery improving the ability to recover Council's IT systems following a disaster or business interruption
- \$412,000 to support the digital transformation of Council's business systems including:
 - \$208,000 for Council committed contribution to grant funded project (year 3)
 - \$77,000 for implementation of HR/Payroll and Accounts Payable automation
 - \$127,000 for business system testing and training
- \$228,000 for ongoing subscription costs for cloud-based enterprise applications, partly offset by \$120,000 savings in subscription to legacy systems
- \$20,000 to undertake efficiency reviews and productivity improvements
- \$190,000 for Council general election costs, updating voters' roll register and new Councillor induction program.
- \$6,000 to support Community communications

Capital Works Program

Council's 2024/25 Capital Works Program totals \$14.2 million and contains the following allocations:

- \$4.5 million towards roads, footpaths and cycleways including:
 - \$1.6 million to fund the resheeting and resealing programs (shire wide)
 - \$1.1 million for road safety strategy implementation (shire wide)
 - \$0.45 million for Castella Road reconstruction
 - \$0.4 million for Whanregarwen Road reseal
 - \$273,000 to fund the Pathway renewal program
- \$ 465,000 towards bridges including \$230,000 for the Coonans Road Culvert replacement Stage 2 (Homewood)
- \$791,000 towards the building renewal program, including:
 - \$205,000 for Shire Community Building upgrades
 - \$151,000 to refurbish the Alexandra Customer Service Reception area
 - \$100,000 for the Kinglake Community Centre renewal works
 - \$80,000 from the Yea Saleyards reserve to fund a crush and forcing pen
 - \$80,000 to support Council's compliance with the DDA including works at:
 - Toocom Cottage, Toolangi

- Yea pedestrian ramps
- Glenburn Community Centre
- \$3.6 million towards recreational facilities, including:
 - \$2.7 million to complete the Eildon Reserves Redevelopment project.
 - \$113,000 to renew Swimming Pool equipment
- \$2.3 million for waste management (funded from reserves) including:
 - \$2 million for cell and capping constructions at Alexandra Landfill
 - \$150,000 to build a recycle shop and undercover storage facility at Kinglake Resource Recovery Centre.
- \$713,000 for drainage projects in Flowerdale Yea and Alexandra.
- \$25,000 for Council's annual street tree renewal program.
- \$255,000 to complete subdivision works on Council property in Eildon
- \$1.4 million towards plant and equipment and library books, including renewal of plant and fleet, IT equipment.

No capital works projects have yet been carried forward from the 2023/24 Capital Budget.

These projects are just a snapshot of what we will be delivering in 2024/25. Refer to Sections 4.4 to 4.6 of the Budget document, to find out more about the Capital Works Program and local projects.

Financial Snapshot

	Forecast 2023/24 \$'000	Budget 2024/25 \$'000
Total Income	52,542	43,932
Total Expenditure	47,546	41,599
Comprehensive Operating Surplus	4,996	2,333
Underlying operating surplus	(3,464)	(3,634)
Capital Works Program	21,904	14,223
Cash Balance @ 30 June	31,299	32,393
Reserves Balance @ 30 June	13,759	11,412
Contract and other liabilities Balance @ 30 June	0	3,000

Budget Assumptions (percentage increase)

	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29
Rates & charges	2.75%	2.75%	2.50%	2.00%	2.00%
Statutory fees and fines	2.75%	2.75%	2.50%	2.00%	2.00%
User fees	2.75%	2.75%	2.50%	2.00%	2.00%
Grant operating - recurrent	1.50%	1.50%	1.50%	1.50%	1.50%
Grant operating - non recurrent	1.50%	1.50%	1.50%	1.50%	1.50%
Employee costs	2.25%	2.0%	2.0%	2.0%	2.0%
Materials and services*	1.00%	1.00%	1.00%	1.00%	1.00%
Other expenses	1.00%	1.00%	1.00%	1.00%	1.00%

* contracted costs where known

Executive Summary

The Budget aims to maintain financial sustainability while addressing the difficult inflationary conditions and continuing to provide services, including delivery of the Council Plan activities and the Capital Works Program.

Council’s budgeted operating result for 2024/25 is a \$2.3 million surplus, a reduction of \$2.6 million from the forecast 2023/24 end of year result. This is mainly due to the reduction in operating and capital grants and reductions in expenditure on employees and materials and services costs. The 2024/25 employee budget includes the scheduled increase in superannuation from 11% to 11.5% and enterprise agreement increases.

Council’s budgeted balance sheet position is relatively healthy with:

- net assets (net worth) to increase by \$2.3m to \$515.8m during 2024/25 as Council completes the scheduled capital works program, and recognises additional assets
- working capital to decrease slightly from 387% to 354% but still significantly above target indicating strong liquidity.

However, the underlying result will weaken by 1.6% to an 8.2% deficit due to the decrease in operating revenue compared to the decrease in operating expenditure.

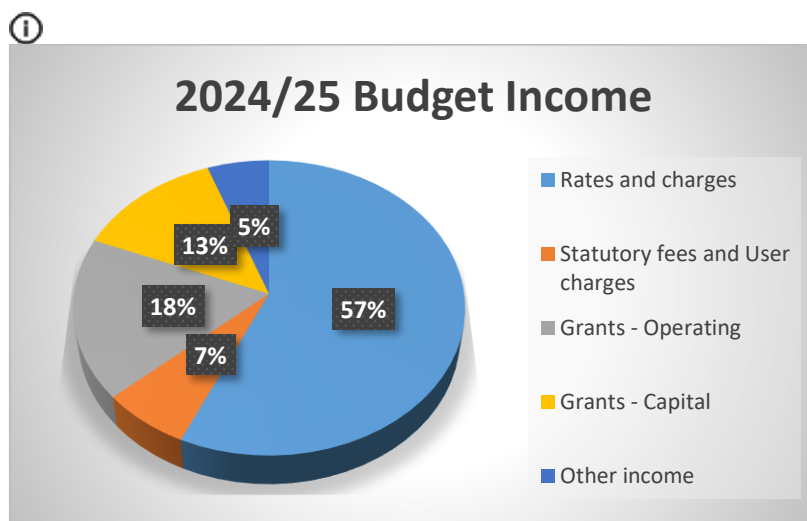
Council continues to fund its operating budget and capital works program from rates and grants revenue. Council currently carries no debt, but the draft 2024/25 Budget foreshadows borrowing of \$3m that may be required to fund several projects currently under feasibility assessment.

Over the coming years we will continue our work to ensure we remain financially sustainable in a rate capped environment with rising costs.

Income

Council’s main source of income is from rates and charges (57%). Statutory fees and user charges relate to the fees and charges schedule attached to this Budget document. Fees and charges are also available on Council’s website. Operating grants are predominately government grants to support Council’s operating activities. Council requests specific funding by submitting applications to support project activities. Capital grants, including Roads to Recovery and Local Roads and Community Infrastructure programs fund the capital works program.

The following chart shows Council’s income sources:



Rates and Charges

Total revenue from rates and charges is projected to be \$24.9m, which incorporates an average rate increase of 2.75%. This is in line with the Fair Go Rates System (FGRS) which caps rates increases by Victorian councils. Council has not elected to apply to the Essential Services Commission (ESC) for a variation to the rate cap for 2024/25. However, Council may need to do so in future years as cost pressures increase and funding is further constrained.

It is important to note, the actual rate increases experienced by individual ratepayers may differ from the 2.75% average increase due to property revaluations. Rate increases are impacted by the capped rate increase (2.75%) and the valuation increases (or decreases) of individual properties relative to the average across the municipality. If your property valuation increased in value by more than the average valuation for the Shire, your rates will increase by more than 2.75%. If your property valuation increased by less than the average, your rates will increase by less than 2.75% and may in fact reduce from the previous year. Refer to Section 4.1 for further information on rates and valuations.

Council has made an amendment to the weighting applied to the Vacant Land differential, increasing from 150% to 200% of the General (Residential) rate. This is to encourage the development of land already zoned for residential or commercial/industrial purposes to support the growth needed to sustain our communities into the future and to address the emerging housing stock shortages. This will result in a movement of the allocation of the rate requirement from other differentials (rate classes) to vacant land.

Financial Position

The financial position is measured by key indicators (refer Section 5):

- Net assets – the value of Council’s total assets after deducting Council’s total liabilities. It is an indicator of Council’s value or health, also known as equity. A higher net assets value indicates a healthier business financially.
- Working capital - an indicator of Council’s ability to meet its financial obligations as and when they fall due. This indicator shows the proportion of current liabilities to current assets. It is calculated by dividing current assets by current liabilities and is shown as a percentage.
- Underlying result - an indicator of whether the Council can continue to provide core services and meet its objectives. This measure differs from the operating result as it excludes capital income. Capital income is used to fund capital works; this expenditure is not reported in the income statement, rather this expenditure is capitalised as assets and represented in the balance sheet. Improvement in the underlying result is expected, although continued losses will mean there is an increasing reliance on Council's cash reserves or an increase in the need to undertake borrowing to maintain services.

Operating Result

The expected operating result for the 2024/25 year is a surplus of \$2.3 million, which is a decrease of \$2.6 million from the forecast end of year results for 2023/24. This is mainly due to the reduction in capital grants of \$2.5 million.

Financial Sustainability

This budget has been prepared for a four-year period ending 30 June 2028. The Budget is in turn set within the Financial Plan to assist Council to adopt its Budget within a longer-term

financial framework. The key objective of the Financial Plan is financial sustainability in the medium to long term, while still achieving the Council's strategic objectives.

The adjusted underlying result, which is a measure of financial sustainability, shows some decline over the term of the Budget. If this is not reversed over the longer term, the cumulative effect of repeated deficits will result in the depletion of Council's cash reserves and a decline in the Council's financial position

Council will need to continue to work with the community to:

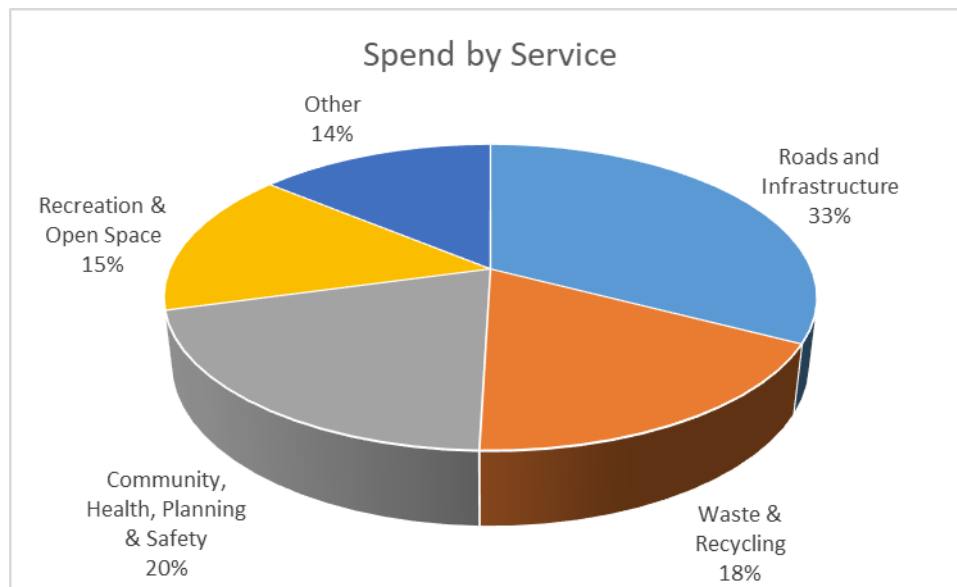
- Review and prioritise the services that we provide
- Determine the level of service that can be afforded
- Determine which assets are required to undertake the prioritised services
- Determine any surplus assets that can be decommissioned or rationalised
- Determine where staffing resources may need to be realigned to deliver the shift in prioritised services.

This Budget has been developed through a rigorous process. More detailed information is available throughout this document.

Services

The net cost of services delivered to the community in the 2024/25 year is expected to be \$18.7 million. Further detail in relation to the operating cost of Council's services can be found in section 2 of this document.

The following chart shows how much budget is allocated to each broad service area:



Note: The above includes operating and capital expenditure, excluding Corporate/Governance and Depreciation costs.

Council will continue to work with the community over the coming years to align community priorities and expectations with Council's service delivery model. This needs to be set within a financially sustainable framework.

Cash and Investments

Cash and investments are expected to be stable during the year at \$31.4m as at 30 June 2025.

Council must maintain a sufficient level of cash and investments to meet the routine requirements of Council business. This ensures all accounts can be paid during times of low income. This target needs to be in addition to funds held for reserves, i.e. infrastructure, waste, developer contributions, trusts funds and the like. This ensures all reserves can be accessed at any time to fund the purpose of the reserve.

Capital Works

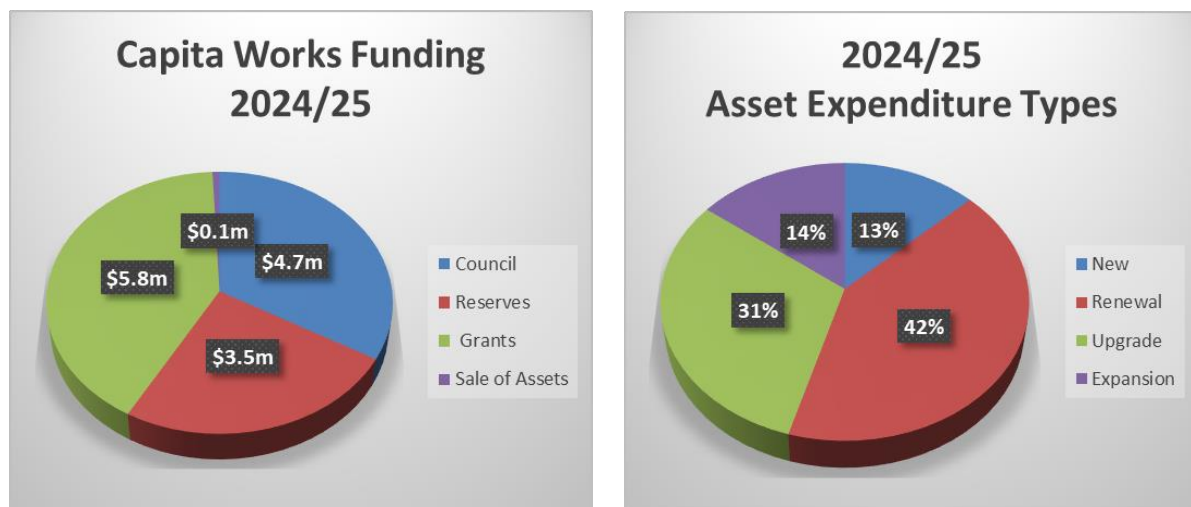
The 2024/25 Capital Works Program totalling \$14.1m, and is funded by:

- \$5.8 million in grants
- \$0.1 million in proceeds from sale of assets
- \$3.5 million from reserves
- \$4.7 million cash generated from operations.

The Capital Works Program includes: ^(OBJ)

- \$1.8 million in new assets
- \$5.9 million in asset renewal
- \$2.1 million in asset expansion
- \$4.4 million in asset upgrade.

The following charts show the Capital Works Budget funding and asset expenditure types:



The 2024/25 capital works projects are outlined in detail in section 4.5.

Borrowings

Council has budgeted for borrowings of up to \$3m to be drawn down if required to fund a small number of projects that are nearing the end of their feasibility assessments. Providing the business cases are acceptable in providing lasting benefits to Council and the community, where borrowing costs can be fully or partly offset by savings or revenues from the project and without creating undue risk to Council's finances, funds will be borrowed as outlined below.

- Key Worker Accommodation project \$1.5 million

This project aims to support partnerships to provide additional accommodation options for key workers needed to support local industries and businesses. It may involve a contribution towards the development of Council land for this purpose, with potential ongoing revenue back to Council

- Flat Lead Road, Yea, carbon offset project \$320,000

This project involves the establishment of a plantation on underutilised Council land to offset future residual carbon emissions as part of Council's 2035 zero emissions target. Trees during the growing stage remove carbon dioxide from the atmosphere and the amount of carbon removed has a value to Council based on avoided future carbon offset costs. Potentially there are future revenue opportunities through the sale of carbon credits generated.

- Street light energy efficient upgrade \$108,000

This project is partly grant funded and involves the replacement of all low efficiency Mercury Vapour streetlights with low energy (LED) lights. The new LED lighting lasts longer, are cheaper to maintain and will provide improved safety after dark in our urban areas through improved lighting performance. The LED lights also consume 80% less electricity and will provide an operating cost saving in energy and maintenance over the life of the assets.

- Special Charge Schemes \$175,000

This relates to local capital projects, typically roadworks, where the adjoining benefitting ratepayers contribute to the cost of the project. Typically, this will be used for the upgrade of roads from unsealed to sealed and the provision of improved stormwater drainage. Council contributes an amount towards the upgrade costs and may fund the full amount of the construction works initially and recovers a portion of the costs from ratepayers through a special charge on rates over an agreed period of time.

- Pyrolizer for recycling of timber, carbon capture and reuse \$1.4 million

This project involves the potential purchase of equipment and development of a site for the processing of timber, green waste and mulch into biochar for reuse, sale and carbon capture. The facility would create a product which can be sold for a future revenue stream, as well as provide carbon credits.

- Any other unplanned urgent capital works.

External Influences

The four financial years represented within the Budget are 2024/25 through to 2027/28. In preparing the 2024/25 Budget, a number of external influences have been taken into consideration. These are outlined below:

- Superannuation – Council has an ongoing obligation to fund any investment shortfalls in the Defined Benefits Scheme. The last call on Local Government was in the 2012-2013 financial year where Council was required to pay \$1.2M to top up its share of the Defined Benefits Scheme. The amount and timing of any liability are dependent on the global investment market. At present the actuarial ratios are at a level that additional calls from Local Government are not expected in the next 12 months.
- Financial Assistance Grants – The largest source of government funding to Council is through the annual Victorian Local Government Grants Commission allocation. The overall state allocation is determined by the Federal Financial Assistance Grant.
- Capital Grant Funding – Capital grant opportunities arise continually.
- Cost shifting - this occurs where Local Government provides a service to the community on behalf of the State and/or Federal Government. Over time, the funds received by Local Governments do not increase in line with real cost increases, such as school crossing or library services, resulting in a further reliance on rate revenue to meet service delivery expectations.
- Rate Capping – The Victorian State Government continues with a cap on rate increases. The cap for 2024/25 has been set at 2.75%.
- Supplementary Rates – Supplementary rates are additional rates received after the Budget is adopted each year, for the part of the year when a property value increases in value (eg. due to improvements made or change in land class), or new residents become assessable. Importantly, supplementary rates recognises that new residents require services on the day they move into the Shire / City / Rural City and Council is committed to providing these. Supplementary rates income is based on historical and forecast data and is set at anticipated levels.
- Waste Disposal Costs – The Environment Protection Agency (EPA) regulation has a sustained impact on Council with regards to compliance with existing and past landfills sites. Waste disposal costs are also impacted by industry changes such as increasing EPA landfill levies and negotiation of contracts e.g. recycling, sorting and acceptance. EPA levies are not set by Council.

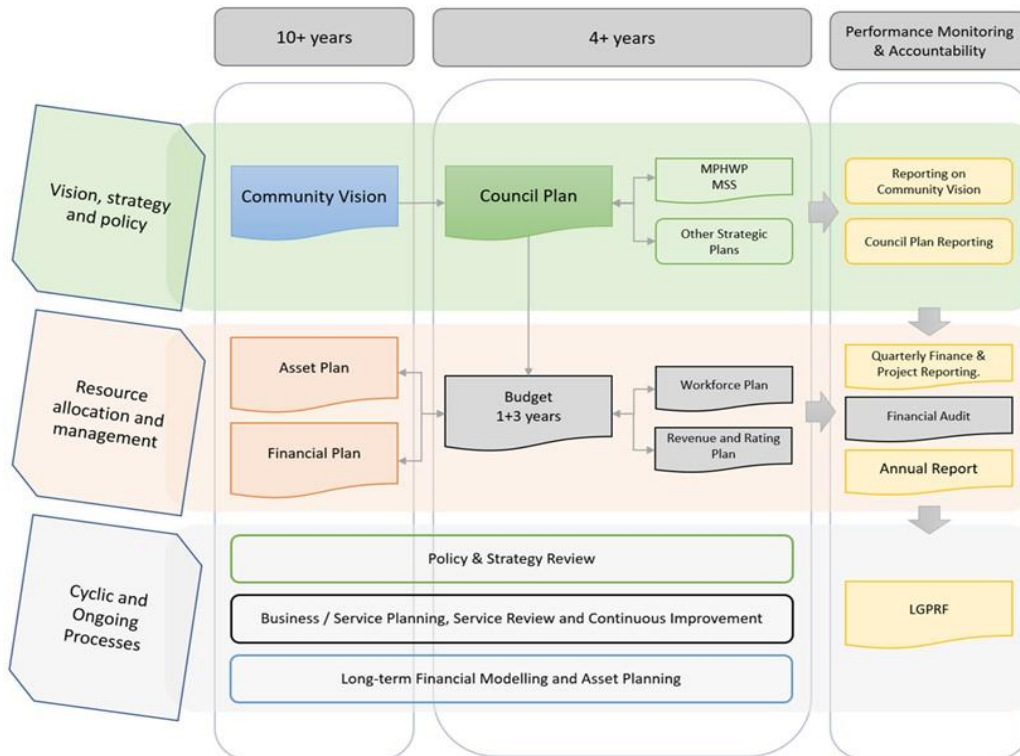
This draft Budget has been developed through a rigorous process. More detailed information is available throughout this document.

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 Legislative Planning and Accountability Framework

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



Source: Department of Jobs, Precincts and Regions

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

1.1.2 Key Planning considerations

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 generally 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 is in line with a council's adopted Community Engagement Policy and Public Transparency Policy.

1.2 Our purpose

10-Year Community Vision

Through our combined efforts, our community is vibrant and resilient. We are inclusive, embrace diversity and encourage the participation of all; welcome new residents and visitors to enjoy and contribute to our Shire; respect and celebrate the cultural heritage of our First Nations People and those who have come before us; actively support the current and future needs and aspirations of people of all ages and abilities; enjoy, participate in and promote culture and the arts, sport and recreation; are leaders in waste reduction and combating climate change; protect our natural environment and biodiversity and preserve our rural landscapes; and grow through managed land development, business entrepreneurship and enhanced learning opportunities.

Our Council Values

Integrity: We will always act with honesty and integrity and demonstrate high standards of professionalism. We will be open and honest in all dealings with the community, other Councillors and with Council staff; we will follow through on commitments; we will represent our views truthfully; we will support one another and staff if treated unfairly or without respect; we will be open to constructive feedback; and we will accept responsibility for mistakes, treating them as a learning opportunity.

Inclusion: We will value the contribution and individuality of others and commit to develop open and positive working relationships. We will foster community cohesion and encourage active participation within the community; we will embrace each other's differences, values, culture and perspectives; we will commit to early advice and no surprises; we will freely share information and knowledge with one another; we will cooperate, collaborate with and encourage others; we will be objective and flexible and willing to compromise; and we will ensure Council decisions are focussed on the best outcomes for the entire municipality.

Respect: We will respect the views, contributions, feelings, wishes and rights of others; we will actively seek to understand other's experiences, ideas and perspectives; we will embrace and appreciate diversity of origin, viewpoint, experience and lifestyle; and we will recognise the achievements of others.

Collaboration: We will operate cohesively; we will work together with the community through accessible and inclusive engagement; we will strive to build effective working relationships. We

will welcome the opinion of the community and respect their right to be heard; champion issues on behalf of the community in a constructive and timely manner; advocate the interests of the local community to other communities and governments; take pride in representing the community and the municipality; make decisions based on the perceived best interests of the entire municipality; present Council as a cohesive and effective working unit; and act without fear or favour.

Leadership: We will strongly represent and advocate on behalf of the community and exercise courage in our leadership and decision-making.

Accountability and Honesty: We will make decisions openly and publicly whenever possible; take responsibility for our actions and decisions; honour commitments; act with integrity and honesty in all dealings; openly report our performance and acknowledge our mistakes.

Initiative: We aim to achieve continuous improvement in performance and the highest standards and outcomes for the Murrindindi Shire. In doing so we will question the way things have been done in the past; always look for better ways to work together and to achieve outcomes on behalf of the community; be result and outcome focused at all times; encourage a positive culture focused on results and high-quality customer service; strive to exceed community expectations; adopt straightforward and realistic approaches; and acknowledge good results to staff when noticed.

1.3 Strategic objectives

We have committed to delivering on five key strategic objectives which will drive the work we do, and the services we deliver in partnership with our community. We believe these objectives reflect the values, priorities and aspirations of the Murrindindi community as expressed in our 'Shaping Our Future' community engagement. They address the things about the Murrindindi Shire that our community says are important to support opportunity, quality of life, wellbeing and the liveability of our towns and places.

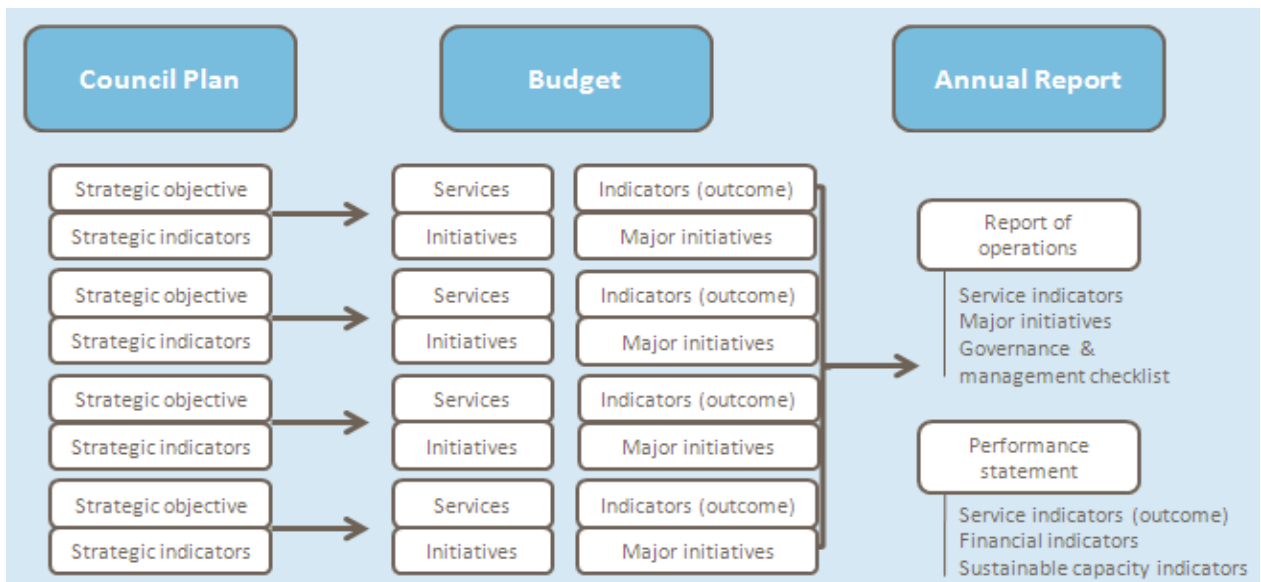
Our strategic objectives are:

1. **Resilient Communities**
To ensure we are welcoming, inclusive, caring and connected.
2. **Beautiful Townships and Rural Settings**
To create a better place for our community and visitors to live in harmony with our rural character, natural beauty and heritage.
3. **Growth and Opportunity**
To prioritise and promote a culture in which the economy, businesses and community can grow and thrive.
4. **Our Protected Environment**
To protect and enhance our natural environment, supporting environmental sustainability, community resilience, innovation and adaptation to climate change to achieve net-zero emissions by 2035.
5. **Transparency, Inclusion and Accountability**
To ensure our services, people and systems deliver the best possible outcomes for our communities now and into the future.

Council delivers activities and initiatives under 26 major service categories. Each contributes to the achievement of one of these strategic objectives as set out in our Council Plan for the 2021-2025 years.

2. Services and Service Performance Indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2024/25 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:



2.1 Strategic Objective 1

RESILIENT COMMUNITIES

To ensure we are welcoming, inclusive, caring and connected

Service		2022/23 Actual \$'000	2023/24 Forecast \$'000	2024/25 Budget \$'000
Children & Family Services				
This service area provides family orientated support services including maternal and child health and home-based childcare.	<i>Exp</i>	1,470	2,003	1,616
	<i>Rev</i>	1,081	1,639	1,182
	<i>NET</i>	389	364	434
Library Services				
This service area provides libraries in Alexandra, Yea and Kinglake and the mobile library to the Shire's more remote communities. The service caters for cultural, recreational and educational needs of residents and provides a focal point for the community to meet, relax and enjoy the facilities and services offered. Income is grant funding.	<i>Exp</i>	594	672	628
	<i>Rev</i>	183	193	180
	<i>NET</i>	411	479	448
Community Service Administration				
This includes the cost of management and general administration across all of Council's community services, Grants Officer and Community Grants Program.	<i>Exp</i>	373	431	439
	<i>Rev</i>	0	0	0
	<i>NET</i>	373	431	439
Community Development				
This service area provides the delivery of community transport, including the community bus and financial contribution to the Moving Murrindindi Service. 2023/24 Income includes grant funding for Free from Violence program and the Murrindindi Forestry Transition Plan	<i>Exp</i>	666	1,054	806
	<i>Rev</i>	216	429	285
	<i>NET</i>	450	625	521
Community Engagement				
This area provides for the coordination of community engagement activities of Council and assists with the development of Community Plans.	<i>Exp</i>	367	440	463
	<i>Rev</i>	94	32	34
	<i>NET</i>	273	408	429
Recreation, Aquatic and Youth				
This includes strategic planning to inform the development of recreation and youth services and infrastructure and coordinates Council services including recreation facilities, swimming pools and Council's recreation and youth responsibilities within the municipality. Income includes Youth program grants.	<i>Exp</i>	501	372	495
	<i>Rev</i>	75	81	79
	<i>NET</i>	426	291	416

Key: Exp means Expenditure, Rev means Revenue,
NET means Net Cost (difference between revenue and expenditure)

Major and Other Initiatives

1. Support Community and Council priorities through the delivery of the annual Community Grants and Sponsorships.
2. Acknowledge the contribution of Murrindindi Shire volunteers and groups through annual community awards and National Volunteers Week
3. Finalise implementation of the Stage 1 'Reflect' Reconciliation Action Plan for Council in consultation with Aboriginal and Torres Strait Islander people, stakeholders and organisations
4. Collaborate with partners to implement activities from the Municipal Public Health and Wellbeing Plan
5. Undertake Community Planning with Kinglake, Kinglake Central, Kinglake West, Pheasant Creek, and support communities with existing plans to enable community-led activities.
6. Provide high-quality children, maternal child health and youth service programs
7. Collaborate with State Government and Murrindindi Early Education Service providers to implement recommendations from the Early Childhood Education and Infrastructure Plan including Infrastructure priorities for Yea and Alexandra
8. Support Access and Inclusion for our diverse communities and highlight the significance of:
 - Seniors Festival
 - International Day of Persons with Disabilities
 - Harmony Day
 - IDAHOBIT
9. Advocate for funding to deliver key infrastructure and open space initiatives, as supported by the Recreation and Open Space Strategy.

Service Performance Outcome Indicators

Service	Indicator Performance Measure	2022/23 Actual	2023/24 Forecast	2024/25 Target
<u>Libraries</u>	Participation	10%	10%	≥10%
Performance Measure	Library membership (Percentage of the population that are registered library members)			
Computation	[Number of registered library members / Population] x100			
<u>Aquatic Facilities</u>	Utilisation	1.6	1.6	≥1.6
Performance Measure	Utilisation of aquatic facilities. (Number of visits to aquatic facilities per head of population)			
Computation	Number of visits to aquatic facilities / Population			
<u>Maternal and Child Health</u>	Participation	89%	90%	≥90%
Performance Measure	Participation in the MCH service. (Percentage of children enrolled who participate in the MCH service)			
Computation	[Number of children who attend the MCH service at least once (in the financial year) / Number of children enrolled in the MCH service] x100			

Service	Indicator Performance Measure	2022/23 Actual	2023/24 Forecast	2024/25 Target
<u>Maternal and Child Health</u>	Participation	93%	93%	≥92%
Performance Measure	Participation in the MCH service by Aboriginal children. (Percentage of Aboriginal children enrolled who participate in the MCH service)			
Computation	[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			

Strategic Objective 2

BEAUTIFUL TOWNSHIPS AND RURAL SETTINGS

To create a better place for our community and visitors to live in harmony with our rural character, natural beauty and heritage

Description of services provided	2022/23 Actual \$'000	2023/24 Forecast \$'000	2024/25 Budget \$'000
Building Control			
This service provides statutory building services to the Council and community including processing of building permits, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.	<i>Exp</i>	503	496
	<i>Rev</i>	510	425
	<i>NET</i>	(7)	71
The reduction in revenue relates to cadet grant funding and end of current contract for the shared service arrangement with Mansfield Shire Council for the provision of municipal building surveying services.			99

Description of services provided		2022/23	2023/24	2024/25
		Actual	Forecast	Budget
		\$'000	\$'000	\$'000
Community Safety				
This service facilitates a safer community through the provision of school crossing supervision, traffic management, domestic animal management, regulation and enforcement of local laws and community fire prevention as well as community education regarding these public safety programs.	<i>Exp</i>	495	563	529
	<i>Rev</i>	166	195	213
	<i>NET</i>	329	368	316
Development Approvals				
This service involves processing all planning applications, provides advice and makes decisions about development proposals that require a planning permit in accordance with the Victorian Planning Provisions (VPP), as well as representing Council at the Victorian Civil and Administrative Tribunal (VCAT) where necessary. The service also monitors the Murrindindi Planning Scheme as well as preparing major policy documents shaping the future of the shire. It also prepares and processes amendments to the Murrindindi Planning Scheme.	<i>Exp</i>	1,022	1,077	988
	<i>Rev</i>	362	396	407
	<i>NET</i>	660	681	581
Environmental Health				
This service involves protecting the community's health and wellbeing by coordinating food safety support programs, septic tank permit administration and immunisation programs.	<i>Exp</i>	445	541	413
	<i>Rev</i>	185	244	206
	<i>NET</i>	260	297	207
Infrastructure Maintenance				
Council has a vast network of infrastructure assets including buildings, roads, bridges, drains, and footpaths. This expenditure provides for ongoing maintenance of Council's infrastructure assets. 2023/24 expenditure includes the establishment of a roads and tree maintenance rapid response team and additional road materials.	<i>Exp</i>	5,562	5,888	5,405
	<i>Rev</i>	2,721	2,479	2,386
	<i>NET</i>	2,841	3,409	3,019
Parks, Gardens & Open Space Management				
This service provides planning, development and maintenance to our public open space, road reserves, street trees and parks.	<i>Exp</i>	1,754	2,128	2,017
	<i>Rev</i>	0	0	0
	<i>NET</i>	1,754	2,128	2,017

Key: Exp means Expenditure, Rev means Revenue,
NET means Net Cost (difference between revenue and expenditure)

Major and Other Initiatives

1. Deliver on Road Safety Strategy action plan including:
 - Motorcycle road safety enhancements
 - Local road speed changes
 - Road hierarchy changes (barriers, traffic calming devices)
2. Advocate to Department of Transport and Planning for public transport services and infrastructure improvements.
3. Continue to facilitate appropriate development to deliver positive social, economic and environmental outcomes.
4. Advocate for rain and river gauges across the catchment to inform emergency response and inform communities.
5. Rebuild damaged assets from October 2022 Floods and January 2024 Floods
6. Progress advocacy for a Regional Tertiary Study Hub for Yea
7. Complete stage one of the Eildon Reserves Redevelopment including:
 - Splash park and playgrounds
 - Skate park
 - Visitor amenities
8. Deliver on the priorities identifies in the Domestic Animal Management Plan

Service Performance Outcome Indicators

Service	Indicator	2022/23 Actual	2023/24 Forecast	2024/25 Target
<u>Statutory Planning</u>	Service standard	75.7%	75.0%	≥75.0%
Performance Measure	Planning applications decided within required timeframes (percentage of regular and VicSmart planning application decisions made within legislated timeframes)			
Computation	[Number of planning application decisions made within 60 days for regular permits and 10 days for VicSmart permits / Number of planning application decisions made] x100			
<u>Roads</u>	Condition	97.9%	95.0%	≥95.0%
Performance Measure	Sealed local roads below the intervention level (percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)			
Computation	[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100			
<u>Animal Management</u>	Health and Safety	100%	100%	100%
Performance Measure	Animal management prosecutions. (Percentage of animal management prosecutions which are successful)			
Computation	Number of successful animal management prosecutions / Total number of animal management prosecutions x100			

Service	Indicator	2022/23 Actual	2023/24 Forecast	2024/25 Target
<u>Food Safety</u>	Health and Safety	100%	100%	100%
Performance Measure	Critical and major non-compliance outcome notifications. (Percentage of critical and major non-compliance outcome notifications that are followed up by Council)			
Computation	[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			

Strategic Objective 3

GROWTH AND OPPORTUNITY

To prioritise and promote a culture in which the economy, businesses and community can grow and thrive

Services		2022/23 Actual \$'000	2023/24 Forecast \$'000	2024/25 Budget \$'000
<u>Economic Development and Tourism</u>				
This includes economic development activities and support to local visitor information centres, events and regional tourism marketing.	<i>Exp</i>	680	1,061	1,081
	<i>Rev</i>	0	200	0
	<i>NET</i>	680	861	1,081
<u>Caravan Parks</u>				
Council is the responsible authority for overseeing the management of the leases for the Yea and Marysville Caravan Parks.	<i>Exp</i>	138	320	41
	<i>Rev</i>	142	592	141
	<i>NET</i>	(4)	(272)	(100)
<u>Business Development</u>				
This service assists business investment and growth and facilitates access to local employment. Note: 2021/22 included the Eildon Floating Cities Project and the Outdoor Eating & Entertainment Package grant; 2021/22 includes the COVIDSafe Outdoor Activation Project and increased Business and Community Grants Program	<i>Exp</i>	294	260	194
	<i>Rev</i>	35	36	38
	<i>NET</i>	259	224	156
<u>Saleyards</u>				
This area covers the management and operations of the Yea Saleyards.	<i>Exp</i>	324	399	437
	<i>Rev</i>	479	422	574
	<i>NET</i>	(155)	(23)	(137)

Key: Exp means Expenditure, Rev means Revenue,
NET means Net Cost (difference between revenue and expenditure)

Major and Other Initiatives

1. Implement the actions of the Murrindindi Economic Development Strategy 2024 – 2029
2. Support public and private investment in Murrindindi shire
3. Support the implementation of the High Country Destination Management Plan to drive visitation and visitor spend
4. Finalise the development of the Local Development Strategy through the Entrepreneurial Working Groups
5. Advocate for the future use and management of State Forests to deliver social, economic and environmental outcomes for the Shire
6. Explore opportunities to partner with Taungurung Land and Water Council to strengthen relationships, increase awareness of culture and to progress initiatives across the Shire for the benefit of all.

Strategic Objective 4

OUR PROTECTED ENVIRONMENT

To protect and enhance our natural environment, supporting environmental sustainability, community resilience, innovation and adaption to climate change to achieve net-zero emissions by 2035

Description of services provided		2022/23 Actual \$'000	2023/24 Forecast \$'000	2024/25 Budget \$'000
Environmental Management				
This service includes management of Council's environmental impacts including sustainable resource use, energy consumption, roadside biodiversity management and pest plant and animal control.	<i>Exp</i>	466	501	525
	<i>Rev</i>	42	36	37
	<i>NET</i>	424	465	488
Climate Change				
This service includes management of Council's climate change initiatives. Council is the auspice for the Goulburn Murray Climate Alliance	<i>Exp</i>	384	460	333
	<i>Rev</i>	379	391	225
	<i>NET</i>	5	69	108
Waste Management Services				
This service provides kerbside rubbish and recycling collection, management of Resource Recovery Centres at Alexandra, Yea, Eildon, Kinglake and Marysville and landfill operations in Alexandra. These operations generate funds above the annual cost requirements to ensure that Council's waste reserve can provide for future waste management works (i.e. future cell construction, rehabilitation requirements and management of landfills).	<i>Exp</i>	4,625	4,872	4,767
	<i>Rev</i>	5,056	5,103	5,417
	<i>NET</i>	(431)	(231)	(650)

Key: Exp means Expenditure, Rev means Revenue,
NET means Net Cost (difference between revenue and expenditure)

Major and other Initiatives

1. Implement new waste education program in parallel with new four-stream kerbside services transition project
2. Establish recycling services for public litter bins
3. Cap Alexandra landfill to reduce carbon footprint - Stage 1
4. Deliver the actions of the roadside pest animal and weed management plan to mitigate the fire risk of invasive species (eg. Serrated Tussock has a recorded burn intensity of 7 times greater than native grasses) and strengthen ecosystem resilience
5. Implement Council's Climate Change Action Plan initiatives for 2024/25
6. Deliver preparatory site works at Council site at Flat Lead Rd, Yea, for carbon offsets, other regenerative and environmental opportunities
7. Implement the outcomes of the 2023/24 streetlight audit, to upgrade mercury vapour streetlights to LED
8. Deliver on the priorities identified in the Domestic Wastewater Management Plan
9. Implement the flood study, drainage and design for Thornton.

Service Performance Outcome Indicators

Service	Indicator Performance Measure	2022/23 Actual	2023/24 Forecast	2024/25 Target
<u>Waste Management</u>	Waste diversion	35%	34.0%	≥34.0%
Performance Measure	Kerbside collection waste diverted from landfill. (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)			
Computation	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100			

Strategic Objective 5

TRANSPARENCY, INCLUSION AND ACCOUNTABILITY

To ensure our services, people and systems deliver the best possible outcomes for our communities now and into the future

Description of services provided		2022/23 Actual \$'000	2023/24 Forecast \$'000	2024/25 Budget \$'000
Councillors				
This includes the cost of Council elections, Council chambers, Mayor and Councillors' expenses, Councillor development and civic events. A General Council election will be held in October 2024.	<i>Exp</i>	356	423	603
	<i>Rev</i>	1	1	2
	<i>NET</i>	355	422	601
Chief Executive and Executive Team				
This area includes Chief Executive Officer and Executive Management Team and associated support which cannot be easily attributed to the direct service provision areas.	<i>Exp</i>	1,357	1,407	1,436
	<i>Rev</i>	0	0	0
	<i>NET</i>	1,357	1,407	1,436
Communications and Publications				
This includes facilitation of communications, publications, regular radio spots and media releases issued as well as annual reports, strategic documents, the provision of Council's website, social media and community engagement activities.	<i>Exp</i>	551	606	605
	<i>Rev</i>	9	5	9
	<i>NET</i>	542	601	596
Financial Services				
These services include the management of Council's finances, payroll, accounts payable and receivable, raising and collection of rates and charges and valuation of properties throughout the municipality. Note: Revenue from interest on investments are budgeted to decrease flowing from movement in cash balances.	<i>Exp</i>	1,054	1,101	1,233
	<i>Rev</i>	1,556	1,680	1,480
	<i>NET</i>	(502)	(579)	(247)
Corporate Services				
These services include statutory and corporate support services to Council, including the coordination of business papers for meetings of Council and its committees and the coordination of Council's procurement. It is also responsible for enterprise risk management and the provision of document and information management support services to Council, including compliance with statutory obligations under Freedom of Information, Public Records, Information Privacy and Local Government Acts. Note: 2023/24 included the Digitalisation of Planning and Building files and Smart Forms grant funded projects. The value for the Recognition of Volunteer Services was \$140k higher in the 2022/23 year (no impact to NET). Insurance claims are also included in revenue. 2023/24 and 2024/25 includes on off Council contributions to the implementation of the CODI digitalisation project.	<i>Exp</i>	1,445	1,499	1,327
	<i>Rev</i>	324	357	122
	<i>NET</i>	1,121	1,142	1,205

Description of services provided		2022/23	2023/24	2024/25
		Actual	Forecast	Budget
		\$'000	\$'000	\$'000
Human Resources				
This has a focus on management of OH&S risk and organisational wellbeing and improving performance through the continuous development, improvement and implementation of our strategies, policies, procedures and employee training opportunities in relation to human resources and payroll. 2021/22 lower expenditure due to vacancies.	<i>Exp</i>	582	670	696
	<i>Rev</i>	0	0	0
	<i>NET</i>	582	670	696
Information Technology and Digital Futures				
This area provides support, and maintains communications and computing systems, facilities and infrastructure to enable staff to deliver services in a smart, productive and efficient way. <i>Note: increased focus on Digital Futures commenced in 2021</i>	<i>Exp</i>	1,101	2,020	1,853
	<i>Rev</i>	0	0	0
	<i>NET</i>	1,101	2,020	1,853
Customer Services				
This unit provides front counter services at Alexandra, Yea and Kinglake offices including reception, telephone, receipting of payments, connecting customers with relevant departments, customer request coordination, hall bookings, as well as the provision of a number of other civic services.	<i>Exp</i>	987	1,049	1,147
	<i>Rev</i>	3	5	5
	<i>NET</i>	984	1,044	1,142
Emergency Management				
This is funding of Council's statutory emergency services obligations including the Municipal Emergency Management Plan. <i>Note: 2022/23 and 2023/24 includes revenue and expenditure in relation to the 2022 and 2023 flood events.</i>	<i>Exp</i>	1,342	4,134	439
	<i>Rev</i>	481	5,118	8
	<i>NET</i>	861	(984)	431
Asset Planning and Management				
This unit strategically manages the capital works planning and renewal requirements of all of Council's \$450m worth of public assets.	<i>Exp</i>	1,550	1,700	1,889
	<i>Rev</i>	486	713	747
	<i>NET</i>	1,064	987	1,142

Key: Exp means Expenditure, Rev means Revenue,
NET means Net Cost (difference between revenue and expenditure)

Major and Other Initiatives

1. Enhance our customer service systems and processes to improve our management of customer applications, requests and feedback
2. Upgrade the organisation's Information, Communications and Technology (ICT) capability and systems
3. Continue to work with our neighbouring councils (Mansfield, Strathbogie & Benalla) to implement the CODI Project (Rural Council's Transformation Program)
4. Continue to Implement the actions identified in the Workforce Management Strategy and Gender Equality Action Plan
5. Work with the Victorian Electoral Commission (VEC) to promote and facilitate the 2024 Council elections
6. Prepare and implement an induction program for the newly elected Council
7. Commence development of a new Council Plan 2025-2029
8. Deliver the Local Emergency Action Plan Project in collaboration with neighbouring councils

Service Performance Outcome Indicators

Service	Indicator Performance Measure	2022/23 Actual	2023/24 Forecast	2024/25 Target
<u>Governance</u>	Consultation and Engagement	54	55	≥56
Performance Measure	Satisfaction with community consultation and engagement. (Community satisfaction rating out of 100 with the consultation and engagement efforts of Council)			
Computation	Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement			

2.6 Reconciliation with 2024/25 budgeted operating result

	Net Cost (Revenue) \$'000	Expenditure \$'000	Revenue \$'000
Resilient Communities	2,687	4,447	1,760
Beautiful Townships and Rural Settings	6,239	9,874	3,635
Growth and Opportunity	1,000	1,753	753
Our Protected Environment	(54)	5,625	5,679
Transparency, Inclusion and Accountability	8,855	11,228	2,373
Total	18,727	32,927	14,200
Expenses added in:			
Depreciation (excluding plant & amortisation IT)	8,574		
Finance Costs	74		
Net (gain)/loss on disposal of property, infrastructure, plant & equip.	626		
Deficit before funding sources	28,001		
Funding sources added in:			
Rates & charges revenue (not including waste charges)	20,690		
Grants commission - operating grant (ex. local roads)	3,819		
Grants - capital	5,825		
Total funding sources	30,334		
Operating surplus/(deficit) for the year	2,333		

3. Financial Statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The Budget information for the year 2024/25 has been supplemented with projections to 2027/28.

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

Comprehensive Income Statement

For the four years ending 30 June 2028

	Forecast Actual	Budget	Projections			
			2023/24	2024/25	2025/26	2026/27
	NOTES	\$'000	\$'000	\$'000	\$'000	\$'000
Income / Revenue						
Rates and charges	4.1.1	24,073	24,935	25,621	26,262	26,787
Statutory fees and fines	4.1.2	1,306	1,295	1,331	1,364	1,391
User fees	4.1.3	1,391	1,652	1,697	1,740	1,775
Grants - Operating	4.1.4	14,225	7,768	7,884	8,002	8,122
Grants - Capital	4.1.4	8,330	5,832	7,636	4,582	6,017
Contributions - monetary	4.1.5	345	441	450	459	468
Contributions - non-monetary	4.1.5	600	600	612	624	637
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		(600)	(600)	(612)	(624)	(637)
Other income	4.1.6	2,871	2,009	2,049	2,090	2,132
Total income / revenue		52,542	43,932	46,668	44,499	46,692
Expenses						
Employee costs	4.1.7	19,111	18,341	18,708	19,082	19,463
Materials and services	4.1.8	18,868	13,817	13,955	14,095	14,236
Depreciation and amortisation	4.1.9	9,049	8,832	8,742	8,939	9,117
Borrowing costs		-	4	2	1	1
Finance costs - leases		18	73	134	115	95
Other expenses	4.1.12	499	532	537	543	548
Total expenses		47,546	41,599	42,100	42,774	43,460
Surplus/(deficit) for the year		4,996	2,333	4,568	1,725	3,232
Total comprehensive result		4,996	2,333	4,568	1,725	3,232

Balance Sheet

For the four years ending 30 June 2027

	NOTES	Forecast	Budget	Projections		
		Actual 2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
Assets						
Current assets						
Cash and cash equivalents		1,253	2,020	2,060	2,102	2,144
Investments		30,046	30,373	27,235	25,069	24,108
Trade and other receivables		4,014	4,000	4,080	4,162	4,245
Other financial assets		-	-	-	-	-
Inventories		40	75	77	78	80
Prepayments		185	185	189	192	196
Non-current assets classified as held for sale		-	-	-	-	-
Accrued Income		150	-	-	-	-
Total current assets	4.2.1	35,688	36,653	33,641	31,602	30,772
Non-current assets						
Intangible assets		261	17	13	8	3
Property, infrastructure, plant & equipment		494,652	500,167	507,932	511,690	515,735
Right of Use Assets IT		30	54	36	18	-
Trade and other receivables		1	0	-	-	-
Total non-current assets	4.2.1	494,944	500,238	507,981	511,716	515,738
Total assets		530,633	536,891	541,622	543,319	546,511
Liabilities						
Current liabilities						
Trade and other payables		2,325	2,350	2,397	2,445	2,494
Trust funds and deposits		1,269	2,087	2,129	2,171	2,215
Lease Liability – IT Right of Use Asset		37	18	19	20	-
Grants in Advance		2,000	2,000	2,040	2,081	2,122
Provisions – Employee Entitlements		3,600	3,700	3,774	3,849	3,926
Interest-bearing liabilities	4.2.3	-	181	377	396	416
Total current liabilities	4.2.2	9,231	10,336	10,736	10,963	11,173
Non-current liabilities						
Provisions		7,900	7,900	8,058	8,219	8,384
Lease Liability – IT Right of Use Asset		37	38	20	-	-
Interest-bearing liabilities	4.2.3	-	2,819	2,442	2,046	1,630
Total non-current liabilities	4.2.2	7,937	10,757	10,520	10,265	10,014
Total liabilities		17,167	21,093	21,256	21,228	21,187
Net assets		513,465	515,798	520,366	522,091	525,324
Equity						
Accumulated surplus		148,338	153,018	160,367	164,028	167,961
Reserves		365,127	362,780	359,999	358,063	357,362
Total equity		513,465	515,798	520,366	522,091	525,324

Statement of Changes in Equity

For the four years ending 30 June 2028

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2024 Forecast Actual				
Balance at beginning of the financial year	508,469	138,374	351,368	18,727
Surplus/(deficit) for the year	4,996	4,996	-	-
Transfers to other reserves	-	(6,036)	-	6,036
Transfers from other reserves	-	11,004	-	(11,004)
Balance at end of the financial year	513,465	148,338	351,368	13,759
2025 Budget				
Balance at beginning of the financial year	513,465	148,338	351,368	13,759
Surplus/(deficit) for the year	2,333	2,333	-	-
Transfers to other reserves	-	(6,146)	-	6,146
Transfers from other reserves	-	8,493	-	(8,493)
Balance at end of the financial year	515,798	153,018	351,368	11,412
2026				
Balance at beginning of the financial year	515,798	153,018	351,368	11,412
Surplus/(deficit) for the year	4,568	4,568	-	-
Transfers to other reserves	-	(6,161)	-	6,161
Transfers from other reserves	-	8,492	-	(8,492)
Balance at end of the financial year	520,366	160,367	351,368	8,631
2027				
Balance at beginning of the financial year	520,366	160,367	351,368	8,631
Surplus/(deficit) for the year	1,725	1,725	-	-
Transfers to other reserves	-	(6,176)	-	6,176
Transfers from other reserves	-	8,113	-	(8,113)
Balance at end of the financial year	522,091	164,028	351,368	6,695
2028				
Balance at beginning of the financial year	522,091	164,028	351,368	6,695
Surplus/(deficit) for the year	3,232	3,232	-	-
Transfers to other reserves	-	(6,186)	-	6,186
Transfers from other reserves	-	6,888	-	(6,888)
Balance at end of the financial year	525,324	167,961	351,368	5,994

Statement of Cash Flows

For the four years ending 30 June 2028

	Forecast	Budget	Projections		
	Actual				
	2023/24	2024/25	2025/26	2026/27	2027/28
	\$'000	\$'000	\$'000	\$'000	\$'000
	Inflows	Inflows	Inflows	Inflows	Inflows
	(Outflows)	(Outflows)	(Outflows)	(Outflows)	(Outflows)
Cash flows from operating activities					
Rates and charges	23,681	24,730	25,541	26,180	26,704
Statutory fees and fines	1,306	1,290	1,331	1,364	1,391
User fees	1,535	1,868	1,867	1,914	1,952
Grants - operating	14,122	7,768	7,884	8,002	8,122
Grants - capital	6,136	5,832	7,676	4,623	6,059
Contributions - monetary	345	441	450	459	468
Interest received	1,975	1,523	1,500	1,501	1,502
Other income	1,618	891	549	589	630
Net GST refund / payment	1,651	1,147	1,679	1,721	1,746
Net Trust funds and deposits	(625)	818	42	43	43
Employee costs	(19,074)	(18,241)	(20,323)	(20,730)	(21,144)
Materials and services	(20,120)	(15,234)	(13,913)	(14,052)	(14,192)
Other payments	(549)	(584)	(537)	(543)	(548)
Net cash provided by/(used in) operating activities 4.4.1	12,001	12,249	13,745	11,062	12,733
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(21,904)	(14,224)	(16,707)	(12,875)	(13,340)
Proceeds from sale of property, infrastructure, plant and equipment	211	138	200	200	200
Net cash provided by/ (used in) investing activities 4.4.2	(21,692)	(14,086)	(16,507)	(12,675)	(13,140)
Cash flows from financing activities					
Finance costs	(18)	(52)	(134)	(115)	(95)
Proceeds from borrowings	-	3,000	-	-	-
Repayment of borrowings	-	-	(181)	(377)	(396)
Interest paid – lease liability	-	(17)	(2)	(1)	(1)
Repayment of lease liabilities	-	-	(17)	(19)	(20)
Net cash provided by/(used in) financing activities	(18)	2,931	(334)	(512)	(512)
Net increase/(decrease) in cash & cash equivalents 4.4.3	(9,709)	1,094	(3,096)	(2,125)	(919)
Cash and cash equivalents at the beginning of the financial year	41,008	31,299	32,392	29,296	27,170
Cash and cash equivalents at the end of the financial year	31,299	32,392	29,296	27,170	26,251

Statement of Capital Works

For the four years ending 30 June 2028

	NOTES	Forecast Actual	Budget	Projections		
		2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000
Property						
Land		-	-	-	-	-
Land improvements		189	330	345	200	200
Total land		189	330	345	200	200
Buildings		1,520	791	937	965	1,199
Recreational, leisure and community facilities			3,603			
Total buildings		1,520	4,394	937	965	1,199
Total property		1,709	4,724	1,282	1,165	1,399
Plant and equipment						
Plant, machinery and equipment		1,693	1,148	1,050	1,050	1,285
Computers and telecommunications		283	166	200	225	225
Library books		113	100	106	106	106
Total plant and equipment		2,089	1,414	1,356	1,386	1,616
Infrastructure						
Roads		6,379	4,244	5,734	5,218	4,991
Bridges		509	465	911	630	455
Carparks				300		230
Footpaths and cycleways		810	333	1,250	456	1,663
Drainage		358	713	250	325	584
Parks, open space and streetscapes				1,356	650	432
Recreational, leisure and community facilities		5,115		1,325	175	325
Waste management		4,935	2,330	2,943	2,870	1,645
Total infrastructure		18,106	8,085	14,069	10,324	10,325
Total capital works expenditure	4.5.1	21,904	14,223	16,707	12,875	13,340
Represented by:						
New asset expenditure		3,247	1,837	2,795	1,316	700
Asset renewal expenditure		8,850	5,916	8,507	7,186	8,163
Asset expansion expenditure		2,475	2,073	2,407	1,130	2,857
Asset upgrade expenditure		7,332	4,397	2,998	3,243	1,620
Total capital works expenditure	4.5.1	21,904	14,223	16,707	12,875	13,340
Funding sources represented by:						
Grants		8,330	5,832	7,636	4,582	6,017
Contributions		130	120			
Council cash		9,178	4,738	5,168	5,223	5,478
Reserves		4,266	3,534	3,903	3,070	1,845
Total capital works expenditure	4.5.1	21,904	14,223	16,707	12,875	13,340

Summary of Budgeted Human Resources Expenditure

For the four years ended 30 June 2028

This report only includes staff employed by Council. Council engages independent and agency contractors to undertake roles when vacancies are unfilled or to undertake short term projects. This report excludes any costs associated with the engagement of these contractors. These costs are reported as materials and services in the Income Statement.

Vacancies are budgeted as employee costs while Council recruits, where the vacancy is then filled by a contractor it then moves to materials and services.

The 2023/24 employee numbers have been temporarily boosted due to grant funded flood recovery works.

	Forecast	Budget		Projections	
	Actual	2024/25	2025/26	2026/27	2027/28
	2023/24	2024/25	2025/26	2026/27	2027/28
	\$'000	\$'000	\$'000	\$'000	\$'000
Staff expenditure					
Employee costs - operating	19,111	18,341	18,708	19,082	19,463
Employee costs - capital	467	477	486	496	506
Total staff expenditure	19,579	18,818	19,194	19,578	19,969
	FTE	FTE	FTE	FTE	FTE
Staff numbers					
Employee FTE - operating	172	165	166	167	168
Employee FTE - capital	5	5	5	5	5
Total staff numbers	177	170	171	172	173

Human resources budgeted expenditure categorised according to the organisational structure of Council is included below:

	2024/25	2025/26	2026/27	2027/28
	\$'000	\$'000	\$'000	\$'000
Executive				
Full time	1,007	1,027	1,048	1,069
Total Executive	1,007	1,027	1,048	1,069
Assets and Environment				
Full time	5,737	5,852	5,970	6,089
Part time	665	678	692	706
Total Assets and Environment	6,402	6,530	6,662	6795
Community and Development				
Full time	3,675	3,749	3,824	3,901
Part time	1,195	1,218	1,243	1,267
Total Community and Development	4,870	4,967	5,067	5,168
People and Corporate Performance				

	2024/25	2025/26	2026/27	2027/28
	\$'000	\$'000	\$'000	\$'000
Full time	3,201	3,265	3,331	3,397
Part time	1,911	1,950	1,986	2,026
Total People and Corporate Performance	5,112	5,215	5,317	5,423
Total Permanent staff costs	17,391	17,739	18,094	18,455
New, casual and temporary staff expenditure	950	969	988	1,008
Total	18,341	18,708	19,082	19,463
Capitalised labour costs	477	486	496	506
Total staff budgeted expenditure	18,818	19,194	19,578	19,969

Human resources budgeted FTE categorised according to the organisational structure of Council is included below:

	2024/25	2025/26	2026/27	2027/28
	FTE	FTE	FTE	FTE
Executive				
Full time	4.0	4.0	4.0	4.0
Total Executive	4.0	4.0	4.0	4.0
Assets and Environment				
Full time	55.0	55.0	55.0	55.0
Part time	7.2	7.2	7.2	7.2
Total Assets and Environment	62.2	62.2	62.2	62.2
Community and Development				
Full time	29.5	29.5	29.5	29.5
Part time	10.5	10.5	10.5	10.5
Total Community and Development	40.0	40.0	40.0	40.0
People and Corporate Performance				
Full time	27.0	27.0	27.0	27.0
Part time	19.8	19.8	19.8	19.8
Total People and Corporate Performance	46.8	46.8	46.8	46.8
Total Permanent staff FTE	153.0	153.0	153.0	153.0
New, Casual and temporary staff	12.0	13.0	14.0	15.0
Total	165.0	166.0	167.0	168.0
Capitalised labour	5.0	5.0	5.0	5.0
Total staff budgeted FTE	170.0	171.0	172.0	173.0

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

Group	Budget 2024/25 \$'000	Comprises			
		Permanent Full Time \$'000	Part time \$'000	Casual \$'000	Temporary \$'000
		Executive Team	1,007	1,007	-
Assets and Environment	6,403	5,738	665	57	17
Community and Development	4,871	3,676	1,195	467	117
People and Corporate Performance	5110	3,201	1,909	155	137
Total permanent staff expenditure	17,391	13,622	3,769	679	271
Casuals, temporary and other expenditure	950				
Total employee costs - operating	18,341				
Total employee costs – capital	477				
Total staff expenditure	18,817				

A summary of the number of full time equivalent (FTE) positions in relation to the above expenditure is included below.

Department	Budget 2024/25 FTE	Comprises			
		Permanent Full Time FTE	Part time FTE	Casual FTE	Temporary FTE
		Executive Team	4.0	4.0	-
Assets and Environment	62.2	55.0	7.2	0.6	0.2
Community and Development	40.0	29.5	10.5	6.2	1.4
People and Corporate Performance	46.8	27.0	19.8	1.3	2.4
Total permanent staff expenditure	153.0	115.5	37.5	8.0	4.0
Casuals, temporary and other expenditure	12.0				
Total FTE - operating	165.0				
Capitalised labour costs	5.0				
Total staff FTE	170.0				

A detailed gender split has not been provided in this document, due to small staff numbers across departments and to respect the privacy of employees in relation to their gender identification. Further information on gender diversity is available upon request.

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 annual 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 are 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 2024/25 the FGRS cap has been set at 2.75%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges. It should be noted that the waste & recycling charges are not included in the FGRS cap calculation.

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 2.75% in line with the rate cap.

This will result in a total rates and charges for 2024/25 of \$24.9m (excluding interest charges).

ANNUAL BUDGET 2024/25

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

	Forecast Actual 2023/24 \$'000	Budget 2024/25 \$'000	Change	
			\$'000	%
General rates*	15,985	16,618	633	4.0%
Waste, recycling or resource recovery services	3,879	4,072	193	5.0%
Municipal charge*	3,590	3,686	96	2.66%
Interest on Rates and Charges	148	148	-	0%
Supplementary rates and rate adjustments	200	146	(54)	(27.19%)
Revenue in lieu of rates	298	240	(58)	(19.36%)
Total rates and charges	24,100	24,910	810	3.58%

*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	2023/24 cents/\$CIV*	2024/25 cents/\$CIV*	Change
General rate for rateable residential properties	0.1849	0.1915	3.57%
General rate for rateable commercial/industrial properties	0.2311	0.2393	3.55%
General rate for rateable vacant land properties*	0.2774	0.3829	38.03%
General rate for rateable rural 1 properties	0.1294	0.1340	3.55%
General rate for rateable rural 2 properties	0.1831	0.1895	3.50%

* Council has proposed an amendment to the weighting applied to the Vacant Land differential, increasing from 150% to 200% of the General (Residential) rate. This is to encourage the development of land already zoned for residential or commercial/industrial purposes to support the growth needed to sustain our communities now and into the future and to help alleviate the emerging housing stock shortages. This will result in a movement of the allocation of the rate requirement from other differentials (rate classes) to vacant land.

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

Type or class of land	2023/24 \$'000	2024/25 \$'000	Change	
			\$'000	%
Residential	7,273	7,198	(75)	(1.03%)
Commercial / Industrial	819	913	94	11.48%
Vacant Land	771	1,054	283	36.71%
Rural 1	3,614	3,917	303	8.44%
Rural 2	3,509	3,536	27	0.77%
Total amount to be raised by general rates	15,986	16,618	633	4.0%
Annualised 2023/24 supplementary rate revenue	188			
Annualised amount	16,174	16,618	444	2.75%

ANNUAL BUDGET 2024/25

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

Type or class of land	2023/24	2024/25	Change	
	Number	Number	Number	%
Residential	5,920	5,992	72	1.2%
Commercial / Industrial	446	452	6	1.3%
Vacant Land	708	688	(20)	(2.8%)
Rural 1	1,289	1,289	0	0%
Rural 2	1,849	1,852	3	0.2%
Total number of assessments	10,212	10,273	61	0.6%

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 rateable land, and the estimated total value of land, compared with the previous financial year.

Type or class of land	2023/24	2024/25	Change	
	\$'000	\$'000	\$'000	%
Residential	3,933,261	3,758,783	(174,478)	(4.44%)
Commercial / Industrial	354,435	381,760	27,325	7.71%
Vacant Land	277,857	275,216	(2,641)	(0.95%)
Rural 1	2,792,790	2,923,030	130,240	4.66%
Rural 2	1,916,507	1,865,857	(50,650)	(2.64%)
Total value of land	9,274,850	9,204,646	(70,204)	(0.76)

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	Per Rateable Property	Change	
	2023/24	2024/25	\$	%
Municipal	364.00	374.00	10	2.75%

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

Type of Charge	2023/24	2024/25	Change	
	\$'000	\$'000	\$'000	%
Municipal	3,591	3,686	95	2.65%

ANNUAL BUDGET 2024/25

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	Per Rateable Property	Change	
	2023/24	2024/25	\$	%
	\$	\$		
Kerbside Collection	416.85	428.35	12	2.76%
Recycling	127.45	130.95	3	2.75%
Total	544.30	559.30	15	2.76%

For the purposes of clarification of "defined properties" for garbage and recycling charges, defined properties for compulsory garbage and recycling charges are described as follows;

- all townships (residential)
- all townships and low density residential zones
- all other residential properties within the area as defined previously by Council.
(no change).

For industrial or commercial properties, 75% of the garbage charge & recycling charge will be waived upon production of satisfactory evidence to Council that an alternative commercial waste disposal arrangement is in operation.

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	2023/24	2024/25	Change	
	\$'000	\$'000	\$'000	%
Kerbside Collection	2,941	3,106	165	5.61%
Recycling	913	966	53	5.81%
Total	3,854	4,072	218	5.66%

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

	2023/24	2024/25	Change	
	\$'000	\$'000	\$'000	%
General Rates	15,985	16,618	633	4.0%
Municipal Charge	3,590	3,686	96	2.66%
Kerbside Collection and Recycling	3,854	4,072	218	5.66%
Agreement in lieu of rates (Power Station)	298	240	79	49.0%
Supplementary rates and charges	200	146	(16)	(9.9%)
Total Rates and charges	23,952	24,762	810	3.4%

4.1.1(l) Fair Go Rates System Compliance

Murrindindi Shire Council is fully compliant with the State Government's Fair Go Rates System, as demonstrated in the following table.

	2023/24	2024/25
	\$'000	\$'000
Total Rates	19,738	20,450
Number of rateable properties	10,212	10,273
Base Average Rates	1,933	1,990
Maximum Rate Increase (set by the State Government)	3.50%	2.75%
Capped Average Rate	2,000	2,045
Maximum General Rates and Municipal Charges Revenue	20,429	21,008
Budgeted General Rates and Municipal Charges Revenue	19,579	20,304

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

There are no known significant changes which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:

- the making of supplementary valuations (2024/25: estimated \$146,000 and 2023/24: \$162,000)
- 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 categories

Rates to be levied

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

- a general rate of 0.001915 (0.1915 cents in the dollar of CIV) for all rateable residential properties
- a differential rate of 0.002393 (0.2393 cents in the dollar of CIV) for all rateable Commercial and Industrial properties (125% of general rate)
- a differential rate of 0.001340 (0.1340 cents in the dollar of CIV) for all rateable Rural 1 properties (70% of general rate)
- a differential rate of 0.001895 (0.1895 cents in the dollar of CIV) for all rateable Rural 2 properties (99% of general rate)
- a differential rate of 0.003829 (0.3829 cents in the dollar of CIV) for all rateable Vacant Land properties (200% of general rate).

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

Council considers that each differential rate will contribute to the 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 below.

Rural 1 Land

Rural 1 land is any rateable land, which is:

- not less than 40 hectares in area
- shall include non-contiguous assessments within the Shire operating as a single farm enterprise.

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- construction and maintenance of infrastructure assets
- development and provision of health and community services
- provision of general support services
- recognition of the capital required for farming within the Shire and limited access to some services.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

Land covered by this classification is not affected by ward boundaries.

Rural 2 Land

Rural 2 land is any rateable land, which is:

- greater than 4 hectares and less than 40 hectares in area
- shall include non-contiguous assessments within the Shire operating as a single farm enterprise

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- construction and maintenance of infrastructure assets
- development and provision of health and community services
- provision of general support services
- recognition of the capital required for farming within the Shire and limited access to some services.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

Land covered by this classification is not affected by ward boundaries.

Vacant Land

Vacant land is defined as:

- any land which is located in Council's defined residential, commercial, rural living or industrial zones for planning purposes that is currently undeveloped
- undeveloped land is broadly classified as -
 - land not containing an approved, habitable structure, or
 - land that has not been developed for the purpose of commercial or industrial use.

The objective of this differential rate is to encourage property owners to develop vacant land identified by Council as suitable for development, rather than simply acquire or hold land for the purpose of future investment without developing it. Encouraging the development of land ensures that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of the Council.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

Land covered by this classification is not affected by ward boundaries

Commercial / Industrial Land

Commercial and industrial properties are defined as:

- any property which is used primarily for commercial and/or industrial purposes and/or,
- any property zoned as commercial and industrial land under the planning scheme in force in the municipal district which is not deemed vacant as per above

The objective of this differential rate is to ensure that the owners of the property having the characteristics of Commercial and Industrial Land make an equitable financial contribution to the cost of carrying out Council's functions, including those functions supporting economic development and tourism, and the renewal and maintenance of public infrastructure that is of critical importance and benefit to business owners.

The types and classes of rateable land within this differential rate are those having the relevant characteristics described above.

The money raised by the differential rate will be applied to the items of expenditure described in the Budget by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

4.1.2 Statutory fees and fines

	Forecast	Budget	Change	
	Actual			
	2023/24	2024/25	\$'000	%
	\$'000	\$'000	\$'000	%
Building	419	423	4	0.95%
Community Safety	203	205	2	0.96%
Environmental Health	205	187	(18)	(8.82%)
Development Services	361	362	1	0.25%
Other	117	118	1	0.60%
Total statutory fees and fines	1,306	1,295	(11)	(0.81%)

Statutory fees and fines relate mainly to fees and fines levied in accordance with legislation and include planning permits, subdivision fees, building permits, Health Act registrations, animal registrations and parking infringements. Increase in Building and Environmental Health fee income relates to increase in property development & the number of septic tank inspections.

4.1.3 User fees

	Forecast	Budget	Change	
	Actual			
	2023/24	2024/25	\$'000	%
	\$'000	\$'000	\$'000	%
Halls & Community Centres	15	17	2	13.78%
Saleyards fees	402	554	152	37.82%
Recreation Pools & leisure centres	17	17	-	0%
Waste - transfer stations & landfill fees	928	1,032	104	11.21%
Other	29	33	3	11.30%
Total user fees	1,391	1,652	261	18.79%

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. In setting the Budget, the key principle for determining the level of user charges has been to ensure that where possible, individual fee levels increases do not exceed the rate cap unless there was clear evidence of a need for a higher increase eg: statutory charges, cost recovery or benchmarking. Benchmarking was undertaken with neighbouring councils and fees have been adjusted where necessary to ensure appropriate cost recovery.

4.1.4 Grants

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

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

	Forecast	Budget	Change	
	Actual	2024/25	\$'000	%
	2023/24	\$'000	\$'000	
Grants received in respect of the following:				
Summary of grants				
Commonwealth funded grants	15,890	9,374	(6,516)	(41%)
State funded grants	6,666	4,225	(2,441)	(37%)
Total grants received	22,556	13,599	(8,956)	(40%)
(a) Operating Grants				
Recurrent - Commonwealth Government				
Aged and disability	31	31	-	-
Financial assistance grants	6,083	5,914	(169)	(3%)
Children services	828	700	128.00	(15%)
Recurrent - State Government				
Aged and disability	1	3	2	199%
Children services	346	355	9	3%
Library Services	166	166	-	0%
Public Health	14	14	-	0%
Road Safety	46	46	-	0%
Total recurrent grants	7,514	7,228	(286)	(4%)
Non-recurrent - Commonwealth Government				
Community	8	-	8	(100%)
Emergency management and recovery	3,303	-	(3,303)	(100%)
Non-recurrent - State Government				
Children services	63	65	2	3%
Community	669	90	(579)	(87%)
Development Approvals	6	-	(6)	(100%)
Economic development	266	140	(126)	(47%)
Emergency management	1,868	3	(1,806)	(97%)
Environmental Services	308	36	(271)	(88%)
Public Health	79	6	(73)	(93%)
Tourism	1	-	(1)	(100%)
Waste and recycling	45	45	-	-
Youth services	96	96	-	-
Total non-recurrent grants	6,711	540	(6,172)	(92%)
Total operating grants	14,225	7,768	(6,458)	(45%)

	Forecast	Budget	Change	
	Actual	2024/25	\$'000	%
	2023/24	2024/25		
	\$'000	\$'000	\$'000	%
(b) Capital Grants				
<i>Recurrent - Commonwealth Government</i>				
Roads to recovery	2,190	1,211	(979)	(45%)
<i>Recurrent - State Government</i>				
Library Materials	6	6	0	0%
Total recurrent grants	2,196	1,217	(979)	(45%)
<i>Non-recurrent - Commonwealth Government</i>				
Bridges	254	-	(254)	(100%)
Buildings	354	-	(354)	(100%)
Roads	2,838	1,518	(1,320)	(47%)
<i>Non-recurrent - State Government</i>				
Buildings	2,376	1,976	(400)	(17%)
Environmental services	129	-	(129)	(100%)
Footpaths and cycleways	55	-	(55)	(100%)
Roads	128	1,120	992	778%
Total non-recurrent grants	6,134	4,614	(1,520)	(25%)
Total capital grants	8,330	5,832	(2,499)	(30%)
Total Grants	22,556	13,599	(8,956)	(40%)

4.1.5 Contributions

	Forecast	Budget	Change	
	Actual	2024/25	\$'000	%
	2023/24	2024/25		
	\$'000	\$'000	\$'000	%
Monetary - operating	215	306	91	42.33%
Monetary - capital	130	135	5	3.85%
Non-monetary - Capital	600	600	0	0.0%
Total contributions	945	1,041	96	10.16%

Monetary contributions are funds paid by developers that relate to public recreation, drainage and car parking in accordance with planning permits issued for property development.

Non-monetary contributions relate to gifted assets that are received from developers for public recreation, drainage and car parking in accordance with planning permits issued for property development in lieu of making a monetary payment to Council.

4.1.6 Other income

	Forecast	Budget	Change	
	Actual	2024/25	\$'000	%
	2023/24	2024/25		
	\$'000	\$'000	\$'000	%
Interest	1,400	1,200	(201)	(14.32%)
Rental	296	275	(21)	(7.06%)
Reimbursements	823	185	(638)	(77.51%)
Other	353	350	(3)	(0.85%)
Total other income	2,871	2,009	(862)	(30.03%)

Other income relates to a range of items such as cost recovery and other miscellaneous income items. It consists primarily of interest revenue on investments and rate arrears and rent revenue that Council receives from various lease or licence agreements. The reduction in reimbursements relates to a reduction in legal costs in collecting rates. Other relates to the recognition value of volunteer services.

4.1.7 Employee costs

	Forecast	Budget	Change	
	Actual	2024/25	\$'000	%
	2023/24	2024/25		
	\$'000	\$'000	\$'000	%
Wages and salaries	16,994	16,156	(839)	(4.94%)
WorkCover	378	363	(15)	(4.07%)
Superannuation	1,739	1,822	84	4.82%
Total employee costs	19,111	18,341	(770)	(4.03%)

Employee costs include all labour related expenditure such as wages, salaries, allowances and on-costs such as leave entitlements, superannuation and WorkCover. Refer to Table 3.1 for further details of employment costs. Budgeted employee cost includes the 0.5% increase for compulsory employer superannuation increase effective from 1 July 2024.

4.1.8 Materials and services

	Forecast	Budget	Change	
	Actual	2024/25	\$'000	%
	2023/24	2024/25		
	\$'000	\$'000	\$'000	%
Consultants	542	383	(159)	(29.34%)
Contractors	11,494	8,591	(2,903)	(25.26%)
Contributions	1,155	1,051	(104)	(9.03%)
Information Technology	766	722	(44)	(5.81%)
Insurance	783	881	98	12.49%
Legal expenses	211	199	(12)	(5.58%)
Materials	3,375	1,442	(1,932)	(57.26%)
Utilities	542	548	(6)	1.09%
Total materials and services	18,868	13,817	(5,051)	(26.77%)

Materials and services include the purchase of consumables, payments to contractors for the provision of services and utility costs. The 2023/24 Forecast Actual includes carry forward expenditure from 2022/23 for projects such as IT/Digital Futures, weed control, plant, projects and maintenance programs.

4.1.9 Depreciation

	Forecast	Budget	Change	
	Actual	2024/25	\$'000	%
	2023/24	2024/25		
	\$'000	\$'000	\$'000	%
Property	1,732	1,780	48	2.75%
Plant & equipment	1,119	1,119	-	0%
Infrastructure	5,520	5,672	152	2.75%
Intangible Assets	-	-	-	0%
Total depreciation	8,371	8,570	199	2.38%

Depreciation is an accounting measure which allocates the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains.

4.1.9(a) Amortisation – Intangible assets

	Forecast	Budget	Change	
	Actual	2024/25	\$'000	%
	2023/24	2024/25		
	\$'000	\$'000	\$'000	%
Software Annual Amortisation	226	-	(226)	(100%)
Landfill Airspace Usage	444	244	(200)	(45.09%)
Total amortisation	670	244	(426)	(63.62%)

Amortisation is an accounting measure which allocates the value of an intangible asset over its useful life.

4.1.9(b) Depreciation – Right of use assets

	Forecast	Budget	Change	
	Actual	2024/25	\$'000	%
	2023/24	2024/25		
	\$'000	\$'000	\$'000	%
Right of use assets	8	18	10	137.36%
Total depreciation	8	18	10	137.36%

Depreciation is an accounting measure which allocates the value of a “right of use asset” over its useful life.

4.1.12 Other expenses

	Forecast	Budget	Change	
	Actual	2024/25	\$'000	%
	2023/24	2024/25		
	\$'000	\$'000	\$'000	%
Auditor remuneration	98	98	-	0%
Councillor Allowances	263	276	13	5.11%
Bad and Doubtful Debt	-	2	2	
Other	139	157	18	12.87%
Total other expenses	499	532	33	6.56%

Other expenses relate to rates and charges waived for charitable and not-for-profit organisations, Councillors' allowances and remuneration for auditors and audit committee members. The Budget reflects the new Councillor allowances as determined by the Victorian Independent Remuneration Tribunal and increase in recognition of volunteer services.

4.2 Balance Sheet

4.2.1 Assets

Council's asset position is primarily driven by the value of its physical infrastructure (property, plant and equipment) and its projected cash levels. Cash and cash equivalents include cash and investments held in the bank in deposits or other highly liquid investments with short term maturities of three months or less.

4.2.2 Liabilities

Council's liabilities, exclusive of bank debt which is detailed further in section 4.2.3 below is primarily made up of entitlements owed to employees and funds held as sureties against a variety of contracts.

Council's working capital ratio remains strong, with Council's current assets being considerably more than current liabilities. This ensures Council can meet its employee and supplier payments, as well as immediately commence its capital works program in 2024/25, rather than waiting for the receipt of rate funds which commences in October each year.

4.2.3 Borrowings

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

	Forecast	Budget	Projections		
	Actual				
	2023/24	2024/25	2025/26	2026/27	2027/28
	\$'000	\$'000	\$'000	\$'000	\$'000
Amount borrowed as at 30 June of the prior year	-	-	-	-	-
Amount proposed to be borrowed	-	3,000	2,819	2,442	2,046
Amount projected to be redeemed	-	(181)	(377)	(396)	(416)
Amount of borrowings as at 30 June	-	2,819	2,442	2,046	1,630

Council is declaring an interest in the potential to borrow to assist with funding projects not currently allocated within the Budget for the 2024/25 financial year. These projects are discussed on page 14. Funds will only be borrowed subject to satisfactory feasibility assessments currently underway, to ensure financial and community benefits outweigh costs of borrowing funds. The Budget includes borrowings of \$3 million at an interest rate of 5% over a term of 7 years.

4.3 Statement of changes in Equity

4.3.1 Reserves

	Opening Balance Forecast 1/7/2024 \$'000	Transfer to Reserve \$'000	Transfer from Reserve \$'000	Closing Balance 30/6/2025 \$'000
Statutory Reserves				
Public Open Space Reserve	395	15	-	410
Total Statutory Reserves	395	15	-	410
Discretionary Reserves				
Defined Benefits Superannuation	1,020	-	-	1,020
Infrastructure Maintenance				
Gifted & Novated Assets	701	-	-	701
Infrastructure Contributions Carparking	41	-	-	41
Infrastructure - Balance MAP funding	46	-	-	46
Infrastructure Maintenance Reserve	1,040	-	-	1,040
Infrastructure Reserve	1,942	-	(999)	944
Garbage Reserve	8,075	5,417	(6,936)	6,556
Shaw Ave Redevelopment	44	-	-	44
Yea Saleyards Reserve	265	574	(517)	321
Yea Caravan Park Reserve	(30)	56	(17)	9
Marysville Caravan Park Reserve	221	85	(25)	281
Total Discretionary Reserves	13,364	6,131	(8,493)	11,003
Total Reserves	13,759	6,146	(8,493)	11,412

Statutory reserves must be applied for specified statutory purposes in accordance with various legislative and contractual requirements. Whilst these funds earn interest revenues for Council, they are not available for other purposes.

Discretionary reserves are funds set aside by Council for a specific purpose but are not protected by statute.

The transfer to reserves is from income (or net income) from operations.
 The transfer from reserves relates to expenditure from operations and funding of capital works projects specific to the nature and purpose of the reserve.

The nature and purpose of the reserves are as follows:

Statutory Reserves

Public Open Space

This reserve represents payments from subdividers as specified under the Subdivisions Act, to fund future creation of areas of recreational land.

Discretionary Reserves

Defined Benefits Superannuation

This reserve has been created to assist in meeting obligations for future funding calls from the Vision Super Defined Benefits Superannuation Fund.

Gifted and Novated Assets

This reserve contains the balance of funds that were held by (VBRRA) the Victorian Bushfire Recovery and Reconstruction Authority for reconstruction projects in Murrindindi Shire when the Authority closed. The funds (also known as VBBRA Cessation funds) were transferred by the State Government to Council as further assistance for the new assets gifted after the 2009 bushfires.

Infrastructure Contributions Parking

This reserve represents payments from Subdividers set aside for future infrastructure works relating to provision of car parking.

Infrastructure - Balance MAP funding

This reserve represents the balance of funds from the financial assistance provided to Council by the State Government for reform and recovery following 2009 bushfires.

Infrastructure Maintenance

This reserve represents funds set aside for addressing Council's long term infrastructure renewal obligations and was funded through a strategy of ongoing rate increases under former Councils. Contributions to this reserve ceased following the introduction of rate capping and changes in Council's rating priorities.

Infrastructure

This infrastructure reserve has been established as an accumulation fund to plan for the future investment in community infrastructure. Any unallocated savings from the annual capital works program will be transferred to this reserve. The reserve is the consolidation of two previous reserves which had similar objectives – the Infrastructure Unexpended Capital Works reserve and the New and Expanded Assets Reserve.

Landfill and Waste Management

This reserve represents funds set aside for rehabilitation of Landfill site. The reserve is to be utilised for future works to maximise life of the landfill site (e.g. cell construction, cell capping and Leachate management over the next 10 years)

Shaw Avenue Redevelopment

Shaw Avenue reserve represents remaining funds from Council land sales at Shaw Avenue in 2003.

Yea Saleyards

This reserve is surplus operational funds set aside for future capital works or operational requirements.

Yea Caravan Park

This reserve is surplus operational funds (rental) set aside for future capital works or operational requirements.

Marysville Caravan Park

This reserve is surplus operational funds (rental) set aside for future capital works or operational requirements.

4.3.2 Equity

	Forecast	Budget	Change	
	Actual	2024/25	\$'000	%
	2023/24	2024/25	\$'000	%
	\$'000	\$'000	\$'000	%
Equity				
Accumulated surplus	148,338	153,018	4,680	3.15%
Revaluation Reserve	351,368	351,368	0	0%
Other Reserves	13,759	11,412	(2,347)	(17.06%)
Total equity	513,465	515,798	2,333	0.45%

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

- accumulated surplus which is the surpluses and deficits that have accumulated over prior years which has not been set aside for specific purposes (reserves)
- asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations
- other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the Accumulated Surplus.

The net increase in equity (net assets) of \$2.33 million results directly from the 2024/25 budgeted operating surplus.

The movement in other reserves is mainly due to the funding of Capital Works projects from reserves.

4.4 Statement of Cash Flows

4.4.1 Net cash flows provided by/used in operating activities

	Forecast	Budget	Change	
	Actual			
	2023/24	2024/25	\$'000	%
	\$'000	\$'000	\$'000	%
Cash flows from operating activities				
Rates and charges	23,681	24,730	1,049	4.43%
Statutory fees and fines	1,306	1,290	(16)	(1.23%)
User fees	1,535	1,868	333	21.69%
Grants - operating	14,122	7,768	(6,354)	(44.99%)
Grants - capital	6,136	5,283	(304)	(4.95%)
Contributions - monetary	345	411	96	27.83%
Interest received	1,975	1,523	(452)	(22.89%)
Other income	1,618	891	(727)	(44.99%)
Net GST refund / payment	1,651	1,147	(504)	(30.53%)
Net Trust funds and deposits	(625)	818	1,443	(230.88%)
Employee costs	(19,074)	(18,241)	833	(4.37%)
Materials and services	(20,120)	(15,234)	4,886	(24.28%)
Other payments	(549)	(584)	(35)	6.38%
Net cash provided by/(used in) operating activities	12,001	12,249	248	2.07%

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

4.4.2 Net cash flows provided by/used in investing activities

	Forecast	Budget	Change	
	Actual			
	2023/24	2024/25	\$'000	%
	\$'000	\$'000	\$'000	%
Cash flows from investing activities				
Payments for property, infrastructure, plant and equipment	(21,904)	(14,224)	7,680	(35.06%)
Proceeds from sale of property, infrastructure, plant and equipment	211	138	(73)	(34.60%)
Net cash provided by/ (used in) investing activities	(21,692)	(14,086)	7,606	(35.06%)

Investing activities refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property, plant and equipment.

4.4.3 Net cash flows provided by/used in financing activities

	Forecast	Budget	Change	
	Actual 2023/24 \$'000	2024/25 \$'000	\$'000	%
Cash flows from financing activities				
Repayment of Lease Liabilities	-	(17)	(17)	100%
Finance costs	(18)	(52)	(34)	188.89%
Proceeds from borrowings	-	3,000	3,000	100.0%
Repayment of borrowings	-	-	-	0.0%
Net cash provided by/(used in) financing activities	(18)	2,931	2,949	(16383.33%)

Financing activities refers to the cash generated or used in the financing of Council functions and include proceeds from and repayment of borrowings from financial institutions.

Council is declaring an interest in undertaking borrowings in 2024/25 to potentially fund capital works and other projects as listed on pages 14 and 15, subject to satisfactory feasibility assessments.

ANNUAL BUDGET 2024/25

4.5 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2024/25 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	Budget		Change	
	2023/24 \$'000	2024/25 \$'000	\$'000	%	
Property	1,709	4,724	3,015	276%	
Plant and equipment	2,089	1,414	(675)	(32%)	
Infrastructure	18,106	8,085	(10,021)	(55%)	
Total	21,904	14,223	(7,681)	(35%)	

	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	Reserves \$'000
Property	4,724	1,837	1,578	634	675	1,976	-	1,669	1,079
Plant and equipment	1,414	-	1,313	35	66	6	-	1,283	125
Infrastructure	8,085	-	3,025	3,578	1,333	3,849	120	1,787	2,330
Total	14,223	1,837	5,916	4,397	2,073	5,832	120	4,738	3,534

Contrib. = Contributions

ANNUAL BUDGET 2024/25

4.5.2 Current Budget

Capital Works Area	Location	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
			New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Reserves \$'000
PROPERTY										
Land Improvements										
<i>Alexandra Timber Tramway Contaminated Land Remediation Works</i>	<i>Shire wide</i>	50	-	50	-	-	-	-	50	-
<i>Eildon land subdivision works</i>	<i>Eildon</i>	255	-	-	255	-	-	-	-	255
<i>Street Tree Renewal Program</i>	<i>Shire wide</i>	25	-	-	-	25	-	-	25	-
Total Land Improvements		330	-	50	255	25	-	-	75	255
Buildings										
<i>Alexandra Chambers External Painting</i>	<i>Alexandra</i>	50	-	50	-	-	-	-	50	-
<i>Alexandra Customer Service Reception Refurbishment</i>	<i>Alexandra</i>	151	-	100	51	-	-	-	151	-
<i>Alexandra Maternal Child Health - CCTV Installation</i>	<i>Alexandra</i>	10	10	-	-	-	-	-	10	-
<i>Alexandra Offices kitchen renewal Disability Discrimination Act Compliance Program</i>	<i>Alexandra</i>	40	-	40	-	-	-	-	40	-
<i>- Toocom Cottage</i>	<i>Toolangi</i>	10	-	-	10	-	-	-	10	-
<i>- Alexandra Shire Hall - Install Disabled Lift to stage</i>	<i>Alexandra</i>	40	-	-	40	-	-	-	40	-

ANNUAL BUDGET 2024/25

Capital Works Area	Location	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
			New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Reserves \$'000
- Glenburn Community Centre	Glenburn	10	-	-	10	-	-	10	-	
Kinglake Community Centre - Renewal works	Kinglake	100	-	100	-	-	-	100	-	
Shire Community Building upgrade works	Shire wide	205	60	35	110	-	-	205	-	
Tourism Signage renewal	Shire wide	25	-	25	-	-	-	25	-	
Yea MCH Carpet Renewal	Yea	25	-	25	-	-	-	25	-	
Yea Office/Library Vinyl Floor Renewal	Yea	45	-	45	-	-	-	45	-	
Yea Saleyards - Crush & Forcing Pen (Redesign & Construct)	Yea	80	-	80	-	-	-	-	80	
Total Buildings		791	70	500	221	-	-	711	80	
Recreational, Leisure & Community Facilities										
Alexandra Senior Citizens Replace Vinyl Flooring	Alexandra	40	-	40	-	-	-	40	-	
Council Reserves infrastructure renewal	Shire wide	90	-	90	-	-	-	90	-	
Eildon Bowling Club Carpet Renewal	Eildon	50	-	50	-	-	-	50	-	
Eildon Public Convenience - Toilet Renewal	Eildon	40	-	40	-	-	-	40	-	

ANNUAL BUDGET 2024/25

Capital Works Area	Location	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
			New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Reserves \$'000
<i>Eildon Reserve Redevelopment Stage 1</i>	<i>Eildon</i>	2,720	1,752	240	78	650	1,976	-	-	744
<i>Eildon Swimming Pool Renewal of concrete concourse</i>	<i>Eildon</i>	80	-	80	-	-	-	-	80	-
<i>Kinglake Community Centre - Renewal works</i>	<i>Kinglake</i>	75	-	75	-	-	-	-	75	-
<i>Kinglake Memorial Reserve - Scouts Flooring Restoration & Sound Proofing</i>	<i>Kinglake</i>	60	-	40	20	-	-	-	60	-
<i>Kinglake Neighbourhood House Replace Floor Coverings</i>	<i>Kinglake</i>	65	-	65	-	-	-	-	65	-
<i>Marysville Swimming Pool Renewal of concrete concourse</i>	<i>Marysville</i>	80	-	80	-	-	-	-	80	-
<i>Shire wide Playground renewal</i>	<i>Shire wide</i>	60	-	60	-	-	-	-	60	-
<i>Strath Creek Tennis court - demolition</i>	<i>Strath Creek</i>	5	-	5	-	-	-	-	5	-
<i>Shire wide Swimming Pool Equipment renewal</i>	<i>Shire wide</i>	113	15	38	60	-	-	-	113	-
<i>Thornton Sports Pavilion Hot Water Replacement Program</i>	<i>Thornton</i>	40	-	40	-	-	-	-	40	-
<i>Alexandra UGFM Building - Painting & Flooring</i>	<i>Alexandra</i>	55	-	55	-	-	-	-	55	-

ANNUAL BUDGET 2024/25

Capital Works Area	Location	Project Cost \$'000	Asset expenditure types				Summary of Funding Sources			
			New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council cash \$'000	Reserves \$'000
<i>Yea Recreation Reserve - Oval renewal (Design)</i>	<i>Yea</i>	30	-	30	-	-	-	30	-	
Total Recreational, Leisure & Community Facilities		3,603	1,767	1,028	158	650	1,976	-	883	744
TOTAL PROPERTY		4,724	1,837	1,578	634	675	1,976	-	1,669	1,079

ANNUAL BUDGET 2024/25

Capital Works Area	Project Cost	Asset expenditure types				Grants	Contributions	Council cash	Reserves
		New	Renewal	Upgrade	Expansion				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Plant, Machinery and Equipment									
<i>Climate Change implementation</i> <i>Shire wide</i>	101	-	-	35	66	-	-	101	-
<i>Plant and Equipment</i> <i>Shire wide</i>	1,047	-	310	-	-	-	-	922	125
Total Plant, Machinery & Equip.	1,148	-	1,047	35	66	-	-	1,023	125
Computers and Telecommunications									
<i>Aerial imagery</i> <i>Shire wide</i>	16	-	16	-	-	-	-	16	-
<i>Corporate Replacement of IT equipment</i> <i>Shire wide</i>	150	-	150	-	-	-	-	150	-
Total Computers & Telecomm.	166	-	166	-	-	-	-	166	-
Library books									
<i>Library Book stock</i>	100	-	100	-	-	6	-	94	-
Total Library Books	100	-	100	-	-	6	-	94	-
TOTAL PLANT AND EQUIPMENT	1,414	-	1,313	35	66	6	-	1,283	125

ANNUAL BUDGET 2024/25

Capital Works Area	Location	Project Cost	Asset expenditure types				Grants	Contributions	Council cash	Reserves
			New	Renewal	Upgrade	Expansion				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
INFRASTRUCTURE										
Roads										
Bower Street - George Street upgrade	Kinglake	170	-	-	170	-	170	-	-	-
Buxton Rise & Cathedral Close reconstruction & sealing	Buxton	180	-	-	180	-	180	-	-	-
Castella Rd reconstruction & sealing	Castella	455	-	50	405	-	455	-	-	-
Mattie Bridge to Campbells Creek Rd										-
Council Public Lighting	Shire wide	5	-	5	-	-	-	-	5	-
65nfrastructure renewal	Shire wide	51	-	51	-	-	51	-	-	-
Kerb and channel renewal program	Shire wide	823	-	823	-	-	659	-	165	-
Resealing Program	Shire wide	825	-	825	-	-	94	-	731	-
Resheeting program	Shire wide	1,120	-	-	1,120	-	1,120	-	-	-
Road Safety Strategy implementation	Shire wide									
South Cres, High St, Centre Av, Eildon – Stage 3 Project	Eildon	33	-	-	-	33	-	-	-	-
construction – New kerb and channel										-
Special Charge Schemes	Shire wide	175	-	-	175	-	-	120	55	-
Whanregarwen Rd reseal	Whanregarwen	408	-	408	-	-	408	-	-	-
TOTAL ROADS		4,244	-	2,162	2,050	33	3,136	120	989	

ANNUAL BUDGET 2024/25

Capital Works Area	Location	Project Cost	Asset expenditure types				Grants	Contributions	Council cash	Reserves
			New	Renewal	Upgrade	Expansion				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Bridges										
Climate Change implementation	Shire wide	125	-	125	-	-	-	125	-	
Coonans Rd Culvert Replacement Stage 2 (Design & Construct)	Homewood	230	-	230	-	-	-	230	-	
Maryton Lane - Timber Bridge Replacement - (Design & Development)	Marysville	20	-	20	-	-	-	20	-	
McGuigans Rd Culvert (Design & Development)	Kanumbra	30	-	30	-	-	-	30	-	
Middle Creek Bridge Replacement - (Design & Development)	Yarck	30	-	30	-	-	-	30	-	
Whanregarwen Rd Culvert (Design & Development)	Molesworth	30	-	30	-	-	-	30	-	
TOTAL BRIDGES		465	-	465	-	-	-	465	-	

ANNUAL BUDGET 2024/25

Capital Works Area	Location	Project Cost	Asset expenditure types				Grants	Contributions	Council cash	Reserves
			New	Renewal	Upgrade	Expansion				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Disability Discrimination Act Compliance Program - Yea pedestrian ramps	Yea	60	-	-	60	-	-	60	-	
Pathway renewal program	Shire wide	273	-	273	-	-	-	273	-	
TOTAL FOOTPATHS AND CYCLEWAYS		333	-	273	60	-	-	333	-	

Capital Works Area	Location	Project Cost	Asset expenditure types				Grants	Contributions	Council cash	Reserves
			New	Renewal	Upgrade	Expansion				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Drainage										
Duke Street Yea urban drainage upgrade	Yea	150	-	-	-	150	150	-	-	
Hall Street / Halls Flat Road drainage - Stage 2 Construction	Alexandra	150	-	50	100	-	150	-	-	

ANNUAL BUDGET 2024/25

Capital Works Area	Location	Project Cost	Asset expenditure types				Grants	Contributions	Council cash	Reserves
			New	Renewal	Upgrade	Expansion				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Long Gully Road Flowerdale longitudinal drainage upgrade	Flowerdale	213	-	-	213	-	213	-	-	-
Riverside Crescent Flowerdale Water Sensitive Urban Design upgrade	Flowerdale	200	-	-	200	-	200	-	-	-
TOTAL DRAINAGE		713	-	50	513	150	713	-	-	-

Capital Works Area	Location	Project Cost	Asset expenditure types				Grants	Contributions	Council cash	Reserves
			New	Renewal	Upgrade	Expansion				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Waste Management										
Alexandra Landfill – Cell & Capping constructions	Alexandra	2,000	-	-	1000	1000	-	-	-	2000
Alexandra Landfill compliance works	Alexandra	55	-	-	55	-	-	-	-	55

ANNUAL BUDGET 2024/25

Capital Works Area	Location	Project Cost	Asset expenditure types				Grants	Contributions	Council cash	Reserves
			New	Renewal	Upgrade	Expansion				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Alexandra Resource Recovery Centre - Land fill operations	<i>Alexandra</i>	50	-	-	50	-	-	-	50	
Kinglake Resource Recovery Centre Tip Shop and Undercover storage facility	<i>Kinglake</i>	150	-	-	-	150	-	-	150	
Resource Recovery Centre	<i>Shire wide</i>	75	-	75	-	-	-	-	75	
TOTAL WASTE MANAGEMENT		2,330	-	75	1,105	1,150	-	-	333	-
TOTAL INFRASTRUCTURE		8,085	-	3,025	3,728	1,333	3,849	120	1,787	2,330
TOTAL CAPITAL WORKS PROGRAMS		14,223	1,837	5,916	4,397	2,073	5,832	120	4,738	3,534

4.6 Planned Capital works program

Summary of Planned Capital Works Expenditure For the years ending 30 June 2026, 2027 and 2028

2025/26	Project Cost \$'000	Asset expenditure types				Summary of financing sources		
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Council Cash \$'000	Reserves \$'000
Property								
Land improvements	345	0	0	345	0	0	0	345
Total Land	345	0	0	345	0	0	0	345
Buildings	937	0	937	0	0	245	692	0
Total Buildings	937	0	937	0	0	245	692	0
Total Property	1,282	0	937	345	0	245	692	345
Plant and Equipment								
Plant, machinery and equipment	1,050	325	725	0	0	0	1050	0
Computers and telecommunications	200	0	200	0	0	0	200	0
Library books	106	0	106	0	0	9	97	0
Total Plant and Equipment	1,356	325	1,031	0	0	9	1,347	0
Roads	5,734	30	3,847	1,070	817	4,184	1,550	0
Carparks	300		300			133	167	0
Bridges	911	0	911	0	0	450	461	0
Footpaths and cycleways	1,250	300	325	0	625	625	535	90
Drainage	250	0	50	0	200	200	50	0
Recreational, leisure and community facilities	1,325	1,005	0	320	0	805	320	200
Waste management	2,943	900	205	1,073	765	0	0	2,943
Parks, open space and streetscapes	1,356	265	901	190	0	985	46	325
Total Infrastructure	14,069	2,470	6,539	2,653	2,407	7,382	3,559	6,688
Total Capital Works Expenditure	16,707	2,795	8,507	2,998	2,407	7,636	5,168	3,903

ANNUAL BUDGET 2024/25

2026/27	Asset Expenditure Types					Summary of Funding Sources		
	Project Cost	New	Renewal	Upgrade	Expansion	Grants	Council Cash	Reserves
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land	200	0	0	200	0	0	200	
Land improvements	0	0	0	0	0	0	0	
Total Land	200	0	0	200	0	0	200	
Buildings	965	0	965	0	0	965	0	
Total Buildings	965	0	965	0	0	965	0	
Total Property	1,165	0	965	200	0	965	200	
Plant and Equipment								
Plant, machinery and equipment	1,055	240	815	0	0	0	1,055	0
Computers and telecommunications	225	0	225	0	0	0	225	0
Library books	106	0	106	0	0	9	97	0
Total Plant and Equipment	1,386	240	1,146	0	0	9	1,377	0
Infrastructure								
Roads	5,218	0	3,508	1,243	467	3,218	2,000	0
Bridges	630	0	630	0	0	450	180	0
Footpaths and cycleways	456	250	206	0	0	250	206	0
Drainage	325	120	205	0	0	120	205	0
Recreational, leisure and community facilities	175	0	175	0	0	0	175	0
Waste management	2,870	706	0	1501	663	0	0	2,870
Parks, open space and streetscapes	650	0	351	299	0	535	115	0
Total Infrastructure	10,324	1,076	5,075	3,043	1130	4,573	2,881	2,870
Total Capital Works Expenditure	12,875	1,316	7,186	3,243	1130	4,582	5,223	3,070

ANNUAL BUDGET 2024/25

2027/28	Asset Expenditure Types					Summary of Funding Sources		
	Project Costs	New	Renewal	Upgrade	Expansion	Grants	Council Cash	Reserves
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land improvements	200	0	0	200	0	0	0	200
Total Land	200	0	0	200	0	0	0	200
Buildings	1,199	0	1,199	0	0	0	1,199	0
Total Buildings	1,199	0	1,199	0	0	0	1,199	0
Total Property	1,399	0	1,199	200	0	0	1,199	200
Plant and Equipment								
Heritage plant and equipment	0	0	0	0	0	0	0	0
Plant, machinery and equipment	1,285	265	1,020	0	0	0	1,285	0
Fixtures, fittings and furniture	0	0	0	0	0	0	0	0
Computers and telecommunications	225	0	225	0	0	0	225	0
Library books	106	0	106	0	0	9	97	0
Total Plant and Equipment	1,616	265	1,351	0	0	9	1,607	0
Infrastructure								
Roads	4,991	0	3,817	504	670	3,639	1,352	0
Bridges	455	0	255	200	0	0	455	0
Footpaths and cycleways	1,663	435	200	150	878	1,455	208	0
Drainage	584	0	584	0	0	550	34	0
Recreational, leisure and community facilities	325	0	325	0	0	0	325	0
Waste management	1,645	0	0	336	1,309	0	0	1,645
Parks, open space and streetscapes	432	0	432	0	0	364	68	0
Off street car parks	230	0	0	230	0	0	230	0
Other infrastructure	0	0	0	0	0	0	0	0
Total Infrastructure	10,325	435	5,613	1,420	2,857	6,008	2,672	1,645
Total Capital Works Expenditure	13,340	700	8,163	1,620	2,857	6,017	5,478	1,845

5. Proposals to Lease Council Land

This section presents a summary of Council's proposals to lease council land to external parties in the 2024/25 financial year, subject to the outcomes of public Expression of Interest processes. This list includes those with rental agreements greater than \$100,000 or have a lease term greater than 10 years.

Location	Term
<i>174 Grant Street, Alexandra</i>	More than 10 years
<i>94 Nhil Street, Alexandra</i>	More than 10 years
<i>20 North Street, Yea (Former Yea Depot)</i>	More than 10 years

6. Financial Performance Indicators

6a. Targeted performance indicators

The following tables highlight Council's current and projected performance across a selection of targeted service and financial performance indicators. These indicators provide a useful analysis of Council's intentions and performance and should be interpreted in the context of the organisation's objectives. The targeted performance indicators below are the prescribed performance indicators contained in Schedule 4 of the Local Government (Planning and Reporting) Regulations 2020. Results against these indicators and targets will be reported in Council's Performance Statement included in the Annual Report.

Targeted performance indicators – Service

Indicator	Measure	Notes	Actual	Forecast	Target	Target Projections			Trend	
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	+/-	
Governance										
Satisfaction with community consultation and engagement	Community satisfaction rating out of 100 with the consultation and engagement efforts of Council	1	55	55	56	56	56	56	56	+
Roads										
Sealed local roads below the intervention level	Number of km of sealed local roads below the renewal intervention level set by Council / Km of sealed local roads	2	98%	98%	95%	95%	95%	95%	95%	-
Statutory planning										
Planning applications decided within the relevant required time	Number of planning application decisions made within the relevant required time / Number of decisions made	3	78%	77%	75%	75%	75%	75%	75%	o
Waste management										
Kerbside collection waste diverted from landfill	Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins	4	35%	35%	34%	34%	34%	34%	34%	o

Targeted performance indicators – Financial

Indicator	Measure	Notes	Actual	Forecast	Target	Target Projections			Trend
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	+o/-
Liquidity									
Working Capital	Current assets / current liabilities	5	331%	387%	355%	313%	288%	275%	-
Obligations									
Asset renewal	Asset renewal and upgrade expense / Asset depreciation	6	125%	193%	120%	132%	117%	108%	-
Stability									
Rates concentration	Rate revenue / adjusted underlying revenue	7	60%	55%	67%	67%	67%	67%	+
Efficiency									
Expenditure level	Total expenses / no. of property assessments	8	\$3,996	\$4,676	\$4,049	\$4,078	\$4,122	\$4,168	+

6b. 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.

The financial performance indicators below are the prescribed financial performance indicators contained in Part 3 of Schedule 3 of the Local Government (Planning and Reporting) Regulations 2020. Results against these indicators will be reported in Council's Performance Statement included in the Annual Report.

ANNUAL BUDGET 2024/25

Indicator	Measure	Notes	Actual	Forecast	Budget	Projections			Trend
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	+/-
Operating position									
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	9	(8.0%)	(9.0%)	(11.3%)	(9.6%)	(8.9%)	(8.5%)	+
Liquidity									
Unrestricted cash	Unrestricted cash / current liabilities	10	71%	155%	163%	154%	148%	142%	o
Obligations									
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	11	0%	0%	12%	11%	9%	8%	-
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue		0%	0%	0.3%	1.2%	1.9%	1.8%	o
Indebtedness	Non-current liabilities / own source revenue		28%	27%	37%	35%	33%	32%	-
Stability									
Rates effort	Rate revenue / CIV of rateable properties in the municipality	12	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	o
Efficiency									
Revenue level	General rates and municipal charges / no. of property assessments	13	\$1,853	\$1,923	\$1,976	\$2,035	\$2,066	\$2,117	+

Note: Rate Revenue includes revenue from general rates, municipal charges, service rates and service charges

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

6a Targeted Performance Indicators

1. **Satisfaction with community consultation and engagement**

This is an assessment of community satisfaction with Council. It demonstrates the community's perception of whether Council decisions made and implemented had community input. High or increasing satisfaction rating suggests an improvement in the effectiveness of Council's consultation and engagement strategies and decision-making practices.

2. **Sealed local roads below the intervention level**

This is an assessment of community satisfaction with Council services. The lower sealed local road requests suggest a more effective roads service and greater satisfaction from road users.

3. **Planning applications decided within the relevant required time**

This is an assessment of Council efficiency in decision making. The higher proportion of planning applications decided in a timely manner suggests an effective statutory planning service.

4. **Kerbside collection waste diverted from landfill**

This is an assessment of the extent to which Council promotes community environmental outcomes. The higher volume of waste diverted away from landfill suggests a more effective waste collection system.

5. **Working Capital**

Working capital (current assets / current liabilities) is the proportion of current liabilities represented by current assets. It is a general measure of the organisation's liquidity and its ability to meet its commitments as and when they fall due. The working capital ratio trends downwards as Council's cash is used to fund capital works projects.

6. Asset renewal

Asset renewal is calculated as asset renewal expenditure as a percentage of depreciation. This indicates the extent of Council's renewal of assets against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets. Council's asset renewal indicator is greater than 100% through the four year outlook.

7. Rates concentration

Rates concentration is measured as rate revenue compared to adjusted underlying revenue. Adjusted underlying revenue is defined as total income excluding non-recurrent grants used to fund capital expenditure, non-monetary asset contributions, and contributions to fund capital expenditure from sources other than grants and non-monetary contributions. Rates concentration reflects the extent of reliance on rate revenues to fund all of Council's on-going services. The trend is relatively steady.

8. Expenditure level

Expenditure level is the total expenditure per the number of property assessments.

6b Financial Performance Indicators

9. Adjusted underlying result

Adjusted underlying result is the net surplus or deficit for the year (per Australian Accounting Standards) adjusted for non-recurrent grants used to fund capital expenditure, non-monetary asset contributions, and contributions to fund capital expenditure other than grants and non-monetary asset contributions. It is an indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Improvement in financial performance is expected over the period.

10. Unrestricted Cash

Unrestricted cash means all cash and cash equivalents other than restricted cash, including cash that will be used to fund capital expenditure from the previous financial year. Restricted cash means cash and cash equivalents, within the meaning of Accounting Standard AASB 107 Statement of Cash Flows, that are not available for use other than for a purpose for which it is restricted.

The decline from the current year forecast demonstrates a reduction of cash and cash equivalents to fund the Capital Works Program, with the majority from Council funds and reserves. Statutory reserve balances will reduce as the capital works program is completed.

11. Debt compared to rates

Loans and borrowings means interest bearing loans and borrowings compared to rates and charges revenue. The balance of interest-bearing loans and borrowings is shown as a percentage of rates revenue. Loans and borrowings also refers to interest and principal repayments compared to rate revenue. The ratio describes Council's cash flow debt repayment capacity through the inclusion of interest and principal repayments on interest bearing loans and borrowings as a percentage of rate revenue.

The trend indicates a stable reliance on Council's own sourced funding against annual rate revenue. The increase in the loans and borrowings indicator is due to the proposed borrowings in 2023/24.

12. Rates effort

Rates effort, which is intended to examine the community's capacity to pay, presents rate revenue as a percentage of the capital improved value of rateable properties in the municipality. The trend is relatively steady.

13. Revenue level

Revenue level is the average rate per property assessment.

OFFICIAL