

**LODDON
SHIRE COUNCIL
DRAFT BUDGET
FOR YEAR ENDED
30 JUNE 2026**



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MAYOR INTRODUCTION

It is with a sense of both pride and responsibility that the Councillors and I present the Draft Loddon Shire Council 2025/26 Budget, our final under the current Council Plan 2021–2025 and Community Vision 2031. As these guiding documents are set to be refreshed later this year, this Budget serves as both a capstone for the work we've done and a springboard for what comes next.

The vision we set out in 2021 - to create a community where everyone is welcome and has the opportunity to live, work and thrive - remains as relevant and necessary as ever. This Budget focuses on completing the priorities our community told us matter, including accessible local services, well-maintained infrastructure, support for local initiatives, and recovery from the October 2022 floods.

Our community-facing investments for 2025/26 include:

- An \$8.61 million capital program, including \$4.79 million targeted to maintain and improve our local road network, nearly \$840,000 in upgrades to recreation, leisure and community facilities, and over \$375,000 invested into our footpath network helping to keep our communities vibrant and well connected.
- Ongoing support for early years services and community wellbeing programs, particularly for our youngest residents.
- \$750,000 for community planning, supporting grassroots ideas and projects developed by the community, for the community.
- Continuation of Council's zero-debt position and a healthy cash reserve to support future service delivery.

These outcomes reflect our community values. We've consistently heard that residents want good services close to home, well-kept roads, strong connections between towns, and a Council that uses public money wisely. This Budget honours those values.

But we also know that the path forward requires practicality. Council continues to be aware of underlying financial pressures that will require careful navigation in the years ahead - cost escalations, an ageing asset base, and constrained income growth are part of the picture. Nonetheless, this Budget balances our aspirations with our responsibilities, and it reflects a Council committed to service, good governance, and local priorities.

I thank the community for continuing to engage in this work and encourage you to read this Budget in full, alongside our current Council Plan, as we work together toward shaping the next stage of Loddon's future.

Cr Dan Straub
Mayor

CEO INTRODUCTION

I'm pleased to present the 2025/26 Budget on behalf of the Loddon Shire Council administration. This Budget continues our commitment to delivering reliable, efficient and future-focused services, while also managing a range of structural and economic pressures that are being felt across the local government sector.

This year's Budget aligns with the final year of the Council Plan 2021–2025 and lays important groundwork for the next strategic phase. Internally, it reflects a disciplined approach to operations, investment, and asset management—ensuring that we remain a capable and responsive organisation as community expectations and financial realities evolve.

Some of the key operational and strategic priorities in this Budget include:

- \$3.8 million in externally funded capital works delivery, with strong project management capability being maintained to drive outcomes.
- Increased investment in information technology and cyber security, ensuring Council systems are reliable, protected, and fit for purpose.
- Focused internal reviews of service delivery and asset management, supporting a shift to evidence-based planning and investment.
- Ongoing development of shared service models and collaborative arrangements to reduce duplication and drive efficiencies.
- Continued work to understand the long-term renewal demands of Council's significant infrastructure portfolio, much of which is ageing and resource-intensive.

Council will maintain a strong cash position, with \$20.5 million projected at 30 June 2026 and no debt on the balance sheet. However, the underlying operating result tells a more cautionary story, with a forecast deficit of \$7.13 million this year. That gap is driven by inflationary cost increases, constrained revenue growth, and significant demands associated with flood recovery and capital delivery.

These challenges are not unique to Loddon—they are consistent across rural councils with large geographies and small populations. But they require us to think differently about how we work. Financial sustainability will depend not just on cost control, but on rethinking how we manage assets, use technology, partner with others, and make decisions backed by data.

Council Plan strongly while preparing for the future. I want to thank our staff for their dedication, our Councillors for their leadership, and our community for their ongoing trust. We look forward to continuing to deliver for Loddon—responsibly, efficiently, and with a renewed focus as we enter into a fresh Council Plan.

Lincoln Fitzgerald
Chief Executive Officer

ECONOMIC ASSUMPTIONS

| | Notes | Forecast | Budget | Projections | | | Trend |
|------------------------------|-------|-------------------------|---------|-------------|---------|---------|-----------|
| | | Actual | 2025/26 | 2026/27 | 2027/28 | 2028/29 | + / O / - |
| Rate cap increase | 1 | 2.75% | 3.00% | 3.00% | 3.00% | 3.00% | O |
| Population growth | | 0.20% | 0.00% | 0.00% | 0.00% | 0.00% | O |
| Investment interest rate | 2 | Based on available cash | | | | | + |
| Borrowing interest rate | | N/A | N/A | N/A | N/A | N/A | O |
| Consumer Price Index | 3 | 3.00% | 2.40% | 2.40% | 2.40% | 2.40% | O |
| User fees | 4 | 2.75% | 3.00% | 3.00% | 3.00% | 3.00% | O |
| Grants - recurrent | | 2.00% | 2.40% | 2.40% | 2.40% | 2.40% | O |
| Grants - non-recurrent | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | O |
| Contributions | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | O |
| Proceeds from sale of assets | | Nil | Nil | Nil | Nil | Nil | O |
| Finance costs | | 3.00% | 2.40% | 2.40% | 2.40% | 2.40% | O |
| Other revenue | | 3.00% | 2.40% | 2.40% | 2.40% | 2.40% | O |
| Employee costs | 5 | 2.20% | 3.00% | 3.00% | 3.00% | 3.00% | O |
| Contractors and materials | | 3.00% | 2.40% | 2.40% | 2.40% | 2.40% | O |
| Insurance | 6 | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | O |
| Bad and doubtful debts | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | O |
| Depreciation | | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | O |
| Other expenses | | 3.00% | 2.40% | 2.40% | 2.40% | 2.40% | O |

Notes to assumptions

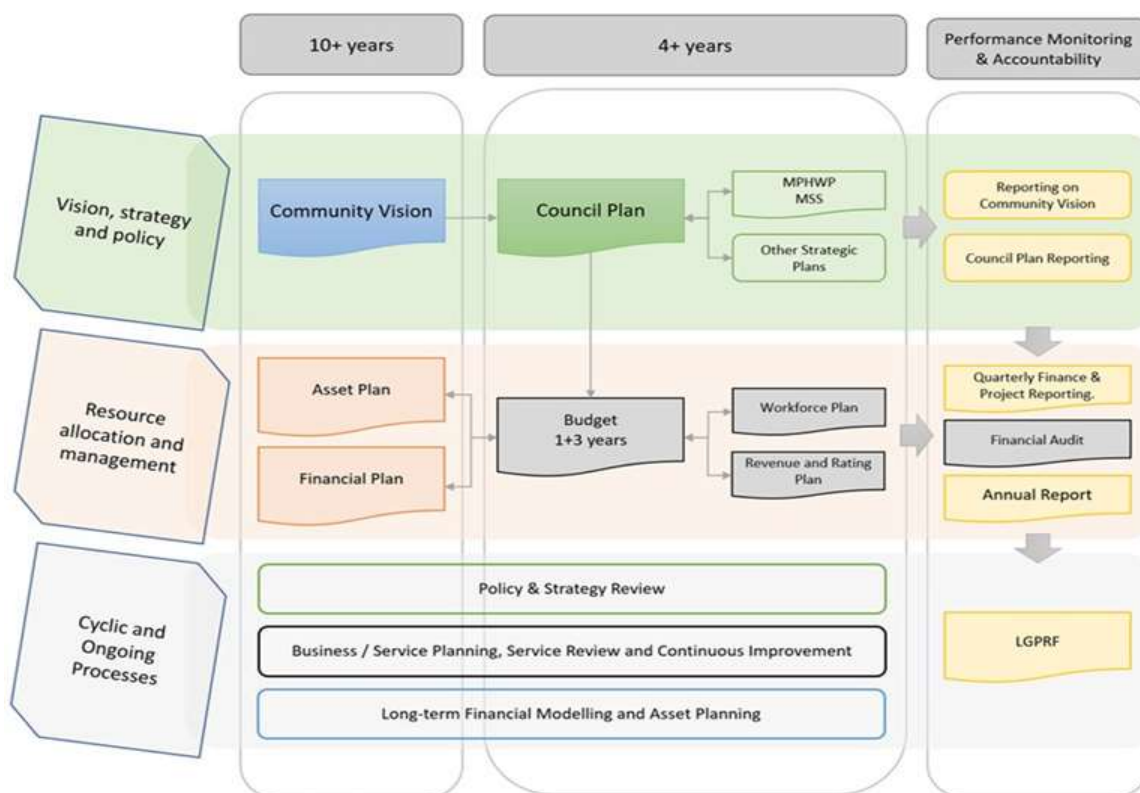
- 1 *Rate cap increase* - Council increases the rate cap each year in line with the rate set by the Minister as outlined in the Revenue and Rating Plan.
- 2 *Investment interest rate* - Assumptions based on cash which is estimated to be available with steady investment rates for the foreseeable future.
- 3 *Consumer Price Index* - Based on the rates published in the December to December year for Melbourne.
- 4 *User fees* - Council increases the user fees in line with the rate cap set each year set by the Minister and as outlined in the Revenue and Rating Plan.
- 5 *Employee costs* - Council increases employee costs in line with the current published EA with allowance for movement within the bands. As the EA expires during the next budget period, an estimated figure using current market information has been applied.
- 6 *Insurance* - This category was increased by a higher rate in line with increasing costs incurred from providers and industry trends.

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 Job, 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 LINK TO THE INTEGRATED PLANNING AND REPORTING FRAMEWORK (Continued)

1.1.2 Key planning considerations - Service level planning

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

1.2 Our purpose

Community vision

"Creating a community where everyone is welcome and has the opportunity to live, work and thrive."

Loddon vision

"Loddon will be a resilient, sustainable and prosperous community of communities."

Our values



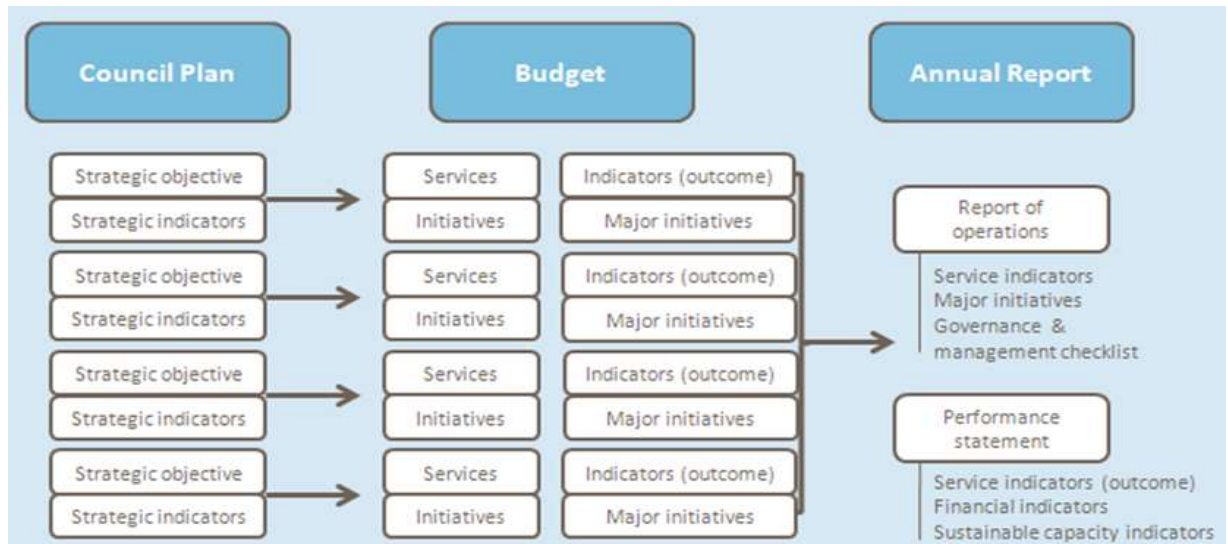
1.3 Strategic objectives

The 2021-2025 Council Plan identifies four high level strategic themes and strategic objectives. These are:

- A sustainable built and natural environment
- A growing and vibrant community
- A diverse and expanding economy
- A supported and accessible community.

2 SERVICES AND SERVICE PERFORMANCE INDICATORS

This section provides a description of the services and initiatives to be funded in the Budget for the 2025/26 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes several initiatives and service performance outcome indicators for key areas of Council’s operations. Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Jobs, Precincts and Regions

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.1 Strategic themes and objectives

The following provides a brief outline of the strategic themes and objectives from the Council Plan.

2.1.1 Strategic theme 1 - A sustainable built and natural environment

Objective:

Infrastructure: *We will implement financially and environmentally sustainable infrastructure that supports our social and economic needs.*

Environment: *We will work with our partners to preserve and protect our local environment. We will support our community to respond to the impacts of climate change.*

Key priorities:

- a) plan for future facilities and infrastructure that meet community need
- b) our built and natural environment are accessible
- c) maintain sports and recreation and open public spaces to enable and promote access and participation
- d) plan for and build community capacity to mitigate, respond and adapt to climate change
- e) work with our partners to support biodiversity and habitat in our area
- f) promote reduction of waste to landfill
- g) plan and prepare for adverse weather events.

Services

| Service area | Income \$ | Expenditure \$ | Surplus/(deficit) \$ |
|-----------------------------------|------------------|-------------------|-------------------------|
| Assets and infrastructure | 60,274 | 1,741,055 | (1,680,781) |
| Building and property maintenance | 111 | 1,244,955 | (1,244,844) |
| Community planning | - | 250,000 | (250,000) |
| Community support | - | 1,899,683 | (1,899,683) |
| Emergency management | 569,247 | 681,645 | (112,398) |
| Local road maintenance | 26,464 | 6,043,935 | (6,017,471) |
| Major projects and grants | - | - | - |
| Operations | - | 293,055 | (293,055) |
| Parks and townships | 351,944 | 1,725,150 | (1,373,206) |
| Project management | 3,820,374 | 100,000 | 3,720,374 |
| Waste management | 2,346,626 | 2,354,599 | (7,973) |
| Total | 7,175,040 | 16,334,077 | (9,159,037) |

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.1 Strategic themes and objectives (continued)

2.1.2 Strategic theme 2 - A growing and vibrant community

Objective:

Population: *We will promote population growth to support a growing and diverse community.*

Community: *We will support a connected and inclusive community that provides opportunities for current and new community members at all ages, abilities, and stages of their life.*

Youth: *We will support our youth to access pathways for education and employment and the ability to connect and actively engage with their community.*

Key priorities:

- a) maximise opportunities to grow our population by taking advantage of all available development opportunities to expand the existing urban footprint
- b) support community groups and volunteers
- c) promote welcoming and safe communities
- d) support youth by working to improve local learning and employment pathways.

Services

| Service area | Income \$ | Expenditure \$ | Surplus/(deficit) \$ |
|----------------------------------|----------------|-------------------|-------------------------|
| Building regulation | 88,905 | 279,234 | (190,329) |
| Community wellbeing | - | 345,252 | (345,252) |
| Development and compliance | - | 250,475 | (250,475) |
| Governance | 182,275 | 1,847,729 | (1,665,454) |
| Local laws and animal management | 79,087 | 271,476 | (192,389) |
| Public health | 53,864 | 168,597 | (114,733) |
| Strategic and statutory planning | 84,383 | 328,422 | (244,039) |
| Total | 488,514 | 3,491,185 | (3,002,671) |

2.1.3 Strategic theme 3 - A diverse and expanding economy

Objective:

Tourism: *We will promote our unique tourism opportunities and support our local tourism industry to increase visitation to our area.*

Economy: *We will support established businesses and seek to attract new businesses to grow our local economy.*

Key priorities:

- a) increase the volume and value of tourism visitation
- b) provide support for economic development opportunities in the Shire
- c) increase the volume and value of the local economy.

Services

| Service area | Income \$ | Expenditure \$ | Surplus/(deficit) \$ |
|----------------------|----------------|-------------------|-------------------------|
| Commercial services | 284,275 | 51,335 | 232,940 |
| Economic development | 43,873 | 22,430 | 21,443 |
| Tourism | - | 456,980 | (456,980) |
| Total | 328,148 | 530,745 | (202,597) |

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.1 Strategic themes and objectives (continued)

2.1.4 Strategic theme 4 - A supported and accessible community

Objective:

Services: *We will deliver our core services and advocate for access to other services for our community that support the health, wellbeing and liveability of our community.*

Communication: *We will listen to our community about how they wish to communicate with us and implement effective communication methods to achieve this. We will provide our community with opportunities to engage with us.*

Key priorities:

- a) ensure services are available for our community
- b) review Council's internal services and processes to ensure we are operating efficiently
- c) enhance the community's opportunity to maintain good health and wellbeing, including mental health
- d) we will increase the opportunity for residents to engage with Council about decisions that impact their community.

Services

| Service area | Income \$ | Expenditure \$ | Surplus/(deficit) \$ |
|--------------------------------|-------------------|-------------------|-------------------------|
| Aged and disability services | 75,017 | 146,871 | (71,854) |
| Executive services | 107,281 | 946,883 | (839,602) |
| Community services | 12,978 | 352,766 | (339,788) |
| Corporate services | - | 243,574 | (243,574) |
| Council administration | - | 294,185 | (294,185) |
| Customer services | - | 211,378 | (211,378) |
| Early years | 1,238,816 | 1,435,337 | (196,521) |
| Financial services | (1,409,314) | 866,095 | (2,275,409) |
| Inclusive communities | - | - | - |
| Information technology | - | 1,904,399 | (1,904,399) |
| Library services | - | 244,146 | (244,146) |
| Municipal health and wellbeing | 1,000 | 8,200 | (7,200) |
| Organisation development | 50,000 | 1,676,565 | (1,626,565) |
| Procurement | - | 255,651 | (255,651) |
| Rates and property | 11,424,595 | 209,052 | 11,215,543 |
| Records management | - | 110,019 | (110,019) |
| Works | - | 268,381 | (268,381) |
| Total | 11,500,373 | 9,173,502 | 2,326,871 |

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.2 Service performance outcome indicators

These service performance outcome indicators are those prescribed in accordance with the Regulations and are reported within Council's Performance Statement.

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

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.3 Service performance outcome indicators (continued)

| Indicator | Performance measure | Computation |
|----------------------------------|--|--|
| Food safety | | |
| Health and safety | Critical and major non-compliance notifications (Percentage of critical and major non-compliance outcome notifications that are followed up by Council) | [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100 |
| Maternal and child health | | |
| Participation | Participation in the MCH service (percentage of children enrolled who participate in the MCH service) | [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100 |
| Participation | Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service) | [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100 |

2.4 Reconciliation with budgeted operating result

| Activity | Income \$ | Expenditure \$ | Surplus/(deficit) \$ |
|-----------------------------------|--------------|-------------------|-------------------------|
| Aged and disability services | 75,017 | 146,871 | (71,854) |
| Assets and infrastructure | 60,274 | 1,741,055 | (1,680,781) |
| Building and property maintenance | 111 | 1,244,955 | (1,244,844) |
| Building regulation | 88,905 | 279,234 | (190,329) |
| Executive services | 107,281 | 946,883 | (839,602) |
| Commercial services | 284,275 | 51,335 | 232,940 |
| Community planning | - | 250,000 | (250,000) |
| Community services | 12,978 | 352,766 | (339,788) |
| Community support | - | 1,899,683 | (1,899,683) |
| Community wellbeing | - | 345,252 | (345,252) |
| Corporate services | - | 243,574 | (243,574) |
| Council administration | - | 294,185 | (294,185) |
| Customer services | - | 211,378 | (211,378) |
| Development and compliance | - | 250,475 | (250,475) |
| Early years | 1,238,816 | 1,435,337 | (196,521) |
| Economic development | 43,873 | 22,430 | 21,443 |
| Emergency management | 569,247 | 681,645 | (112,398) |
| Financial services | (1,409,314) | 866,095 | (2,275,409) |
| Governance | 182,275 | 1,847,729 | (1,665,454) |
| Inclusive communities | - | - | 0 |

2 SERVICES AND SERVICE PERFORMANCE INDICATORS (Continued)

2.4 Reconciliation with budgeted operating result (continued)

| Activity | Income \$ | Expenditure \$ | Surplus/(deficit) \$ |
|---|-------------------|-------------------|-------------------------|
| Information technology | - | 1,904,399 | (1,904,399) |
| Library services | - | 244,146 | (244,146) |
| Local laws and animal management | 79,087 | 271,476 | (192,389) |
| Local road maintenance | 26,464 | 6,043,935 | (6,017,471) |
| Major projects and grants | - | 0 | 0 |
| Municipal health and wellbeing | 1,000 | 8,200 | (7,200) |
| Operations | - | 293,055 | (293,055) |
| Organisation development | 50,000 | 1,676,565 | (1,626,565) |
| Parks and townships | 351,944 | 1,725,150 | (1,373,206) |
| Procurement | - | 255,651 | (255,651) |
| Project management | 3,820,374 | 100,000 | 3,720,374 |
| Public health | 53,864 | 168,597 | (114,733) |
| Rates and property | 11,424,595 | 209,052 | 11,215,543 |
| Records management | - | 110,019 | (110,019) |
| Strategic and statutory planning | 84,383 | 328,422 | (244,039) |
| Tourism | - | 456,980 | (456,980) |
| Waste management | 2,346,626 | 2,354,599 | (7,973) |
| Works | - | 268,381 | (268,381) |
| Total | 19,492,075 | 29,529,509 | (10,037,434) |
| Expenses added in: | | | |
| Depreciation | | | (10,725,233) |
| Surplus/(deficit) before funding sources | | | (20,762,666) |
| Funding sources added in: | | | |
| Rates and charges revenue | | | 11,327,912 |
| Waste charge revenue | | | 2,300,646 |
| Operating surplus/(deficit) for the year | | | (7,134,109) |

3 FINANCIAL STATEMENTS

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2025/26 has been supplemented with projections to 2028/29.

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.

- 3.1 Comprehensive Income Statement
- 3.2 Balance Sheet
- 3.3 Statement of Changes in Equity
- 3.4 Statement of Cash Flows
- 3.5 Statement of Capital Works
- 3.6 Statement of Human Resources
- 3.7 Statement of Reserves

3.1 COMPREHENSIVE INCOME STATEMENT FOR THE FOUR YEARS ENDED 30 JUNE 2029

| | NOTES | Forecast | Budget | Projections | | |
|--|--------|-------------------------|--------------------|--------------------|--------------------|--------------------|
| | | Actual 2024/25 \$ | 2025/26 \$ | 2026/27 \$ | 2027/28 \$ | 2028/29 \$ |
| Income / Revenue | | | | | | |
| Rates and charges | 4.1.1 | 13,181,344 | 13,663,558 | 14,158,160 | 14,586,052 | 15,026,939 |
| Statutory fees and fines | 4.1.2 | 307,802 | 308,848 | 321,198 | 330,829 | 340,746 |
| User fees | 4.1.3 | 613,082 | 681,460 | 700,590 | 720,269 | 740,515 |
| Grants - operating | 4.1.4 | 34,230,399 | 13,326,837 | 13,062,221 | 13,374,164 | 13,693,594 |
| Grants - capital | 4.1.4 | 8,341,110 | 3,820,374 | 4,536,695 | 4,775,467 | 4,775,467 |
| Contributions - monetary | 4.1.5 | 16,989 | - | - | - | - |
| Reimbursements | 4.1.6 | 427,821 | 519,556 | 343,064 | 346,588 | 350,221 |
| Regional Roads Victoria | 4.1.7 | - | - | - | - | - |
| Net gain/(loss) on disposal of property, infrastructure, plant and equipment | | - | - | - | - | - |
| Other income | 4.1.8 | 1,900,000 | 800,000 | 800,000 | 800,000 | 800,000 |
| Total income / revenue | | 59,018,547 | 33,120,633 | 33,921,929 | 34,933,369 | 35,727,482 |
| Expenses | | | | | | |
| Employee costs | 4.1.9 | 14,793,572 | 15,313,133 | 14,932,794 | 15,382,288 | 15,845,286 |
| Materials and services | 4.1.10 | 36,749,690 | 13,848,489 | 13,576,031 | 13,930,349 | 14,658,875 |
| Allowance for impairment losses | | - | - | - | - | - |
| Depreciation - right of use assets | 4.1.11 | 10,514,934 | 10,725,233 | 10,939,738 | 11,158,532 | 11,381,703 |
| Borrowing costs | | - | - | - | - | - |
| Finance costs - leases | | - | - | - | - | - |
| Other expenses | 4.1.12 | 358,588 | 367,887 | 389,114 | 415,485 | 429,387 |
| Total expenses | | 62,416,784 | 40,254,742 | 39,837,677 | 40,886,654 | 42,315,252 |
| Surplus/(deficit) for the year | | (3,398,237) | (7,134,109) | (5,915,748) | (5,953,284) | (6,587,770) |
| Other comprehensive income | | | | | | |
| Other comprehensive income | | - | - | - | - | - |
| Total other comprehensive income | | - | - | - | - | - |
| Total comprehensive result | | (3,398,237) | (7,134,109) | (5,915,748) | (5,953,284) | (6,587,770) |

3 FINANCIAL STATEMENTS (Continued)

3.2 BALANCE SHEET FOR THE FOUR YEARS ENDED 30 JUNE 2029

| | NOTES | Forecast | Budget | Projections | | |
|--|--------------|-------------------------|--------------------|--------------------|--------------------|--------------------|
| | | Actual 2024/25 \$ | 2025/26 \$ | 2026/27 \$ | 2027/28 \$ | 2028/29 \$ |
| Assets | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | | 25,176,405 | 20,488,527 | 16,427,173 | 12,194,824 | 7,394,146 |
| Trade and other receivables | | 1,133,815 | 636,022 | 655,577 | 675,736 | 691,545 |
| Other financial assets | | 293,630 | 293,630 | 293,630 | 293,630 | 293,630 |
| Inventories | | - | - | - | - | - |
| Prepayments | | - | - | - | - | - |
| Non-current assets classified as held for sale | | 491,805 | 491,805 | 491,805 | 491,805 | 491,805 |
| Total current assets | 4.2.1 | 27,095,655 | 21,909,984 | 17,868,185 | 13,655,995 | 8,871,126 |
| Non-current assets | | | | | | |
| Trade and other receivables | | - | - | - | - | - |
| Property, infrastructure, plant and equipment | | 434,798,327 | 445,445,116 | 457,165,334 | 469,399,214 | 481,959,681 |
| Right of use assets | | - | - | - | - | - |
| Intangible assets | | 2,705,783 | 2,705,783 | 2,705,783 | 2,705,783 | 2,705,783 |
| Total non-current assets | 4.2.1 | 437,504,110 | 448,150,899 | 459,871,117 | 472,104,997 | 484,665,464 |
| Total assets | | 464,599,765 | 470,060,883 | 477,739,302 | 485,760,992 | 493,536,590 |
| Liabilities | | | | | | |
| Current liabilities | | | | | | |
| Trade and other payables | | 1,113,248 | 426,491 | 418,954 | 430,375 | 452,648 |
| Trust funds and deposits | | 527,052 | 500,700 | 475,665 | 451,882 | 429,287 |
| Provisions | | 2,378,022 | 2,289,653 | 2,203,606 | 2,114,979 | 2,023,693 |
| Interest bearing loans and borrowings | 4.2.3 | - | - | - | - | - |
| Lease liabilities | 4.2.4 | - | - | - | - | - |
| Total current liabilities | 4.2.2 | 4,018,322 | 3,216,844 | 3,098,225 | 2,997,236 | 2,905,628 |
| Non-current liabilities | | | | | | |
| Provisions | | 2,124,214 | 2,462,215 | 2,796,895 | 3,143,144 | 3,501,390 |
| Interest bearing loans and borrowings | 4.2.3 | - | - | - | - | - |
| Unearned income/revenue | | - | - | - | - | - |
| Lease liabilities | 4.2.4 | - | - | - | - | - |
| Total non-current liabilities | 4.2.2 | 2,124,214 | 2,462,215 | 2,796,895 | 3,143,144 | 3,501,390 |
| Total liabilities | | 6,142,536 | 5,679,059 | 5,895,120 | 6,140,380 | 6,407,018 |
| NET ASSETS | | 458,457,229 | 464,381,824 | 471,844,182 | 479,620,612 | 487,129,572 |
| Equity | | | | | | |
| Accumulated surplus | | 101,965,199 | 94,539,359 | 87,837,855 | 81,065,285 | 73,904,423 |
| Asset revaluation reserve | | 342,855,871 | 355,914,575 | 369,292,682 | 383,022,397 | 397,119,127 |
| Other reserves | | 13,636,159 | 13,927,890 | 14,713,645 | 15,532,930 | 16,106,022 |
| TOTAL EQUITY | | 458,457,229 | 464,381,824 | 471,844,182 | 479,620,612 | 487,129,572 |

3 FINANCIAL STATEMENTS (Continued)

3.3 STATEMENT OF CHANGES IN EQUITY FOR THE FOUR YEARS ENDED 30 JUNE 2029

| 2025 Forecast Actual | Total \$ | Accumulated surplus \$ | Revaluation reserve \$ | Other reserves \$ |
|--|--------------------|------------------------------|------------------------------|----------------------|
| Balance at beginning of the financial year | 449,337,678 | 100,714,871 | 330,338,083 | 18,284,724 |
| Surplus / (deficit) for the year | (3,398,237) | (3,398,237) | - | - |
| Net asset revaluation gain / (loss) | 12,517,788 | - | 12,517,788 | - |
| Transfer to other reserves | - | (5,729,487) | - | 5,729,487 |
| Transfer from other reserves | - | 10,378,053 | - | (10,378,053) |
| Balance at end of financial year | 458,457,229 | 101,965,199 | 342,855,871 | 13,636,159 |

| 2026 Budget | Total \$ | Accumulated surplus \$ | Revaluation reserve \$ | Other reserves \$ |
|--|--------------------|------------------------------|------------------------------|----------------------|
| Balance at beginning of the financial year | 458,457,229 | 101,965,199 | 342,855,871 | 13,636,159 |
| Surplus / (deficit) for the year | (7,134,109) | (7,134,109) | - | - |
| Net asset revaluation gain / (loss) | 13,058,704 | - | 13,058,704 | - |
| Transfer to other reserves | - | (2,023,481) | - | 2,023,481 |
| Transfer from other reserves | - | 1,731,750 | - | (1,731,750) |
| Balance at end of financial year | 464,381,824 | 94,539,359 | 355,914,575 | 13,927,890 |

| 2027 Projection | Total \$ | Accumulated surplus \$ | Revaluation reserve \$ | Other reserves \$ |
|--|--------------------|------------------------------|------------------------------|----------------------|
| Balance at beginning of the financial year | 464,381,824 | 94,539,359 | 355,914,575 | 13,927,890 |
| Surplus / (deficit) for the year | (5,915,748) | (5,915,748) | - | - |
| Net asset revaluation gain / (loss) | 13,378,107 | - | 13,378,107 | - |
| Transfer to other reserves | - | (2,033,616) | - | 2,033,616 |
| Transfer from other reserves | - | 1,247,861 | - | (1,247,861) |
| Balance at end of financial year | 471,844,182 | 87,837,855 | 369,292,682 | 14,713,645 |

| 2028 Projection | Total \$ | Accumulated surplus \$ | Revaluation reserve \$ | Other reserves \$ |
|--|--------------------|------------------------------|------------------------------|----------------------|
| Balance at beginning of the financial year | 471,844,182 | 87,837,855 | 369,292,682 | 14,713,645 |
| Surplus / (deficit) for the year | (5,953,284) | (5,953,284) | - | - |
| Net asset revaluation gain / (loss) | 13,729,715 | - | 13,729,715 | - |
| Transfer to other reserves | - | (2,044,045) | - | 2,044,045 |
| Transfer from other reserves | - | 1,224,760 | - | (1,224,760) |
| Balance at end of financial year | 479,620,612 | 81,065,285 | 383,022,397 | 15,532,930 |

| 2029 Projection | Total \$ | Accumulated surplus \$ | Revaluation reserve \$ | Other reserves \$ |
|--|--------------------|------------------------------|------------------------------|----------------------|
| Balance at beginning of the financial year | 479,620,612 | 81,065,285 | 383,022,397 | 15,532,930 |
| Surplus / (deficit) for the year | (6,587,770) | (6,587,770) | - | - |
| Net asset revaluation gain / (loss) | 14,096,730 | - | 14,096,730 | - |
| Transfer to other reserves | - | (2,054,764) | - | 2,054,764 |
| Transfer from other reserves | - | 1,481,672 | - | (1,481,672) |
| Balance at end of financial year | 487,129,572 | 73,904,423 | 397,119,127 | 16,106,022 |

3 FINANCIAL STATEMENTS (Continued)

3.4 STATEMENT OF CASH FLOWS FOR THE FOUR YEARS ENDED 30 JUNE 2029

| | NOTES | Forecast | Budget | Projections | | |
|---|--------------|-------------------------|---------------------|---------------------|---------------------|---------------------|
| | | Actual 2024/25 \$ | 2025/26 \$ | 2026/27 \$ | 2027/28 \$ | 2028/29 \$ |
| Cash flows from operating activities | | | | | | |
| Receipts | | | | | | |
| Rates and charges | | 13,679,242 | 14,078,101 | 14,327,482 | 14,752,947 | 15,207,291 |
| Statutory fees and fines | | 269,953 | 364,804 | 325,666 | 335,429 | 345,980 |
| User fees | | 971,829 | 919,096 | 705,802 | 725,601 | 748,213 |
| Grants - operating | | 34,915,007 | 13,593,374 | 13,323,465 | 13,641,647 | 13,967,466 |
| Grants - capital | | 7,085,432 | 3,896,781 | 4,627,429 | 4,870,976 | 4,870,976 |
| Contributions - monetary | | 17,329 | - | - | - | - |
| Interest received | | 2,038,803 | 800,000 | 800,000 | 800,000 | 800,000 |
| Trust funds and deposits taken | | - | - | - | - | - |
| Other receipts | | 436,377 | 529,947 | 349,925 | 353,520 | 357,225 |
| Net GST refund/payment | | (208,270) | (208,270) | (208,270) | (208,270) | (208,270) |
| Operating receipts | | 59,205,702 | 33,973,833 | 34,251,499 | 35,271,850 | 36,088,881 |
| Payments | | | | | | |
| Employee costs | | (14,582,662) | (15,091,825) | (14,713,053) | (15,154,136) | (15,608,385) |
| Materials and services | | (38,347,489) | (15,230,216) | (14,292,916) | (14,663,581) | (15,413,139) |
| Trust funds and deposits repaid | | (27,740) | (26,352) | (25,035) | (23,783) | (22,595) |
| Short-term, low value and variable lease payments | | - | - | - | - | - |
| Other payments | | - | - | - | - | - |
| Operating payments | | (52,957,891) | (30,348,393) | (29,031,004) | (29,841,500) | (31,044,119) |
| Net cash provided by/(used in) operating activities | 4.4.1 | 6,247,811 | 3,625,440 | 5,220,495 | 5,430,350 | 5,044,762 |
| Cash flows from investing activities | | | | | | |
| Payments for property, infrastructure, plant and equipment | | (16,027,685) | (8,313,318) | (9,281,849) | (9,662,699) | (9,845,440) |
| Decrease in term deposits | | 32,197,145 | - | - | - | - |
| Loans and advances made | | - | - | - | - | - |
| Payments of loans and advances | | - | - | - | - | - |
| Net cash provided by/(used in) investing activities | 4.4.2 | 16,169,460 | (8,313,318) | (9,281,849) | (9,662,699) | (9,845,440) |
| Cash flows from financing activities | | | | | | |
| Finance costs | | - | - | - | - | - |
| Repayment of lease liabilities | | - | - | - | - | - |
| Net cash provided by (used in) financing activities | 4.4.3 | - | - | - | - | - |
| Net increase/(decrease) in cash and cash equivalents | | 22,417,271 | (4,687,878) | (4,061,354) | (4,232,349) | (4,800,678) |
| Cash and cash equivalents at the beginning of the year | | 2,759,134 | 25,176,405 | 20,488,527 | 16,427,173 | 12,194,824 |
| Cash and cash equivalents at the end of the year | 4.4.4 | 25,176,405 | 20,488,527 | 16,427,173 | 12,194,824 | 7,394,146 |

3 FINANCIAL STATEMENTS (Continued)

3.5 STATEMENT OF CAPITAL WORKS FOR THE FOUR YEARS ENDED 30 JUNE 2029

| | NOTES | Forecast | Budget | Projections | | |
|--|--------------|-------------------------|------------------|------------------|------------------|-------------------|
| | | Actual 2024/25 \$ | 2025/26 \$ | 2026/27 \$ | 2027/28 \$ | 2028/29 \$ |
| Capital works areas | | | | | | |
| Land and buildings | | 892,469 | 399,000 | 405,000 | 405,000 | 405,000 |
| Office furniture and equipment | | 157,200 | 43,500 | 115,000 | 115,000 | 115,000 |
| Plant and equipment | | 1,333,297 | 1,390,000 | 1,330,968 | 1,334,221 | 1,588,732 |
| Footpaths | | 998,700 | 375,402 | 532,217 | 547,670 | 551,938 |
| Roadworks | | 5,162,256 | 4,792,256 | 5,903,261 | 6,422,830 | 6,460,026 |
| Urban and road drainage | | 1,533,953 | 767,500 | 350,000 | 350,000 | 350,000 |
| Recreation, leisure and community facilities | | 3,556,814 | 839,910 | 866,010 | 734,937 | 619,304 |
| Parks, open space and streetscapes | | 2,605,414 | - | - | - | - |
| Other infrastructure | | - | - | - | - | - |
| Total capital works | 4.5.1 | 16,240,103 | 8,607,568 | 9,502,456 | 9,909,658 | 10,090,000 |
| Represented by: | | | | | | |
| New asset expenditure | | 1,982,952 | 1,838,374 | 1,445,968 | 1,449,221 | 1,703,732 |
| Asset renewal expenditure | | 7,437,320 | 6,306,694 | 8,056,488 | 8,460,437 | 8,386,268 |
| Asset expansion expenditure | | 2,960,301 | - | - | - | - |
| Asset upgrade expenditure | | 3,859,530 | 462,500 | - | - | - |
| Total capital works expenditure | | 16,240,103 | 8,607,568 | 9,502,456 | 9,909,658 | 10,090,000 |

| | Forecast | Budget | Projections | | |
|--|-------------------------|------------------|------------------|------------------|-------------------|
| | Actual 2024/25 \$ | 2025/26 \$ | 2026/27 \$ | 2027/28 \$ | 2028/29 \$ |
| Expenditure type | | | | | |
| Labour | - | - | - | - | - |
| Creditors | 8,115,694 | 5,569,926 | 5,319,079 | 5,425,899 | 5,576,937 |
| Contractors | 8,124,409 | 3,037,642 | 4,183,377 | 4,483,759 | 4,513,063 |
| Total capital works expenditure | 16,240,103 | 8,607,568 | 9,502,456 | 9,909,658 | 10,090,000 |

| | Forecast | Budget | Projections | | |
|--|-------------------------|------------------|------------------|------------------|-------------------|
| | Actual 2024/25 \$ | 2025/26 \$ | 2026/27 \$ | 2027/28 \$ | 2028/29 \$ |
| Funding sourced represented by | | | | | |
| Grants / contributions | 8,119,917 | 3,820,374 | 4,536,694 | 4,775,467 | 4,775,467 |
| Council cash | 6,821,889 | 3,373,694 | 3,539,794 | 3,704,970 | 3,630,801 |
| Reserves | 1,085,879 | 1,119,250 | 1,205,361 | 1,182,260 | 1,439,172 |
| Sale of assets | 212,418 | 294,250 | 220,607 | 246,961 | 244,560 |
| Total capital works expenditure | 16,240,103 | 8,607,568 | 9,502,456 | 9,909,658 | 10,090,000 |

3 FINANCIAL STATEMENTS (Continued)

3.6 STATEMENT OF HUMAN RESOURCES FOR THE FOUR YEARS ENDED 30 JUNE 2029

| | Forecast | Budget 2025/26 \$ | Projections | | |
|---------------------------------|-------------------------|-------------------------|-------------------|-------------------|-------------------|
| | Actual 2024/25 \$ | | 2026/27 \$ | 2027/28 \$ | 2028/29 \$ |
| Staff expenditure | | | | | |
| Employee labour - operating | 13,053,181 | 13,192,426 | 12,842,197 | 13,233,416 | 13,636,836 |
| Employee labour - capital | - | - | - | - | - |
| Total staff expenditure* | 13,053,181 | 13,192,426 | 12,842,197 | 13,233,416 | 13,636,836 |
| | | | | | |
| Staff numbers EFT** | EFT | EFT | EFT | EFT | EFT |
| Employees | 146.38 | 142.38 | 135.38 | 135.38 | 135.38 |
| Total staff numbers EFT | 146.38 | 142.38 | 135.38 | 135.38 | 135.38 |

* Excludes employee oncost

** Equivalent Full Time

A summary of human resources expenditure categories according to the organisation structure of Council is included below:

| Directorate | Budget 2025/26 | Permanent Full Time | Permanent Part Time |
|--|-------------------|------------------------|------------------------|
| Staff cost | | | |
| Executive services | 934,407 | 703,296 | 231,112 |
| Community wellbeing | 2,607,347 | 1,194,222 | 1,413,125 |
| Corporate services | 2,353,423 | 1,932,043 | 421,380 |
| Operations | 7,297,249 | 6,643,971 | 653,278 |
| Total permanent staff expenditure | 13,192,426 | 10,473,531 | 2,718,895 |
| Other employee related expenditure | 2,120,707 | | |
| Capitalised labour costs | - | | |
| Total expenditure | 15,313,133 | | |

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

| Directorate | Budget 2025/26 | Permanent Full Time | Permanent Part Time |
|---------------------|-------------------|------------------------|------------------------|
| Staff EFT | | | |
| Executive services | 7.57 | 5.00 | 2.57 |
| Community wellbeing | 26.92 | 11.00 | 15.92 |
| Corporate services | 23.53 | 19.00 | 4.53 |
| Operations | 84.36 | 76.00 | 8.36 |
| Total staff | 142.38 | 111.00 | 31.38 |

3 FINANCIAL STATEMENTS (Continued)

3.6 STATEMENT OF HUMAN RESOURCES (Continued)
FOR THE FOUR YEARS ENDED 30 JUNE 2029

| | Budget 2025/26 \$ | Projections | | |
|----------------------------------|-------------------------|-------------------|-------------------|-------------------|
| | | 2026/27 \$ | 2027/28 \$ | 2028/29 \$ |
| Executive services | | | | |
| Permanent - Full time | | | | |
| - Female | 100,512 | 103,527 | 106,633 | 109,832 |
| - Male | 602,784 | 620,868 | 639,494 | 658,678 |
| Permanent - Part time | | | | |
| - Female | 157,052 | 161,764 | 166,616 | 171,615 |
| - Male | 74,060 | 76,282 | 78,570 | 80,927 |
| Total executive services | 934,408 | 962,440 | 991,313 | 1,021,053 |
| Community wellbeing | | | | |
| Permanent - Full time | | | | |
| - Female | 732,683 | 754,663 | 777,303 | 800,622 |
| - Male | 461,539 | 475,385 | 489,647 | 504,336 |
| Permanent - Part time | | | | |
| - Female | 1,322,951 | 1,362,640 | 1,403,519 | 1,445,624 |
| - Male | 90,174 | 92,879 | 95,666 | 98,536 |
| Total community wellbeing | 2,607,347 | 2,685,567 | 2,766,134 | 2,849,118 |
| Corporate services | | | | |
| Permanent - Full time | | | | |
| - Female | 1,462,740 | 1,426,622 | 1,469,421 | 1,513,503 |
| - Male | 469,303 | 403,382 | 415,484 | 427,948 |
| Permanent - Part time | | | | |
| - Female | 421,380 | 434,021 | 447,042 | 460,453 |
| - Male | - | - | - | - |
| Total corporate services | 2,353,423 | 2,264,026 | 2,331,946 | 2,401,905 |
| Operations | | | | |
| Permanent - Full time | | | | |
| - Female | 504,646 | 519,785 | 535,379 | 551,440 |
| - Male | 6,139,325 | 5,737,502 | 5,915,580 | 6,099,465 |
| Permanent - Part time | | | | |
| - Female | 152,307 | 156,876 | 161,582 | 166,430 |
| - Male | 500,971 | 516,000 | 531,480 | 547,425 |
| Total operations | 7,297,249 | 6,930,163 | 7,144,021 | 7,364,760 |
| Casuals and temporary staff | - | - | - | - |
| Capitalised labour costs | - | - | - | - |
| Total staff expenditure | 13,192,426 | 12,842,197 | 13,233,416 | 13,636,836 |

3 FINANCIAL STATEMENTS (Continued)

3.6 STATEMENT OF HUMAN RESOURCES (Continued)
FOR THE FOUR YEARS ENDED 30 JUNE 2029

| | Budget 2025/26 EFT | Projections | | |
|----------------------------------|--------------------------|----------------|----------------|----------------|
| | | 2026/27 EFT | 2027/28 EFT | 2028/29 EFT |
| Executive services | | | | |
| Permanent - Full time | | | | |
| - Female | 1.00 | 1.00 | 1.00 | 1.00 |
| - Male | 4.00 | 4.00 | 4.00 | 4.00 |
| Permanent - Part time | | | | |
| - Female | 1.83 | 1.83 | 1.83 | 1.83 |
| - Male | 0.74 | 0.74 | 0.74 | 0.74 |
| Total executive services | 7.57 | 7.57 | 7.57 | 7.57 |
| Community wellbeing | | | | |
| Permanent - Full time | | | | |
| - Female | 7.00 | 7.00 | 7.00 | 7.00 |
| - Male | 4.00 | 4.00 | 4.00 | 4.00 |
| Permanent - Part time | | | | |
| - Female | 14.65 | 14.65 | 14.65 | 14.65 |
| - Male | 1.27 | 1.27 | 1.27 | 1.27 |
| Total community wellbeing | 26.92 | 26.92 | 26.92 | 26.92 |
| Corporate services | | | | |
| Permanent - Full time | | | | |
| - Female | 15.00 | 14.00 | 14.00 | 14.00 |
| - Male | 4.00 | 3.00 | 3.00 | 3.00 |
| Permanent - Part time | | | | |
| - Female | 4.53 | 4.53 | 4.53 | 4.53 |
| - Male | 0.00 | 0.00 | 0.00 | 0.00 |
| Total corporate services | 23.53 | 21.53 | 21.53 | 21.53 |
| Operations | | | | |
| Permanent - Full time | | | | |
| - Female | 6.00 | 6.00 | 6.00 | 6.00 |
| - Male | 70.00 | 65.00 | 65.00 | 65.00 |
| Permanent - Part time | | | | |
| - Female | 1.43 | 1.43 | 1.43 | 1.43 |
| - Male | 6.93 | 6.93 | 6.93 | 6.93 |
| Total operations | 84.36 | 79.36 | 79.36 | 79.36 |
| Casuals and temporary staff | 0.00 | 0.00 | 0.00 | 0.00 |
| Capitalised labour costs | 0.00 | 0.00 | 0.00 | 0.00 |
| Total staff expenditure | 142.38 | 135.38 | 135.38 | 135.38 |

3 FINANCIAL STATEMENTS (Continued)

3.7 STATEMENT OF RESERVES
FOR THE FOUR YEARS ENDED 30 JUNE 2029

| | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ | Projections | | |
|---------------------------------------|-------------------------------------|-------------------------|-------------------|-------------------|-------------------|
| | | | 2026/27 \$ | 2027/28 \$ | 2028/29 \$ |
| Discretionary | | | | | |
| Capital expenditure reserve | 27,613 | 27,613 | 27,613 | 27,613 | 27,613 |
| Caravan park development reserve | 480,358 | 613,298 | 853,714 | 1,101,839 | 1,357,906 |
| Community planning reserve | 1,469,030 | 1,469,030 | 1,469,030 | 1,469,030 | 1,469,030 |
| Gravel and sand pit reserve | 432,218 | 80,319 | 201,079 | 324,559 | 450,816 |
| Heritage loan scheme reserve | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Land and buildings reserve | 1,222,592 | 1,222,592 | 1,222,592 | 1,222,592 | 1,222,592 |
| Little Lake Boort water reserve | 17,604 | 17,604 | 17,604 | 17,604 | 17,604 |
| Major projects reserve | 378,485 | 378,485 | 378,485 | 378,485 | 378,485 |
| Community loans scheme reserve | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Superannuation liability reserve | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Unightly premises enforcement reserve | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Unspent grants reserve | 92,829 | 92,829 | 92,829 | 92,829 | 92,829 |
| Waste management reserve | 379,510 | 414,450 | 449,390 | 484,330 | 519,270 |
| Fleet replacement reserve | 843,744 | 901,994 | 1,061,015 | 1,139,759 | 1,031,733 |
| Information technology reserve | 590,900 | 662,400 | 662,400 | 662,400 | 662,400 |
| Plant replacement reserve | 660,402 | 1,006,402 | 1,237,020 | 1,571,016 | 1,834,870 |
| Professional development reserve | 14,992 | 14,992 | 14,992 | 14,992 | 14,992 |
| Swimming pool major projects reserve | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Urban drainage reserve | 1,833,660 | 1,833,660 | 1,833,660 | 1,833,660 | 1,833,660 |
| Flood restoration reserve | 3,842,220 | 3,842,220 | 3,842,220 | 3,842,220 | 3,842,220 |
| Total discretionary reserves | 4.3.2 13,636,157 | 13,927,888 | 14,713,643 | 15,532,928 | 16,106,020 |

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 Regulations to be disclosed in Council's budget.

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

In developing the Budget, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the financial planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2025/26 the FGRS cap has been set at 3.00%. The cap applies to both general rates and municipal charges and is calculated on the basis of council's average rates and charges.

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

To achieve these objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 3.00% in line with the rate cap.

This will raise total rates and charges for 2025/26 of \$13.6 million.

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

| | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ | Change \$ | Change % |
|--------------------------------|-------------------------------------|-------------------------|----------------|-------------|
| General rates* | 9,535,230 | 9,813,412 | 278,182 | 2.9% |
| Municipal charge* | 1,462,743 | 1,514,500 | 51,757 | 3.5% |
| Garbage charge | 1,594,801 | 1,708,806 | 114,005 | 7.1% |
| Kerbside recycling charge | 553,566 | 591,840 | 38,274 | 6.9% |
| Total rates and charges | 13,146,340 | 13,628,558 | 482,218 | 3.7% |
| Interest on rates and charges | 35,004 | 35,000 | - 4 | 0.0% |

* 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 | 2024/25 cents/\$CIV | 2025/26 cents/\$CIV | Change |
|-----------------------|------------------------|------------------------|--------|
| General | 0.194080 | 0.187185 | -3.6% |
| Rural | 0.170831 | 0.164762 | -3.6% |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

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

| Type or class of land | 2024/25 \$ | 2025/26 \$ | Change |
|---|------------------|------------------|-------------|
| General | 2,460,098 | 2,444,359 | -0.6% |
| Rural | 7,075,132 | 7,369,053 | 4.2% |
| Total amount to be raised by rates | 9,535,230 | 9,813,412 | 2.9% |

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

| Type or class of land | 2024/25 number | 2025/26 number | Change |
|------------------------------------|-------------------|-------------------|-------------|
| General | 4,444 | 4,454 | 0.2% |
| Rural | 3,595 | 3,597 | 0.1% |
| Total number of assessments | 8,039 | 8,051 | 0.1% |

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

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

| Type or class of land | 2024/25 \$ | 2025/26 \$ | Change |
|----------------------------|----------------------|----------------------|-------------|
| General | 1,261,428,300 | 1,305,848,700 | 3.5% |
| Rural | 4,129,761,200 | 4,472,550,200 | 8.3% |
| Total value of land | 5,391,189,500 | 5,778,398,900 | 7.2% |

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

| Type of charge | Per rateable property 2024/25 \$ | Per rateable property 2025/26 \$ | Change |
|----------------|---|---|--------|
| Municipal | 243 | 250 | 2.9% |

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

| Type of charge | 2024/25 \$ | 2025/26 \$ | Change |
|----------------|---------------|---------------|--------|
| Municipal | 1,462,743 | 1,514,500 | 3.5% |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

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

| Type of charge | Per rateable property 2024/25 \$ | Per rateable property 2025/26 \$ | Change |
|------------------------------|--|--|--------|
| Garbage collection 140 litre | 401 | 425 | 6.0% |
| Garbage collection 240 litre | 545 | 578 | 6.1% |
| Kerbside recycling 240 litre | 151 | 160 | 6.0% |

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 | 2024/25 \$ | 2025/26 \$ | Change |
|---------------------------|------------------|------------------|-------------|
| Garbage charge | 1,594,801 | 1,708,806 | 7.1% |
| Kerbside recycling charge | 553,566 | 591,840 | 6.9% |
| Total | 2,148,367 | 2,300,646 | 7.1% |

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

| | 2024/25 \$ | 2025/26 \$ | Change |
|---------------------------------------|-------------------|-------------------|-------------|
| General rates | 9,535,230 | 9,813,412 | 2.9% |
| Municipal charge | 1,462,743 | 1,514,500 | 3.5% |
| Garbage and kerbside recycling charge | 2,148,367 | 2,300,646 | 7.1% |
| Total rates and charges | 13,146,340 | 13,628,558 | 3.7% |

4.1.1 (l) Fair Go Rates System Compliance

Loddon Shire Council is fully compliant with the State Government's Fair Go Rates System. The table below details the budget assumptions consistent with the requirements of the Fair Go Rates System.

| | 2024/25 \$ | 2025/26 \$ |
|--|---------------|---------------|
| Total rates base | 10,673,151 | 10,997,973 |
| Number of rateable properties | 8,039 | 8,051 |
| Base average rate | 1,327.67 | 1,366.04 |
| Maximum rate increase (set by State Government) | 2.75% | 3.00% |
| Capped average rate | 1,364.18 | 1,407.02 |
| Maximum general rates and municipal charges revenue | 10,966,663 | 11,327,912 |
| Budgeted general rates and municipal charges revenue | 10,966,663 | 11,327,912 |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

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

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

- the making of supplementary valuations
- the variation of returned levels of value (e.g. valuation objections)
- changes in use of land such that rateable land becomes non-rateable land and vice versa
- changes in use of land such that general rateable land becomes rural rateable land and vice versa.

4.1.1 (n) Differential rates

The existing rating structure comprises one differential rate (rural properties) and a rate for general properties (residential and commercial). These rates are structured in accordance with the requirements of Section 161 "Differential Rates" of the Local Government Act 1989.

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

- a general rate of 0.187185 cents in the dollar of CIV for all rateable general properties
- a rural rate of 0.164762 cents in the dollar of CIV for all rateable rural properties.

Each differential rate will be determined by multiplying the Capital Improved Value of the rateable land by the relevant cents in the dollar indicated above.

For the 2025/26 Budget, Council has defined a differential rate split of 12%, with rural rates having a rate in the dollar of 88% of the general rate. Council considers this as a fair allocation of rates across property types.

Under the Cultural and Recreation Lands Act 1963, provision is made for a Council to grant a rating concession to any "recreational lands" which meet the test of being "rateable land" under the Local Government Act 1989. Council has exempted all rateable recreation land from the payment of rates.

4.1.2 Statutory fees and fines

| | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ | Change \$ | Change % |
|---------------------------------------|-------------------------------------|-------------------------|----------------|-------------|
| Building regulation | 86,316 | 88,905 | 2,589 | 3.0% |
| Community Services | 12,600 | 12,978 | 378 | 3.0% |
| Local laws and animal management | 53,532 | 63,036 | 9,504 | 17.8% |
| Public health | 58,621 | 47,294 | (11,327) | -19.3% |
| Rates and property | 14,808 | 12,252 | (2,556) | -17.3% |
| Strategic and statutory planning | 81,925 | 84,383 | 2,458 | 3.0% |
| Total statutory fees and fines | 307,802 | 308,848 | (1,412) | 0.3% |

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include Public Health and Wellbeing Act 2008 registrations, Planning and Environment Act 1987 registrations, Building Act 1993 registrations, the Country Fire Authority Act 1958 registrations, and Domestic (Feral and Nuisance) Animals Act 1994 registrations. Increases in statutory fees are made in accordance with legislative requirements.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.3 User fees

| | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ | Change \$ | Change % |
|--------------------------------|-------------------------------------|-------------------------|---------------|--------------|
| Aged and disability services | 70,308 | 72,417 | 2,109 | 3.0% |
| Assets and infrastructure | 58,800 | 60,274 | 1,474 | 2.5% |
| Commercial services | 131,964 | 284,275 | 152,311 | 115.4% |
| Early years | - | 2,300 | 2,300 | 100.0% |
| Economic development | 39,917 | 43,873 | 3,956 | 9.9% |
| Emergency management | 5,004 | - | (5,004) | -100.0% |
| Municipal health and wellbeing | 8,246 | 1,000 | (7,246) | -87.9% |
| Organisational development | 43,584 | - | (43,584) | -100.0% |
| Waste management | 40,585 | 41,802 | 1,217 | 3.0% |
| Works | 214,062 | 174,908 | (39,154) | -18.3% |
| Other | 612 | 611 | (1) | -0.2% |
| Total user fees | 613,082 | 681,460 | 68,378 | 11.2% |

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include gravel pit fees and royalties, rental from Council owned properties, and private works. A detailed listing of statutory fees and Council charges is available on Council's web site and can also be inspected at Council's customer service centre. In setting the budget, the key principle for determining the level of user charges has been to ensure that increases do not exceed CPI increases or market levels. Council has many varied sources of user charges.

4.1.4 Grants

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

| | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ | Change \$ | Change % |
|--|-------------------------------------|-------------------------|---------------------|---------------|
| Grants were received in respect of the following: | | | | |
| Summary of grants | | | | |
| Commonwealth funded grants | 35,652,894 | 15,808,365 | (19,844,529) | -55.7% |
| State funded grants | 6,918,615 | 1,338,846 | (5,579,769) | -80.6% |
| Total grants received | 42,571,509 | 17,147,211 | (25,424,298) | -59.7% |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.4 Grants (Continued)

| | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ | Change \$ | Change % |
|--|-------------------------------------|-------------------------|----------------|---------------|
| (a) Operating grants | | | | |
| Recurrent - Commonwealth Government | | | | |
| VLGGC - local roads | 6,516,960 | 6,634,805 | 117,845 | 1.8% |
| VLGGC - general | 4,741,785 | 4,783,939 | 42,154 | 0.9% |
| Recurrent - State Government | | | | |
| Aged and disability services | 3,700 | 2,600 | (1,100) | -29.7% |
| Early years | 1,007,213 | 986,498 | (20,715) | -2.1% |
| Local laws and animal management | 15,675 | 16,051 | 376 | 2.4% |
| Parks and townships | 85,000 | - | (85,000) | -100.0% |
| Public health | 6,416 | 6,570 | 154 | 2.4% |
| Rates and property | 48,272 | 49,431 | 1,159 | 2.4% |
| Waste management | 4,080 | 4,178 | 98 | 2.4% |
| Works | 11,750 | 23,500 | 11,750 | 100.0% |
| Total recurrent grants | 12,440,851 | 12,507,572 | 66,721 | 0.5% |
| Non-recurrent - Commonwealth Government | | | | |
| Emergency management | 20,476,110 | 569,247 | (19,906,863) | -97.2% |
| Project management | 1,093,983 | - | (1,093,983) | -100.0% |
| Non-recurrent State Government | | | | |
| Community support | 3,000 | - | (3,000) | -100.0% |
| Early years | 216,455 | 250,018 | 33,563 | 15.5% |
| Total non-recurrent grants | 21,789,548 | 819,265 | 33,563 | -96.2% |
| Total operating grants | 34,230,399 | 13,326,837 | 100,284 | -61.1% |

Operating grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers.

| | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ | Change \$ | Change % |
|--|-------------------------------------|-------------------------|--------------------|----------------|
| (b) Capital grants | | | | |
| Recurrent - Commonwealth Government | | | | |
| Roads to Recovery | 2,824,056 | 3,820,374 | 996,318 | 35.3% |
| Recurrent - State Government | | | | |
| Commercial services | 9,549 | - | (9,549) | -100.0% |
| Total - recurrent capital grants | 2,833,605 | 3,820,374 | 986,769 | 34.8% |
| Non-recurrent - Commonwealth Government | | | | |
| Nil | - | - | - | 100.0% |
| Non-recurrent - State Government | | | | |
| Major projects and grants | 1,427,500 | - | (1,427,500) | -100.0% |
| Project management | 4,080,005 | - | (4,080,005) | -100.0% |
| Total - non-recurrent capital grants | 5,507,505 | - | (5,507,505) | -100.0% |
| Total - capital grants | 8,341,110 | 3,820,374 | (4,520,736) | -54.2% |

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.5 Contributions

| | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ | Change \$ | Change % |
|----------------------------|-------------------------------------|-------------------------|---------------|---------------|
| Monetary | 16,989 | - | (16,989) | -100.0% |
| Non-monetary | - | - | - | 100.0% |
| Total contributions | 16,989 | - | 16,989 | 100.0% |

Contributions relate to monies paid by community groups and external parties towards capital and recurrent related projects.

4.1.6 Reimbursements

| | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ | Change \$ | Change % |
|-----------------------------|-------------------------------------|-------------------------|---------------|--------------|
| Executive office | 75,000 | 104,137 | 29,137 | 38.8% |
| Emergency management | 121,077 | - | (121,077) | -100.0% |
| Governance | 226,139 | 185,419 | (40,720) | -18.0% |
| Organisational development | 5,605 | 50,000 | 44,395 | 792.1% |
| Works | - | 180,000 | 180,000 | 100.0% |
| Total reimbursements | 427,821 | 519,556 | 91,735 | 21.4% |

Reimbursements include diesel fuel rebates from the Taxation Office, insurance rebates, Workcover reimbursements, and training reimbursements.

4.1.7 Regional Roads Victoria

| | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ | Change \$ | Change % |
|--------------------------------------|-------------------------------------|-------------------------|--------------|-------------|
| Approved maintenance | - | - | - | 0.0% |
| Provisional sum items | - | - | - | 0.0% |
| Routine maintenance | - | - | - | 0.0% |
| Total Regional Roads Victoria | - | - | - | 0.0% |

Council's contract with Regional Roads Victoria includes an "as of right" amount for routine maintenance works. The current contract expired at 31 December 2023.

4.1.8 Other income

| | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ | Change \$ | Change % |
|-------------------------------|-------------------------------------|-------------------------|--------------------|---------------|
| Interest | 1,900,000 | 800,000 | (1,100,000) | -57.9% |
| Reversal of impairment losses | - | - | - | 0.0% |
| Total other income | 1,900,000 | 800,000 | (1,100,000) | -57.9% |

Other income relates to a range of items such as interest revenue on investments and rate arrears.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.9 Employee costs

| | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ | Change \$ | Change % |
|-----------------------------|-------------------------------------|-------------------------|----------------|-------------|
| Wages and salaries | 12,749,489 | 13,192,426 | 442,937 | 3.5% |
| Workcover | 406,563 | 375,367 | (31,196) | -7.7% |
| Superannuation | 1,506,520 | 1,597,340 | 90,820 | 6.0% |
| Fringe benefits tax | 131,000 | 148,000 | 17,000 | 13.0% |
| Total employee costs | 14,793,572 | 15,313,133 | 519,561 | 3.5% |

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employee superannuation, rostered days off, Workcover premium and Fringe Benefits Tax for all salaries and wages. Salaries and wages that relate to capital works are not included in operating expenditure but is included in the tables below for full transparency.

4.1.10 Materials, services and contracts

| | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ | Change \$ | Change % |
|-----------------------------------|-------------------------------------|-------------------------|--------------|-------------|
| Aged and disability services | 194,356 | 127,787 | (66,569) | -34.3% |
| Assets and infrastructure | 332,996 | 253,640 | (79,356) | -23.8% |
| Building and property maintenance | 881,676 | 888,687 | 7,011 | 0.8% |
| Building regulation | 10,548 | 10,801 | 253 | 2.4% |
| Executive office | 190,208 | 231,467 | 41,259 | 21.7% |
| Commercial services | 43,992 | 51,335 | 7,343 | 16.7% |
| Community planning | 1,017,334 | 250,000 | (767,334) | -75.4% |
| Community services | 57,600 | 59,116 | 1,516 | 2.6% |
| Community support | 1,418,886 | 1,250,648 | (168,238) | -11.9% |
| Community wellbeing | 50,004 | 50,000 | (4) | 0.0% |
| Corporate services | 25,004 | 50,000 | 24,996 | 100.0% |
| Council administration | 285,548 | 23,873 | (261,675) | -91.6% |
| Customer services | 47,600 | 48,640 | 1,040 | 2.2% |
| Development and compliance | 4,927 | 5,045 | 118 | 2.4% |
| Early years | 561,032 | 303,614 | (257,418) | -45.9% |
| Economic development | 30,301 | 22,430 | (7,871) | -26.0% |
| Emergency management | 21,375,285 | 11,402 | (21,363,883) | -99.9% |
| Financial services | 87,649 | 49,684 | (37,965) | -43.3% |
| Governance | 1,121,968 | 1,092,453 | (29,515) | -2.6% |
| Information technology | 1,449,726 | 1,647,926 | 198,200 | 13.7% |
| Library services | 238,424 | 244,146 | 5,722 | 2.4% |
| Local laws and animal management | 241,330 | 24,951 | (216,379) | -89.7% |
| Local road maintenance | 507,095 | 650,038 | 142,943 | 28.2% |
| Major projects and grants | 13,000 | - | (13,000) | -100.0% |
| Municipal health and wellbeing | 99,824 | 8,200 | (91,624) | -91.8% |
| Organisation development | 556,501 | 712,135 | 155,634 | 28.0% |
| Parks and townships | 352,917 | 294,882 | (58,035) | -16.4% |
| Procurement | - | 5,000 | 5,000 | 100.0% |
| Project management | 464,658 | 100,000 | (364,658) | -78.5% |
| Public health | 240,890 | 52,948 | (187,942) | -78.0% |
| Rates and property | 20,460 | 34,048 | 13,588 | 66.4% |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.1 Comprehensive income statement (continued)

4.1.10 Materials, services and contracts (Continued)

| | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ | Change \$ | Change % |
|--|-------------------------------------|-------------------------|---------------------|---------------|
| Records management | 10,464 | 10,715 | 251 | 2.4% |
| Strategic and statutory planning | 18,312 | 8,391 | (9,921) | -54.2% |
| Tourism | 344,714 | 221,506 | (123,208) | -35.7% |
| Waste management | 1,832,946 | 1,875,531 | 42,585 | 2.3% |
| Works | 2,621,515 | 3,177,450 | 555,935 | 21.2% |
| Total materials, services and contracts | 36,749,690 | 13,848,489 | (22,901,201) | -62.3% |

Materials, services and contracts include the purchase of consumables, payments to contractors for the provision of services and utility costs.

4.1.11 Depreciation - right of use assets

| | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ | Change \$ | Change % |
|---|-------------------------------------|-------------------------|----------------|-------------|
| Roads | 5,743,115 | 5,857,977 | 114,862 | 2.0% |
| Buildings | 2,034,346 | 2,075,033 | 40,687 | 2.0% |
| Plant and equipment | 1,410,576 | 1,438,787 | 28,212 | 2.0% |
| Bridges | 381,182 | 388,805 | 7,624 | 2.0% |
| Urban drains | 262,022 | 267,262 | 5,240 | 2.0% |
| Furniture and equipment | 122,186 | 124,630 | 2,444 | 2.0% |
| Footpaths | 206,882 | 211,020 | 4,138 | 2.0% |
| Kerb and channel | 134,624 | 137,316 | 2,692 | 2.0% |
| Landfills | 183,279 | 186,945 | 3,666 | 2.0% |
| Street furniture | 34,007 | 34,688 | 680 | 2.0% |
| Quarries | 2,715 | 2,769 | 54 | 2.0% |
| Total depreciation - right of use assets | 10,514,934 | 10,725,233 | 210,299 | 2.0% |

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

4.1.12 Other expenses

| | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ | Change \$ | Change % |
|-----------------------------------|-------------------------------------|-------------------------|--------------|-------------|
| Councillors' remuneration | 263,977 | 270,312 | 6,335 | 2.4% |
| Internal audit remuneration | 45,288 | 46,375 | 1,087 | 2.4% |
| External audit remuneration | 49,323 | 51,200 | 1,877 | 3.8% |
| Impairment of interest free loans | - | - | - | 0.0% |
| Total other expenses | 358,588 | 367,887 | 9,299 | 2.6% |

Other expenses include councillors' costs, auditors' remuneration and other minor expenses.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.2 Balance sheet

4.2.1 Assets

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to decrease by \$4.69 million during the year mainly due the expectation to have most capital projects complete by 30 June offset by the timing of income as to when some grants income will be received.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are not expected to change significantly in the budget. Long term debtors (non-current) relating to loans to community organisations will decrease slightly in accordance with agreed repayment terms.

Other assets includes items such as prepayments for expenses that Council has paid in advance of service delivery, inventories or stocks held for sale or consumption in Council's services and other revenues due to be received in the next 12 months.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all land, buildings, roads, vehicles, equipment, etc. which has been built up by Council over many years. The \$10.65 million increase in this balance is attributable to the net result of the capital works program (\$16.24 million in 2024/25 and \$8.61 million in 2025/26), depreciation of assets (\$10.51 million in 2024/25 and \$10.73 million in 2025/26) and the income through sale of property, plant and equipment.

Investments in associates and joint ventures, as listed as a Other Financial Asset, represents Council's equity in the North Central Regional Goldfields Library. The change in equity has been inconsistent in the past with some years increasing and other years decreasing, so for budgeting purposes, the equity has not been changed. Non-current assets held for resale is land and/or buildings that Council can confidently state will be sold within a short period of time.

4.2.2 Liabilities

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to decrease by \$0.69 million from 2024/25 levels due to an increase in material and services costs incurred during the financial year as a result of flood restoration works for 2024/25.

Employee benefits include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are expected to decrease by \$0.09 million (current liability) and increase by \$0.34 million (non current liability) due to increases in employee service years.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.2 Balance sheet (continued)

4.2.3 Borrowings

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

| | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ |
|---|-------------------------------------|-------------------------|
| Total amount borrowed as at 30 June of the prior year | - | - |
| Total amount to be borrowed | - | - |
| Total amount projected to be redeemed | - | - |
| Total amount proposed to be borrowed as at 30 June | - | - |

| | | |
|--|---|---|
| Amount (of opening balance) to be refinanced | - | - |
|--|---|---|

In developing the Financial Plan, borrowings may be identified as an important funding source for capital works programs. In the past Council has borrowed to finance large projects and since then has been in a phase of debt reduction. This has resulted in a reduction in debt servicing costs, but has meant that cash and investment reserves have been used as an alternate funding source to maintain robust capital works programs.

In general, Council has adopted a policy to remain debt free except for situations where funding was required to deliver significant capital projects. The Council has elected to not borrow any further funds at this time.

In 2015/16 final loan payments were made which finalises all of Council's borrowings.

For the 2025/26 year, Council has decided not to take out any new borrowings.

4.2.4 Leases by category

As a result of the introduction of AASB16 Leases, right-of-use assets and lease liabilities have been recognised as outlined in the table below.

| | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ |
|--|-------------------------------------|-------------------------|
| Right-of-use assets | - | - |
| Property | - | - |
| Total right-of-use assets | - | - |
| Lease liabilities | | |
| Current lease liabilities | - | - |
| Land and buildings | - | - |
| Total current lease liabilities | - | - |
| Non-current lease liabilities | - | - |
| Land and buildings | - | - |
| Total non-current lease liabilities | - | - |
| Total lease liabilities | - | - |

Where the interest rate applicable to a lease is not expressed in the lease agreements, Council applied the average incremental borrowing rate in the calculation of lease liabilities. The current incremental borrowing rate on short term leases is not relevant as there is nothing to report.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity

4.3.1 Reserves

Council undertakes reserves budgeting in order to provide for future expenditure while reducing the impact of purchases on the current year budget.

The following reserves are currently in use by Council:

Capital expenditure reserve

The Capital Expenditure Reserve is used to set aside funds that have been budgeted for capital works projects in one financial year but will not be fully expended by the end of that year. The funds will be transferred to the reserve in the budget year, and transferred from the reserve in the following financial year, or in the year that the funds are expended for the specific project.

Caravan park development reserve

The Caravan Park Development Reserve has been established to assist with funding major projects at Council's caravan parks. Council transfers to the reserve annually the surplus on operations of its caravan parks, and transfers from the reserve the cost of major projects undertaken at Council's caravan parks during the year.

Community planning reserve

The Community Planning Reserve has been established for situations where projects are budgeted in one year but for various reasons are unable to be delivered and are therefore deferred until the following year.

GSP reserve

The Gravel and Sand Pit (GSP) Reserve is used to fund land purchase, development and restoration of gravel and sand pits used by Council for the extraction of gravel. The budgeted surplus on operations of the pits is transferred to the reserve annually, to a maximum reserve level of \$0.5 million and the cost of purchasing new sites, development and restoration of the pits is transferred from the reserve.

Heritage loan scheme reserve

The Heritage Loan Scheme Reserve is used to provide land owners of properties located in significant heritage precincts, heritage registered buildings or structures of local heritage significance, with loans to enable repair and maintenance of those buildings with the aims of quality appearance and public safety.

Land and buildings reserve

The Land and Buildings Reserve is used to fund the acquisition and development of land and buildings. Funds received from the sale of Council owned land and buildings are transferred to the reserve.

Little Lake Boort water reserve

The Little Lake Boort Water Reserve was established with funds generated from sale of water allocations not required for immediate use in Little Lake Boort. The reserve is used to purchase replacement water at an appropriate time, or may be used for other purposes specific to Little Lake Boort.

Major projects reserve

The Major Projects Reserve is used to assist with the funding of major projects identified by Council. Council transfers funds to the reserve annually an amount determined during the budget process as sufficient to fund the major projects program and transfers the funds required to finance major works undertaken at Council's discretion.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.1 Reserves (continued)

Community loans scheme reserve

The Community Loans Scheme Reserve is an allocation of funds used to provide interest free loans to community groups. Usually there are no transfers to or from this reserve.

Unfunded superannuation liability reserve

The Unfunded Superannuation Liability Reserve is used to repay any potential unfunded superannuation liability arising from the LAS Defined Benefits Plan Scheme. Council transfers to the reserve amounts allocated in the budget, and transfers from the reserve payments made to Vision Super Pty. Ltd. for the unfunded superannuation liability.

Unightly premises enforcement provision reserve

The Unightly Premises Enforcement Provision Reserve is used to provide funds to assist with the enforcement and rectification works on determined unightly premises with costs recouped via legal or other action.

Unspent grants reserve

The Unspent Grants Reserve has been established for situations where Council has received funding via an external party and those funds remain unspent at the end of the financial year.

Waste management reserve

The Waste Management Reserve has been established to assist with the cost of strategic projects, compliance and long term planning for Council's landfills and transfer stations. Council transfers to the reserve annually \$10 per kerbside collection levy (or a pro-rata amount for a pro-rata collection), Council transfers from the reserve the cost of strategic projects, compliance and long term planning within Council landfills and transfer stations.

Fleet replacement reserve

The Fleet Replacement Reserve is used to fund the replacement of office vehicles. Council transfers to the reserve a fixed amount annually and transfers from the reserve the net cost of fleet purchases for the year.

Information technology reserve

The Information Technology Reserve is used to set aside monies for the purchase of information technology assets. The reserve outlines the annual cost of information technology for Council and the fixed amount required to be set aside in reserve for future asset purchases. It is capped to a maximum reserve level of \$0.8 million.

Plant replacement reserve

The Plant Replacement Reserve is used to fund plant purchases. Council transfers to the reserve a fixed amount annually and transfers from the reserve the net cost of plant purchases for the year.

Professional development reserve

The Professional Development Reserve is used to fund professional development undertaken by executive officers of Council. An annual allocation is provided to each officer and that amount is transferred to the reserve annually, while the cost of professional development undertaken during the year is transferred from the reserve.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.1 Reserves (continued)

Swimming pool major projects reserve

The Swimming Pool Major Projects Reserve is used to fund unplanned major repairs and capital works at the various swimming pool sites across the Shire. Council transfers to the reserve annually an amount determined during the budget process, to a maximum reserve level of \$0.2 million. Council transfers from the reserve the net cost of unplanned major repairs and capital works.

Urban drainage reserve

The Urban Drainage Reserve is used to fund urban drainage works in the towns within the Shire. Council transfers to the reserve annually a budgeted amount, and transfers from the reserve the cost of urban drainage works for the year.

Flood restoration reserve

The Flood Restoration Reserve is used to assist with the delivery of unfunded flood restoration projects. Council transfers to the reserve annually a budgeted amount, and transfers from the reserve the cost unfunded restoration projects.

4.3.2 Transfers to and from reserves

The following is a summary of the projected reserves position for the year ended 30 June 2025:

| 2024/25 reserves - as per projected forecast | | | | |
|--|---------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Name of reserve | Balance at 1 July 2024 \$ | Transfers to reserves \$ | Transfers from reserves \$ | Balance at 30 June 2025 \$ |
| Capital expenditure reserve | 3,475,113 | - | 3,447,500 | 27,613 |
| Caravan park development reserve | 398,838 | 89,020 | 7,500 | 480,358 |
| Community planning reserve | 2,668,173 | - | 1,199,143 | 1,469,030 |
| Gravel and sand pit reserve | 318,161 | 114,057 | - | 432,218 |
| Heritage loan scheme reserve | 100,000 | - | - | 100,000 |
| Land and buildings reserve | 1,222,592 | - | - | 1,222,592 |
| Little Lake Boort water reserve | 17,604 | - | - | 17,604 |
| Major projects reserve | 378,485 | - | - | 378,485 |
| Community loans scheme reserve | 100,000 | - | - | 100,000 |
| Superannuation liability reserve | 1,000,000 | - | - | 1,000,000 |
| Unightly premises enforcement | 100,000 | - | - | 100,000 |
| Unspent grants reserve | 3,863,662 | - | 3,770,833 | 92,829 |
| Waste management reserve | 345,320 | 34,190 | - | 379,510 |
| Fleet replacement reserve | 857,087 | 150,000 | 163,343 | 843,744 |
| Information technology reserve | 678,100 | 150,000 | 237,200 | 590,900 |
| Plant replacement reserve | 632,936 | 950,000 | 922,534 | 660,402 |
| Professional development reserve | 14,992 | - | - | 14,992 |
| Swimming pool major projects reserve | 280,000 | 50,000 | 280,000 | 50,000 |
| Urban drainage reserve | 1,833,660 | 350,000 | 350,000 | 1,833,660 |
| Flood restoration reserve | - | 3,842,220 | - | 3,842,220 |
| TOTAL | 18,284,723 | 5,729,487 | 10,378,053 | 13,636,157 |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.2 Transfers to and from reserves (continued)

The following is a summary of the budgeted reserves position for the year ended 30 June 2026:

| 2025/26 reserves - as per budget | | | | |
|--------------------------------------|---------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Name of reserve | Balance at 1 July 2025 \$ | Transfers to reserves \$ | Transfers from reserves \$ | Balance at 30 June 2026 \$ |
| Capital expenditure reserve | 27,613 | - | - | 27,613 |
| Caravan park development reserve | 480,358 | 240,440 | 107,500 | 613,298 |
| Community planning reserve | 1,469,030 | - | - | 1,469,030 |
| Gravel and sand pit reserve | 432,218 | 118,101 | 470,000 | 80,319 |
| Heritage loan scheme reserve | 100,000 | - | - | 100,000 |
| Land and buildings reserve | 1,222,592 | - | - | 1,222,592 |
| Little Lake Boort water reserve | 17,604 | - | - | 17,604 |
| Major projects reserve | 378,485 | - | - | 378,485 |
| Community loans scheme reserve | 100,000 | - | - | 100,000 |
| Superannuation liability reserve | 1,000,000 | - | - | 1,000,000 |
| Unightly premises enforcement | 100,000 | - | - | 100,000 |
| Unspent grants reserve | 92,829 | - | - | 92,829 |
| Waste management reserve | 379,510 | 34,940 | - | 414,450 |
| Fleet replacement reserve | 843,744 | 380,000 | 321,750 | 901,994 |
| Information technology reserve | 590,900 | 150,000 | 78,500 | 662,400 |
| Plant replacement reserve | 660,402 | 1,100,000 | 754,000 | 1,006,402 |
| Professional development reserve | 14,992 | - | - | 14,992 |
| Swimming pool major projects reserve | 50,000 | - | - | 50,000 |
| Urban drainage reserve | 1,833,660 | - | - | 1,833,660 |
| Flood restoration reserve | 3,842,220 | - | - | 3,842,220 |
| TOTAL | 13,636,157 | 2,023,481 | 1,731,750 | 13,927,888 |

By including the above transfers from reserves it is expected that reserve levels will increase by approximately \$0.3M million, leaving a balance of \$13.93 million in the reserves account.

4.3.3 Details of reserves

The following schedule provides details of each of the reserve transfers for 2025/26:

| | | | |
|---|-----|-----------|-----------|
| Capital expenditure reserve | | | |
| Opening balance | | | 27,613 |
| ADD transfer to reserve | | | |
| Nil | N/A | - | - |
| LESS transfer from reserve | | | |
| Nil | N/A | - | - |
| Closing balance | | | 27,613 |
| Caravan park development reserve | | | |
| Opening balance | | | 480,358 |
| ADD transfer to reserve | | | |
| Surplus of caravan park operations | | 240,440 | 240,440 |
| LESS transfer from reserve | | | |
| Improvement works | | (100,000) | |
| Tree works | | (7,500) | (107,500) |
| Closing balance | | | 613,298 |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.3 Details of reserves (continued)

| | | | |
|--|--|-----------|-----------|
| Community planning reserve | | | |
| Opening balance | | | 1,469,030 |
| ADD transfer to reserve | | | |
| Nil | | - | - |
| LESS transfer from reserve | | | |
| Nil | | - | - |
| Closing balance | | | 1,469,030 |
| GSP restoration reserve | | | |
| Opening balance | | | 432,218 |
| ADD transfer to reserve | | | |
| Surplus of GSP operations | | 118,101 | 118,101 |
| LESS transfer from reserve | | | |
| Crushing | | (470,000) | (470,000) |
| Closing balance | | | 80,319 |
| Heritage loan scheme reserve | | | |
| Opening balance | | | 100,000 |
| ADD transfer to reserve | | | |
| Nil | | - | - |
| LESS transfer from reserve | | | |
| Nil | | - | - |
| Closing balance | | | 100,000 |
| Land and buildings reserve | | | |
| Opening balance | | | 1,222,592 |
| ADD transfer to reserve | | | |
| Nil | | - | - |
| LESS transfer from reserve | | | |
| Nil | | - | - |
| Closing balance | | | 1,222,592 |
| Little Lake Boort water reserve | | | |
| Opening balance | | | 17,604 |
| ADD transfer to reserve | | | |
| Nil | | - | - |
| LESS transfer from reserve | | | |
| Nil | | - | - |
| Closing balance | | | 17,604 |
| Major projects reserve | | | |
| Opening balance | | | 378,485 |
| ADD transfer to reserve | | | |
| Nil | | - | - |
| LESS transfer from reserve | | | |
| Nil | | - | - |
| Closing balance | | | 378,485 |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.3 Details of reserves (continued)

| | | | |
|--|--|--------|-----------|
| Community loans scheme reserve | | | |
| Opening balance | | | 100,000 |
| ADD transfer to reserve | | | |
| Nil | | - | - |
| LESS transfer from reserve | | | |
| Nil | | - | - |
| Closing balance | | | 100,000 |
| Superannuation liability reserve | | | |
| Opening balance | | | 1,000,000 |
| ADD transfer to reserve | | | |
| Nil | | - | - |
| LESS transfer from reserve | | | |
| Not required - COVID-19 response | | - | - |
| Closing balance | | | 1,000,000 |
| Unightly premises enforcement provision reserve | | | |
| Opening balance | | | 100,000 |
| ADD transfer to reserve | | | |
| Nil | | - | - |
| LESS transfer from reserve | | | |
| Nil | | - | - |
| Closing balance | | | 100,000 |
| Unspent grants reserve | | | |
| Opening balance | | | 92,829 |
| ADD transfer to reserve | | | |
| Nil | | - | - |
| LESS transfer from reserve | | | |
| Nil | | - | - |
| Closing balance | | | 92,829 |
| Waste management reserve | | | |
| Opening balance | | | 379,510 |
| ADD transfer to reserve | | | |
| Allocation to reserve | | 34,940 | 34,940 |
| LESS transfer from reserve | | | |
| Nil | | - | - |
| Closing balance | | | 414,450 |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.3 Details of reserves (continued)

| | | | |
|---|--|-----------|-----------|
| Fleet replacement reserve | | | |
| Opening balance | | | 843,744 |
| ADD transfer to reserve | | | |
| Annual allocation to reserve | | 380,000 | 380,000 |
| LESS transfer from reserve | | | |
| Net cost of fleet replacement | | (321,750) | (321,750) |
| Closing balance | | | 901,994 |
| Information technology reserve | | | |
| Opening balance | | | 590,900 |
| ADD transfer to reserve | | | |
| Annual allocations for major purchases | | 150,000 | 150,000 |
| LESS transfer from reserve | | | |
| IT equipment purchases | | (78,500) | (78,500) |
| Closing balance | | | 662,400 |
| Plant replacement reserve | | | |
| Opening balance | | | 660,402 |
| ADD transfer to reserve | | | |
| Annual allocation to reserve | | 1,100,000 | 1,100,000 |
| LESS transfer from reserve | | | |
| Net cost of plant replacement | | (754,000) | (754,000) |
| Closing balance | | | 1,006,402 |
| Professional development reserve | | | |
| Opening balance | | | 14,992 |
| ADD transfer to reserve | | | |
| Annual allocation | | - | - |
| LESS transfer from reserve | | | |
| Nil | | - | - |
| Closing balance | | | 14,992 |
| Swimming pool major projects reserve | | | |
| Opening balance | | | 50,000 |
| ADD transfer to reserve | | | |
| Annual allocation to reserve | | - | - |
| LESS transfer from reserve | | | |
| Capital works program | | - | - |
| Closing balance | | | 50,000 |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.3 Statement of changes in equity (continued)

4.3.3 Details of reserves (continued)

| | | | |
|-------------------------------|--|---|-----------|
| Urban drainage reserve | | | |
| Opening balance | | | 1,833,660 |
| ADD transfer to reserve | | | |
| Nil | | - | - |
| LESS transfer from reserve | | | |
| Nil | | - | - |
| Closing balance | | | 1,833,660 |

| | | | |
|----------------------------------|--|---|-----------|
| Flood restoration reserve | | | |
| Opening balance | | | 3,842,220 |
| ADD transfer to reserve | | | |
| Annual allocation | | - | - |
| LESS transfer from reserve | | | |
| Nil | | - | - |
| Closing balance | | | 3,842,220 |

4.3.4 Equity

Total equity always equals net assets and is made up of the asset revaluation reserve, other reserves and the accumulated surplus.

4.3.5 Working capital

Working capital is the excess of current assets above current liabilities. The calculation recognises that although Council has current assets, some of those assets are committed to the future settlement of liabilities and therefore are not available for discretionary spending.

Some of Council's cash assets are restricted in that they are required by legislation to be held in reserve for specific purposes or are held to fund carry forward capital works from the previous financial year.

| | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ | Variance \$ |
|-------------------------------------|-------------------------------------|-------------------------|------------------|
| Current assets | 27,095,655 | 21,909,984 | 5,185,671 |
| Current liabilities | 4,018,322 | 3,216,844 | 801,478 |
| Working capital | 23,077,333 | 18,693,140 | 4,384,193 |
| Intended allocation assets | | | |
| - Discretionary reserves | (13,636,157) | (13,927,888) | 291,731 |
| - Leave allocations | (850,482) | (867,492) | 17,010 |
| Restricted allocation assets | | | |
| - Trust funds and deposits | (527,052) | (500,700) | (26,352) |
| Unrestricted working capital | 8,063,642 | 3,397,060 | 4,666,582 |

In addition to the restricted assets above, Council is also projected to hold \$13.93 million in discretionary reserves at 30 June 2026. Although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution, these funds are to be used for those earmarked purposes.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.4 Statement of cash flows

This section of the report analyses the expected cash flows from the operating, investing and financing activities of Council for the 2025/26 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

4.4.1 Net cash flows provided by / (used in) operating activities

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

The \$26.2 million decrease in cash flows from operating activities is due mainly to lowering operating costs and a decrease in grants. This is a direct result of the completion of the flood program for 2024/25 with \$20 million additional within the projected actual results. This is partially offset by a slight increase in rates and charges, which includes an increase in rates of 3.00%.

4.4.2 Net cash flows provided by / (used in) investing activities

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

The main changes in payments for investing activities is an increased capital expenditure flow outwards, with an offsetting amount for term deposits which are expecting to be converted to cash once matured.

4.4.3 Net cash flows provided by / (used in) financing activities

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

Council's borrowings were fully extinguished in the 2015/16 financial year. No new are borrowings are budgeted in 2025/26.

4.4.4 Cash and cash equivalents at the end of the year

Overall, total cash and investments is forecast to decrease by \$4.7 million to \$20.5 million as at 30 June 2026, although the cash position will be determined by a number of factors including collection of outstanding amounts during the year, payment cycle for Council's creditors and movement in trust funds.

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2026 it will have unrestricted cash and investments of \$5.2 million, which has been restricted as shown in the following table.

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.4 Statement of cash flows (continued)

4.4.4 Cash and cash equivalents at the end of the year (continued)

| | Ref | Forecast Actual 2024/25 \$ | Budget 2025/26 \$ | Variance \$ |
|--|--------------|-------------------------------------|-------------------------|--------------------|
| Total cash and investments | | 25,176,405 | 20,488,527 | (4,687,878) |
| Intended allocation assets | | | | |
| Leave allocations | 4.4.5 | (850,482) | (867,492) | (17,010) |
| Discretionary reserves | 4.4.6 | (13,636,157) | (13,927,888) | (291,731) |
| Restricted allocation assets | | | | |
| Trust funds and deposits | | (527,052) | (500,700) | 26,352 |
| Unrestricted cash adjusted for discretionary reserves | 4.4.7 | 10,162,714 | 5,192,447 | (4,970,267) |

4.4.5 Leave allocations

Council has continued to treat funds set aside for employees long service leave, annual leave and RDO's as restricted cash. The increase in the variance is due to increased years of service by employees and increases in wage rates through the enterprise bargaining agreement.

4.4.6 Discretionary reserves

These funds are shown as a discretionary reserve as, although not restricted by a statutory purpose, Council has made decision regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes. The decisions about future use of these funds has been reflected in Council Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan.

4.4.7 Unrestricted cash and investments

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

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program

This section presents a listing of the capital works projects that will be undertaken for the 2025/26 year.

The capital works projects are grouped by class and include the following:

- new works for 2025/26
- works carried forward from the 2024/25 year.

4.5.1 New works by asset expenditure type

| Capital works area | Project cost | Asset expenditure types | | | |
|--|------------------|-------------------------|------------------|----------------|-----------------|
| | | New \$ | Renewal \$ | Upgrade \$ | Expansion \$ |
| Property | | | | | |
| Land | - | - | - | - | - |
| Land improvements | 5,000 | - | 5,000 | - | - |
| Total land | 5,000 | - | 5,000 | - | - |
| Buildings | - | - | - | - | - |
| Building improvements | 394,000 | - | 394,000 | - | - |
| Total buildings | 394,000 | - | 394,000 | - | - |
| Total property | 399,000 | - | 399,000 | - | - |
| Plant and equipment | | | | | |
| Plant, machinery and equipment | 1,390,000 | 1,390,000 | - | - | - |
| Computers and telecommunications | 43,500 | 43,500 | - | - | - |
| Fixtures fittings and furniture | - | - | - | - | - |
| Total plant and equipment | 1,433,500 | 1,433,500 | - | - | - |
| Infrastructure | | | | | |
| Roads | 4,592,256 | 25,000 | 4,567,256 | - | - |
| Bridges | 200,000 | - | 200,000 | - | - |
| Footpaths | 375,402 | 254,874 | 120,528 | - | - |
| Drainage | 767,500 | 125,000 | 180,000 | 462,500 | - |
| Recreation, leisure and community facilities | 839,910 | - | 839,910 | - | - |
| Parks, open space and streetscapes | - | - | - | - | - |
| Other infrastructure | - | - | - | - | - |
| Total infrastructure | 6,775,068 | 404,874 | 5,907,694 | 462,500 | - |
| Total new works | 8,607,568 | 1,838,374 | 6,306,694 | 462,500 | - |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.2 New works by funding source

| Capital works area | Project cost | Funding sources | | | |
|--|------------------|------------------------------|------------------|----------------------|----------------------|
| | | Grants / contributions \$ | Reserves \$ | Council funded \$ | Sale of assets \$ |
| Property | | | | | |
| Land | - | - | - | - | - |
| Land improvements | 5,000 | - | - | 5,000 | - |
| Total land | 5,000 | - | - | 5,000 | - |
| Buildings | | | | | |
| Building improvements | 394,000 | - | - | 394,000 | - |
| Total buildings | 394,000 | - | - | 394,000 | - |
| Total property | 399,000 | - | - | 399,000 | - |
| Plant and equipment | | | | | |
| Plant, machinery and equipment | 1,390,000 | - | 1,075,750 | 20,000 | 294,250 |
| Computers and telecommunications | 43,500 | - | 43,500 | - | - |
| Fixtures fittings and furniture | - | - | - | - | - |
| Total plant and equipment | 1,433,500 | - | 1,119,250 | 20,000 | 294,250 |
| Infrastructure | | | | | |
| Roads | 4,592,256 | 3,640,374 | - | 951,882 | - |
| Bridges | 200,000 | - | - | 200,000 | - |
| Footpaths | 375,402 | - | - | 375,402 | - |
| Drainage | 767,500 | 180,000 | - | 587,500 | - |
| Recreation, leisure and community facilities | 839,910 | - | - | 839,910 | - |
| Parks, open space and streetscapes | - | - | - | - | - |
| Other infrastructure | - | - | - | - | - |
| Total infrastructure | 6,775,068 | 3,820,374 | - | 2,954,694 | - |
| Total new works | 8,607,568 | 3,820,374 | 1,119,250 | 3,373,694 | 294,250 |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.3 Works carried forward from the 2024/25 year by asset expenditure type

| Capital works area | Project cost | Asset expenditure types | | | |
|--|--------------|-------------------------|---------------|---------------|-----------------|
| | | New \$ | Renewal \$ | Upgrade \$ | Expansion \$ |
| Property | | | | | |
| Land | - | - | - | - | - |
| Land improvements | - | - | - | - | - |
| Total land | - | - | - | - | - |
| Buildings | - | - | - | - | - |
| Building improvements | - | - | - | - | - |
| Total buildings | - | - | - | - | - |
| Total property | - | - | - | - | - |
| Plant and equipment | | | | | |
| Plant, machinery and equipment | - | - | - | - | - |
| Computers and telecommunications | - | - | - | - | - |
| Fixtures fittings and furniture | - | - | - | - | - |
| Total plant and equipment | - | - | - | - | - |
| Infrastructure | | | | | |
| Roads | - | - | - | - | - |
| Bridges | - | - | - | - | - |
| Footpaths | - | - | - | - | - |
| Drainage | - | - | - | - | - |
| Recreation, leisure and community facilities | - | - | - | - | - |
| Parks, open space and streetscapes | - | - | - | - | - |
| Other infrastructure | - | - | - | - | - |
| Total infrastructure | - | - | - | - | - |
| Total carried forward works | - | - | - | - | - |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.4 Works carried forward from the 2024/25 year by funding source

| Capital works area | Project cost | Funding sources | | | |
|--|--------------|------------------------------|----------------|----------------------|----------------------|
| | | Grants / contributions \$ | Reserves \$ | Council funded \$ | Sale of assets \$ |
| Property | | | | | |
| Land | - | - | - | - | - |
| Land improvements | - | - | - | - | - |
| Total land | - | - | - | - | - |
| Buildings | - | - | - | - | - |
| Building improvements | - | - | - | - | - |
| Total buildings | - | - | - | - | - |
| Total property | - | - | - | - | - |
| Plant and equipment | | | | | |
| Plant, machinery and equipment | - | - | - | - | - |
| Computers and telecommunications | - | - | - | - | - |
| Fixtures fittings and furniture | - | - | - | - | - |
| Total plant and equipment | - | - | - | - | - |
| Infrastructure | | | | | |
| Roads | - | - | - | - | - |
| Bridges | - | - | - | - | - |
| Footpaths | - | - | - | - | - |
| Drainage | - | - | - | - | - |
| Recreation, leisure and community facilities | - | - | - | - | - |
| Parks, open space and streetscapes | - | - | - | - | - |
| Other infrastructure | - | - | - | - | - |
| Total infrastructure | - | - | - | - | - |
| Total carried forward works | - | - | - | - | - |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.4 Summary of planned capital works expenditure by asset type

| Capital works 2026/27 | Project cost | Asset expenditure types | | | |
|--|------------------|-------------------------|------------------|---------------|-----------------|
| | | New \$ | Renewal \$ | Upgrade \$ | Expansion \$ |
| Property | | | | | |
| Land | - | - | - | - | - |
| Land improvements | 5,000 | - | 5,000 | - | - |
| Total land | 5,000 | - | 5,000 | - | - |
| Buildings | - | - | - | - | - |
| Building improvements | 400,000 | - | 400,000 | - | - |
| Total buildings | 400,000 | - | 400,000 | - | - |
| Total property | 405,000 | - | 405,000 | - | - |
| Plant and equipment | | | | | |
| Plant, machinery and equipment | 1,330,968 | 1,330,968 | - | - | - |
| Computers and telecommunications | 115,000 | 115,000 | - | - | - |
| Fixtures fittings and furniture | - | - | - | - | - |
| Total plant and equipment | 1,445,968 | 1,445,968 | - | - | - |
| Infrastructure | | | | | |
| Roads | 5,745,089 | - | 5,745,089 | - | - |
| Bridges | 158,172 | - | 158,172 | - | - |
| Footpaths | 532,217 | - | 532,217 | - | - |
| Drainage | 350,000 | - | 350,000 | - | - |
| Recreation, leisure and community facilities | 866,010 | - | 866,010 | - | - |
| Parks, open space and streetscapes | - | - | - | - | - |
| Other infrastructure | - | - | - | - | - |
| Total infrastructure | 7,651,488 | - | 7,651,488 | - | - |
| Total capital works 2025/26 | 9,502,456 | 1,445,968 | 8,056,488 | - | - |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.4 Summary of planned capital works expenditure by asset type (continued)

| Capital works 2027/28 | Project cost | Asset expenditure types | | | |
|--|------------------|-------------------------|------------------|---------------|-----------------|
| | | New \$ | Renewal \$ | Upgrade \$ | Expansion \$ |
| Property | | | | | |
| Land | - | - | - | - | - |
| Land improvements | 5,000 | - | 5,000 | - | - |
| Total land | 5,000 | - | 5,000 | - | - |
| Buildings | | | | | |
| Building improvements | 400,000 | - | 400,000 | - | - |
| Total buildings | 400,000 | - | 400,000 | - | - |
| Total property | 405,000 | - | 405,000 | - | - |
| Plant and equipment | | | | | |
| Plant, machinery and equipment | 1,334,221 | 1,334,221 | - | - | - |
| Computers and telecommunications | 115,000 | 115,000 | - | - | - |
| Fixtures fittings and furniture | - | - | - | - | - |
| Total plant and equipment | 1,449,221 | 1,449,221 | - | - | - |
| Infrastructure | | | | | |
| Roads | 6,261,653 | - | 6,261,653 | - | - |
| Bridges | 161,177 | - | 161,177 | - | - |
| Footpaths | 547,670 | - | 547,670 | - | - |
| Drainage | 350,000 | - | 350,000 | - | - |
| Recreation, leisure and community facilities | 734,937 | - | 734,937 | - | - |
| Parks, open space and streetscapes | - | - | - | - | - |
| Other infrastructure | - | - | - | - | - |
| Total infrastructure | 8,055,437 | - | 8,055,437 | - | - |
| Total capital works 2026/27 | 9,909,658 | 1,449,221 | 8,460,437 | - | - |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.4 Summary of planned capital works expenditure by asset type (continued)

| Capital works 2028/29 | Project cost | Asset expenditure types | | | |
|--|-------------------|-------------------------|------------------|---------------|-----------------|
| | | New \$ | Renewal \$ | Upgrade \$ | Expansion \$ |
| Property | | | | | |
| Land | - | - | - | - | - |
| Land improvements | 5,000 | - | 5,000 | - | - |
| Total land | 5,000 | - | 5,000 | - | - |
| Buildings | | | | | |
| Building improvements | 400,000 | - | 400,000 | - | - |
| Total buildings | 400,000 | - | 400,000 | - | - |
| Total property | 405,000 | - | 405,000 | - | - |
| Plant and equipment | | | | | |
| Plant, machinery and equipment | 1,588,732 | 1,588,732 | - | - | - |
| Computers and telecommunications | 115,000 | 115,000 | - | - | - |
| Fixtures fittings and furniture | - | - | - | - | - |
| Total plant and equipment | 1,703,732 | 1,703,732 | - | - | - |
| Infrastructure | | | | | |
| Roads | 6,295,787 | - | 6,295,787 | - | - |
| Bridges | 164,239 | - | 164,239 | - | - |
| Footpaths | 551,938 | - | 551,938 | - | - |
| Drainage | 350,000 | - | 350,000 | - | - |
| Recreation, leisure and community facilities | 619,304 | - | 619,304 | - | - |
| Parks, open space and streetscapes | - | - | - | - | - |
| Other infrastructure | - | - | - | - | - |
| Total infrastructure | 7,981,268 | - | 7,981,268 | - | - |
| Total capital works 2027/28 | 10,090,000 | 1,703,732 | 8,386,268 | - | - |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.5 Summary of planned capital works expenditure by funding source

| Capital works 2026/27 | Project cost | Funding sources | | | |
|--|------------------|------------------------------|------------------|----------------------|----------------------|
| | | Grants / contributions \$ | Reserves \$ | Council funded \$ | Sale of assets \$ |
| Property | | | | | |
| Land | - | - | - | - | - |
| Land improvements | 5,000 | - | - | 5,000 | - |
| Total land | 5,000 | - | - | 5,000 | - |
| Buildings | | | | | |
| Building improvements | 400,000 | - | - | 400,000 | - |
| Total buildings | 400,000 | - | - | 400,000 | - |
| Total property | 405,000 | - | - | 405,000 | - |
| Plant and equipment | | | | | |
| Plant, machinery and equipment | 1,330,968 | - | 1,090,361 | 20,000 | 220,607 |
| Computers and telecommunications | 115,000 | - | 115,000 | - | - |
| Fixtures fittings and furniture | - | - | - | - | - |
| Total plant and equipment | 1,445,968 | - | 1,205,361 | 20,000 | 220,607 |
| Infrastructure | | | | | |
| Roads | 5,745,089 | 4,279,329 | - | 1,465,760 | - |
| Bridges | 158,172 | 158,172 | - | - | - |
| Footpaths | 532,217 | 99,193 | - | 433,024 | - |
| Drainage | 350,000 | - | - | 350,000 | - |
| Recreation, leisure and community facilities | 866,010 | - | - | 866,010 | - |
| Parks, open space and streetscapes | - | - | - | - | - |
| Other infrastructure | - | - | - | - | - |
| Total infrastructure | 7,651,488 | 4,536,694 | - | 3,114,794 | - |
| Total capital works 2025/26 | 9,502,456 | 4,536,694 | 1,205,361 | 3,539,794 | 220,607 |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.5 Summary of planned capital works expenditure by funding source (continued)

| Capital works 2027/28 | Project cost | Funding sources | | | |
|--|------------------|------------------------------|------------------|----------------------|----------------------|
| | | Grants / contributions \$ | Reserves \$ | Council funded \$ | Sale of assets \$ |
| Property | | | | | |
| Land | - | - | - | - | - |
| Land improvements | 5,000 | - | - | 5,000 | - |
| Total land | 5,000 | - | - | 5,000 | - |
| Buildings | | | | | |
| Building improvements | 400,000 | - | - | 400,000 | - |
| Total buildings | 400,000 | - | - | 400,000 | - |
| Total property | 405,000 | - | - | 405,000 | - |
| Plant and equipment | | | | | |
| Plant, machinery and equipment | 1,334,221 | - | 1,067,260 | 20,000 | 246,961 |
| Computers and telecommunications | 115,000 | - | 115,000 | - | - |
| Fixtures fittings and furniture | - | - | - | - | - |
| Total plant and equipment | 1,449,221 | - | 1,182,260 | 20,000 | 246,961 |
| Infrastructure | | | | | |
| Roads | 6,261,653 | 4,509,456 | - | 1,752,197 | - |
| Bridges | 161,177 | 161,177 | - | - | - |
| Footpaths | 547,670 | 104,834 | - | 442,836 | - |
| Drainage | 350,000 | - | - | 350,000 | - |
| Recreation, leisure and community facilities | 734,937 | - | - | 734,937 | - |
| Parks, open space and streetscapes | - | - | - | - | - |
| Other infrastructure | - | - | - | - | - |
| Total infrastructure | 8,055,437 | 4,775,467 | - | 3,279,970 | - |
| Total capital works 2026/27 | 9,909,658 | 4,775,467 | 1,182,260 | 3,704,970 | 246,961 |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.5 Capital works program (continued)

4.5.5 Summary of planned capital works expenditure by funding source (continued)

| Capital works 2028/29 | Project cost | Funding sources | | | |
|--|-------------------|------------------------------|------------------|----------------------|----------------------|
| | | Grants / contributions \$ | Reserves \$ | Council funded \$ | Sale of assets \$ |
| Property | | | | | |
| Land | - | - | - | - | - |
| Land improvements | 5,000 | - | - | 5,000 | - |
| Total land | 5,000 | - | - | 5,000 | - |
| Buildings | | | | | |
| Building improvements | 400,000 | - | - | 400,000 | - |
| Total buildings | 400,000 | - | - | 400,000 | - |
| Total property | 405,000 | - | - | 405,000 | - |
| Plant and equipment | | | | | |
| Plant, machinery and equipment | 1,588,732 | - | 1,324,172 | 20,000 | 244,560 |
| Computers and telecommunications | 115,000 | - | 115,000 | - | - |
| Fixtures fittings and furniture | - | - | - | - | - |
| Total plant and equipment | 1,703,732 | - | 1,439,172 | 20,000 | 244,560 |
| Infrastructure | | | | | |
| Roads | 6,295,787 | 4,504,403 | - | 1,791,384 | - |
| Bridges | 164,239 | 164,239 | - | - | - |
| Footpaths | 551,938 | 106,825 | - | 445,113 | - |
| Drainage | 350,000 | - | - | 350,000 | - |
| Recreation, leisure and community facilities | 619,304 | - | - | 619,304 | - |
| Parks, open space and streetscapes | - | - | - | - | - |
| Other infrastructure | - | - | - | - | - |
| Total infrastructure | 7,981,268 | 4,775,467 | - | 3,205,801 | - |
| Total capital works 2027/28 | 10,090,000 | 4,775,467 | 1,439,172 | 3,630,801 | 244,560 |

4 NOTES TO THE FINANCIAL STATEMENTS (Continued)

4.6 Proposals to lease Council land

This section presents a summary of Council's proposals to lease council land to external parties in the 2025/26 financial year.

For 2025/26 there are no new leases to be reported.

For 2025/26 there are no lease renewals to be reported.

There was one new lease entered into during late 2024/25 which followed the principles set out in the Community Engagement Policy.

5A TARGETED PERFORMANCE INDICATORS - SERVICE

The following table highlights 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.

| Indicator | Measure | Notes | Actual | Forecast | Budget | Trend |
|---|---|-------|---------|----------|---------|-------|
| | | | 2023/24 | 2024/26 | 2025/26 | +/- |
| Governance | | | | | | |
| Consultation and engagement (Council decisions made and implemented with community input) | Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with the consultation and engagement efforts of Council | 1 | 50 | 52 | 52 | 0 |
| Roads | | | | | | |
| Condition (sealed roads are maintained at the adopted condition standard) | Sealed local roads below the intervention level Number of kms of sealed local roads below the renewal intervention level set by Council / kms of sealed roads | 1 | 100% | 100% | 100% | 0 |
| Statutory planning | | | | | | |
| Service standard (planning application processing and decision are in accordance with legislative requirements) | Planning applications decided within the relevant required time Number of planning application decisions made within the relevant required time / Number of planning applications decisions made | 1 | 96% | 95% | 95% | 0 |
| Waste management | | | | | | |
| Waste diversion (amount of waste diverted from landfill is maximised) | 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 | 1 | 23.00% | 24.00% | 24.50% | + |

| Indicator | Measure | Notes | Target Projections | | | Trend |
|---|---|-------|--------------------|---------|---------|-------|
| | | | 2026/27 | 2027/28 | 2028/29 | +/- |
| Governance | | | | | | |
| Consultation and engagement (Council decisions made and implemented with community input) | Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with the consultation and engagement efforts of Council | 1 | 52 | 52 | 52 | 0 |
| Roads | | | | | | |
| Condition (sealed roads are maintained at the adopted condition standard) | Sealed local roads below the intervention level Number of kms of sealed local roads below the renewal intervention level set by Council / Kms of sealed roads | 1 | 100% | 100% | 100% | 0 |

5A TARGETED PERFORMANCE INDICATORS - SERVICE (Continued)

| Indicator | Measure | Notes | Target Projections | | | Trend |
|---|---|-------|--------------------|---------|---------|-----------|
| | | | 2026/27 | 2027/28 | 2028/29 | + / O / - |
| Statutory planning | | | | | | |
| Service standard (planning application processing and decision are in accordance with legislative requirements) | Planning applications decided within the relevant required time Number of planning application decisions made within the relevant required time / Number of planning applications decisions made | 1 | 95% | 95% | 95% | O |
| Waste management | | | | | | |
| Waste diversion (amount of waste diverted from landfill is maximised) | 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 | 1 | 25% | 26% | 26% | + |

5A TARGETED PERFORMANCE INDICATORS - FINANCIAL

| Indicator | Measure | Notes | Actual | Forecast | Budget | Trend |
|--|--|-------|---------|----------|---------|-----------|
| | | | 2023/24 | 2024/26 | 2025/26 | + / O / - |
| Liquidity | | | | | | |
| Working Capital (sufficient working capital is available to pay bills as and when they fall due) | Current assets compared to current liabilities Current assets / Current liabilities | 2 | 609.30% | 674.30% | 681.10% | - |
| Obligations | | | | | | |
| Asset renewal (assets are renewed as planned) | Asset renewal compared to depreciation Asset renewal and upgrade expenses / Asset depreciation | 3 | 92.23% | 107.44% | 63.11% | O |
| Stability | | | | | | |
| Rates concentration (revenue is generated from a range of sources) | Rates compared to adjusted underlying revenue Rates revenue / Adjusted underlying revenue | | 49.09% | 26.02% | 46.63% | O |
| Efficiency | | | | | | |
| Expenditure level (resources are used efficiently in the delivery of services) | Expenses per property assessment Total expenses / No. of property assessments | 4 | \$4,963 | \$7,764 | \$5,000 | O |

| Indicator | Measure | Notes | Target Projections | | | Trend |
|--|--|-------|--------------------|---------|---------|-----------|
| | | | 2026/27 | 2027/28 | 2028/29 | + / O / - |
| Liquidity | | | | | | |
| Working Capital (sufficient working capital is available to pay bills as and when they fall due) | Current assets compared to current liabilities Current assets / Current liabilities | 2 | 576.72% | 455.62% | 305.31% | - |
| Obligations | | | | | | |
| Asset renewal (assets are renewed as planned) | Asset renewal compared to depreciation Asset renewal and upgrade expenses / Asset depreciation | 3 | 73.64% | 75.82% | 73.68% | O |

5A TARGETED PERFORMANCE INDICATORS - FINANCIAL (Continued)

| Indicator | Measure | Notes | Target Projections | | | Trend |
|--|---|-------|--------------------|---------|---------|-----------|
| | | | 2026/27 | 2027/28 | 2028/29 | + / O / - |
| Stability | | | | | | |
| Rates concentration (revenue is generated from a range of sources) | Rates compared to adjusted underlying revenue Rates revenue / Adjusted underlying revenue | | 48.18% | 48.37% | 48.55% | O |
| Efficiency | | | | | | |
| Expenditure level (resources are used efficiently in the delivery of services) | Expenses per property assessment Total expenses / No. of property assessments | 4 | \$4,948 | \$5,078 | \$5,256 | O |

5B FINANCIAL PERFORMANCE INDICATORS

| Indicator | Measure | Notes | Actual | Forecast | Budget | Trend |
|--|---|-------|----------|----------|---------|-----------|
| | | | 2023/24 | 2024/26 | 2025/26 | + / O / - |
| Operating position | | | | | | |
| Adjusted underlying result (an adjusted underlying surplus is generated in the ordinary course of business) | Adjusted underlying surplus (or deficit) Adjusted underlying surplus (deficit) / Adjusted underlying revenue | 5 | -53.86% | -16.68% | -21.54% | O |
| Liquidity | | | | | | |
| Unrestricted cash (sufficient cash that is free of restrictions is available to pay bills as and when they fall due) | Unrestricted cash compared to current liabilities Unrestricted cash / Current liabilities | | -136.85% | 252.91% | 161.41% | - |
| Obligations | | | | | | |
| Loan and borrowings (level of interest bearing loans and borrowings in appropriate to the size and nature of Council's activities) | Loans and borrowings compared to rates Interest bearing loans and borrowings / Rate revenue | 6 | 0.00% | 0.00% | 0.00% | O |
| Loan and borrowings (level of interest bearing loans and borrowings in appropriate to the size and nature of Council's activities) | Loans and borrowings repayments compared to rates Interest and principal repayments on interest bearing loans and borrowings / Rate revenue | 6 | 0.00% | 0.00% | 0.00% | O |
| Indebtedness (level of long term liabilities is appropriate to the size and nature of a Council's activities) | Non-current liabilities compared to own source revenue Non-current liabilities / Own source revenue | | 9.94% | 12.93% | 15.41% | + |

5B FINANCIAL PERFORMANCE INDICATORS (Continued)

| Indicator | Measure | Notes | Actual | Forecast | Budget | Trend |
|---|---|-------|---------|----------|---------|-------|
| | | | 2023/24 | 2024/26 | 2025/26 | - |
| Stability | | | | | | |
| Rates effort (rating level is set based on the community's capacity to pay) | Rates compared to property values Rate revenue / CIV of rateable properties in the municipality | | 0.27% | 0.24% | 0.24% | - |
| Efficiency | | | | | | |
| Revenue level (resources are used efficiently in the delivery of services) | Average rate per property assessment General rates and municipal charges / Number of property assessments | | \$1,315 | \$1,368 | \$1,407 | O |

| Indicator | Measure | Notes | Strategic Resource Plan Projections | | | Trend |
|--|---|-------|-------------------------------------|----------|----------|-------|
| | | | 2026/27 | 2027/28 | 2028/29 | +/- |
| Operating position | | | | | | |
| Adjusted underlying result (an adjusted underlying surplus is generated in the ordinary course of business) | Adjusted underlying surplus (or deficit) Adjusted underlying surplus (deficit) / Adjusted underlying revenue | 5 | -17.44% | -17.04% | -18.44% | O |
| Liquidity | | | | | | |
| Unrestricted cash (sufficient cash that is free of restrictions is available to pay bills as and when they fall due) | Unrestricted cash compared to current liabilities Unrestricted cash / Current liabilities | | 11.39% | -156.56% | -346.28% | + |
| Obligations | | | | | | |
| Loan and borrowings (level of interest bearing loans and borrowings in appropriate to the size and nature of Council's activities) | Loans and borrowings compared to rates Interest bearing loans and borrowings / Rate revenue | 6 | 0.00% | 0.00% | 0.00% | O |
| Loan and borrowings (level of interest bearing loans and borrowings in appropriate to the size and nature of Council's activities) | Loans and borrowings repayments compared to rates Interest and principal repayments on interest bearing loans and borrowings / Rate revenue | 6 | 0.00% | 0.00% | 0.00% | O |
| Indebtedness (level of long term liabilities is appropriate to the size and nature of a Council's activities) | Non-current liabilities compared to own source revenue Non-current liabilities / Own source revenue | | 17.13% | 18.73% | 20.29% | + |
| Stability | | | | | | |
| Rates effort (rating level is set based on the community's capacity to pay) | Rates compared to property values Rate revenue / CIV of rateable properties in the municipality | | 0.24% | 0.24% | 0.25% | O |

5B FINANCIAL PERFORMANCE INDICATORS (Continued)

| Indicator | Measure | Notes | Strategic Resource Plan Projections | | | Trend |
|--|---|-------|-------------------------------------|---------|---------|-----------|
| | | | 2026/27 | 2027/28 | 2028/29 | + / O / - |
| Efficiency | | | | | | |
| Revenue level (resources are used efficiently in the delivery of services) | Average rate per property assessment General rates and municipal charges / Number of property assessments | | \$1,435 | \$1,464 | \$1,493 | + |

Key to forecast trend:

- + Forecasts improvement in Council's financial performance / financial position indicator
- O Forecasts that Council's financial performance / financial position indicator will be steady
- Forecasts deterioration in Council's financial performance / financial position indicator

Notes to indicators

- 1 *Various* - These are new indicators reporting within the budget. To estimate current year indicators, an average process was used to determine an acceptable range going forward.
- 2 *Working capital* - The proportion of current liabilities represented by current assets. Working capital is forecast to decrease in future years as cash and cash equivalents decrease.
- 3 *Asset renewal* - This percentage indicates the extent of Council's renewal of assets against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates that 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.
- 4 *Efficiency* - This indicator uses the total operating expenditure. For 2023/24 and 2024/25 this includes \$20 million in each year for flood restoration works.
- 5 *Operating position* - An indicator of the sustainable operating result required to enable Council to continue provide core services and meet its objectives. Improvement in financial performance is expected over the period, although continued losses means reliance on Council's cash reserves or increased debt to maintain services.
- 6 *Obligations* - Council has repaid its final loan liability in 2015/16.

6 FEES AND CHARGES SCHEDULE

Council's fees and charges schedule contains the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and service provided during the 2025/26 year.

Fees and charges are based on information available at the time of publishing and may vary during the financial year subject to any changes in Council's policy or legislation.

This full document is located on Council's website.

APPENDIX A - AUDIT COMMITTEE FINANCIALS

In 2002 Council's Audit and Risk Committee created a reporting format that it considered appropriate for reporting Council's results on a monthly basis. That format has been used by Council since then.

The following reports show the 2024/25 Forecast Actuals, the 2025/26 Budgets, and the variance between the two.

The reports include:

- Comprehensive Income Statement by expense type
- Comprehensive Income Statement by key direction area
- Capital Expenditure Statement

COMPREHENSIVE INCOME STATEMENT BY EXPENSE TYPE

| | Forecast actual 2024/25 \$ | Budget 2025/26 \$ | Variance \$ |
|--|----------------------------------|-------------------------|---------------------|
| Revenues from ordinary activities | | | |
| Rates and charges | 13,181,344 | 13,663,558 | 482,214 |
| Statutory and user fees | 920,884 | 990,308 | 69,424 |
| Operating grants | 34,230,399 | 13,326,837 | (20,903,562) |
| Capital grants | 8,341,110 | 3,820,374 | (4,520,736) |
| Operating contributions | 16,989 | - | (16,989) |
| Capital contributions | - | - | - |
| Regional Roads Victoria | - | - | - |
| Reversal of impairment losses | - | - | - |
| Reimbursements | 427,821 | 519,556 | 91,735 |
| Interest | 1,900,000 | 800,000 | (1,100,000) |
| Total revenues | 59,018,548 | 33,120,633 | (25,897,915) |
| Expenses from ordinary activities | | | |
| Employee costs | 14,793,572 | 15,313,133 | 519,561 |
| Materials and services | 23,915,276 | 11,035,826 | (12,879,450) |
| Contracts | 12,436,386 | 2,410,094 | (10,026,292) |
| Grants expenditure | 398,028 | 402,569 | 4,541 |
| Depreciation | 10,514,934 | 10,725,233 | 210,299 |
| Other expenses | 358,588 | 367,887 | 9,299 |
| Total expenses | 62,416,784 | 40,254,742 | (22,162,042) |
| Net (gain) / loss on sale of assets | - | - | - |
| Surplus / (deficit) for the year | (3,398,236) | (7,134,109) | (3,735,873) |

APPENDIX A - AUDIT COMMITTEE FINANCIALS (Continued)

COMPREHENSIVE INCOME STATEMENT BY KEY DIRECTION AREA

| | Forecast actual 2024/25 \$ | Budget 2025/26 \$ | Variance \$ |
|--|----------------------------------|-------------------------|---------------------|
| Revenues from ordinary activities | | | |
| Rates and charges | 13,181,344 | 13,663,558 | 482,214 |
| Operating grants | 34,230,399 | 13,326,837 | (20,903,562) |
| Capital grants | 8,341,110 | 3,820,374 | (4,520,736) |
| Operating contributions | 16,989 | - | (16,989) |
| Capital contributions | - | - | - |
| User fees | 920,884 | 990,308 | 69,424 |
| Reimbursements | 427,821 | 519,556 | 91,735 |
| Reversal of impairment losses | - | - | - |
| Regional Roads Victoria | - | - | - |
| Interest | 1,900,000 | 800,000 | (1,100,000) |
| Total revenues | 59,018,547 | 33,120,633 | (25,897,914) |
| Expenses from ordinary activities | | | |
| Assets and infrastructure | 2,531,467 | 1,841,055 | (690,412) |
| Executive office | 2,042,834 | 1,485,214 | (557,620) |
| Community partnerships | 3,322,377 | 2,296,554 | (1,025,823) |
| Community services | 2,687,293 | 2,228,176 | (459,117) |
| Community wellbeing | 22,120,660 | 1,035,097 | (21,085,563) |
| Corporate services | 103,728 | 243,574 | 139,846 |
| Development and compliance | 909,303 | 858,131 | (51,172) |
| Financial services | 11,880,734 | 12,056,031 | 175,297 |
| Governance | 1,789,115 | 1,847,729 | 58,614 |
| Information technology | 1,755,425 | 1,904,399 | 148,974 |
| Operations | - | 293,055 | 293,055 |
| Organisation development | 1,998,174 | 1,997,962 | (212) |
| Tourism and economic development | 880,819 | 530,745 | (350,074) |
| Works | 10,394,855 | 11,637,020 | 1,242,165 |
| Total expenses | 62,416,784 | 40,254,742 | (22,162,042) |
| Net (gain) / loss on sale of assets | - | - | - |
| Surplus / (deficit) for the year | (3,398,237) | (7,134,109) | (3,735,873) |

APPENDIX A - AUDIT COMMITTEE FINANCIALS (Continued)

CAPITAL EXPENDITURE STATEMENT

| | Forecast actual 2024/25 \$ | Budget 2025/26 \$ | Variance \$ |
|--|----------------------------------|-------------------------|---------------------|
| Surplus / (deficit) for the year-as per income statement | (3,398,237) | (7,134,109) | (3,735,873) |
| Less non-cash income | | | |
| Reversal of impairment losses | - | - | - |
| Add non-cash expenditure | | | |
| Net gain on sale of assets | - | - | - |
| Loan interest accrued | - | - | - |
| Depreciation | 10,514,934 | 10,725,233 | 210,299 |
| Total funds available for capital expenditure | 7,116,697 | 3,591,124 | - 3,525,573 |
| Capital expenditure, transfers and loans | | | |
| Assets and infrastructure | 9,325,303 | 5,935,158 | (3,390,145) |
| Community partnerships | 4,227,691 | 599,910 | (3,627,781) |
| Information technology | 157,200 | 43,500 | (113,700) |
| Tourism and economic development | 152,625 | - | (152,625) |
| Works | 2,377,284 | 2,029,000 | (348,284) |
| Total capital works | 16,240,103 | 8,607,568 | (7,632,535) |
| Transfers to reserves | 5,729,493 | 2,023,481 | (3,706,012) |
| Loan repayments | - | - | - |
| Total capital, transfers and loans | 21,969,596 | 10,631,049 | (11,338,547) |
| Capital expenditure, transfers and loans will be financed by: | | | |
| Asset sales | 212,418 | 294,250 | 81,832 |
| Transfers from reserves | 10,378,053 | 1,731,750 | (8,646,303) |
| Accumulated cash surplus brought forward from previous year | 13,033,600 | 8,771,172 | (4,262,428) |
| Total financing of capital, transfers, and loans | 23,624,071 | 10,797,172 | (12,826,899) |
| Total accumulated cash surplus | 8,771,172 | 3,757,246 | (5,013,926) |

APPENDIX B- STRATEGIC ACTIONS

In 2021, Council adopted the first Financial Plan which outlines the 10-year financials resources necessary to implement the initiatives and priorities of the Council Plan and to achieve the aspirations of the Community Vision.

The first plan had a set of actions which will be used to further improve this financial position for future years. The Budget will report on any progress since adoption.

| Action | Description | Impact on the Financial Plan | Progress |
|--------|--|--|--|
| 1 | Review depreciation rates within each of the asset plans to ensure they are reflective of the useful lives of each asset class. | <p>Adjustment: Depreciation expense and asset values.</p> <p>Impacts: Operating expenditure in the Comprehensive Income Statement. Also impacts the balance of the infrastructure assets group within the Balance Sheet.</p> <p>Desired outcome: Reduction in annual deficits.</p> | <p>Progressing: An audit comparing asset lives in the asset management plans to depreciation rates has been conducted.</p> |
| 2 | Review Asset Management Plans to understand required maintenance and renewal levels to maintain the service levels of each asset class. | <p>Adjustment: Maintenance costs and the required level of renewal/upgrade of the asset.</p> <p>Impacts: Operating expenditure in the Comprehensive Income Statement. Also impacts renewal/upgrade infrastructure costs within the Capital Expenditure Statement.</p> <p>Desired outcome: Reduction in the operating maintenance expenditure and renewal/upgrade expenditure.</p> | <p>Complete</p> |
| 3 | Review and report to Council on the current operating environment to assess whether the current contingency amounts allocated for projects is appropriate. | <p>Adjustment: Infrastructure capital project allocations.</p> <p>Impacts: Capital project expenditure with the Capital Works Statement.</p> <p>Desired outcome: Reduction in the capital works, higher delivery rates of capital works.</p> | <p>Progressing: Contingency amounts presented to Council when considering the 2025/26 Annual Infrastructure Program. Further work required as part of ongoing project development to improve alignment of contingency amounts with project risk, phasing and delivery requirements.</p> |
| 4 | Review Financial Reserves Policy to ensure cash is not constrained unnecessarily. | <p>Adjustment: Movement in reserve levels and available reserves.</p> <p>Impact: Balance Sheet and available operating expenditure.</p> <p>Desired outcome: Increase in cash and cash equivalents in Balance Sheet and offsetting a reduction in Other Reserves.</p> | <p>Complete: To continue to review each year to ensure further improvements.</p> |

APPENDIX B- STRATEGIC ACTIONS - Continued

| Action | Description | Impact on the Financial Plan | Progress |
|--------|--|---|--|
| 5 | Revise Project Management Framework to ensure projects are phased and costed appropriately. | <p>Adjustment: Infrastructure capital project allocations.</p> <p>Impact: Capital expenditure within the Capital Works Statement.</p> <p>Desired outcome: Improved forward financial planning for major projects within the Capital Works Statement.</p> | <p>Complete: Revised Project Management Framework adopted by Management Executive Group in September 2024.</p> |
| 6 | Revise Strategic Documents Framework to ensure strategies are appropriately costed and indexed, and costs are embedded into this Financial Plan. | <p>Adjustment: Future plans and strategies to further highlight the true cost to deliver actions outlined.</p> <p>Impact: Operating expenditure and capital expenditure where those relevant plans sit.</p> <p>Desired outcome: Improved forward financial planning for major projects within the Capital Works Statement and operating expenditure within the Comprehensive Income Statement.</p> | <p>Not yet commenced: Strategic Framework is yet to be revised.</p> |
| 7 | Continue development of 'pipeline of projects' to ensure 'shovel ready' projects when funding becomes available. | <p>Adjustment: Allocation of project expenditure and income to reflect more accurate timing.</p> <p>Impact: Operating expenditure, operating income and capital expenditure.</p> <p>Desired outcome: Improved forward financial planning for major projects within the Capital Works Statement and operating expenditure within the Comprehensive Income Statement.</p> | <p>Progressing: A Project Pipeline has been developed and is in testing phase. Due for completion June 2025.</p> |
| 8 | Investigate and report to Council on alternate purchasing options for plant (e.g. leasing of plant to spread the cost over the life of the asset). | <p>Adjustment: Offset capital cost against lease operating cost.</p> <p>Impact: Increase to operating expenditure and capital expenditure.</p> <p>Desired outcome: Reduction in capital costs and held assets within the Capital Works Statement and Balance Sheet along with reduction in some of the related reserves.</p> | <p>Complete: Report presented to Council in February 2022. With the current capital program, purchase is still the preferred option.</p> |
| 9 | Conduct process reviews on internal services to ensure they are efficient and cost-effective, and support external services provided to the community. | <p>Adjustment: Reflect cost-effective service delivery costs.</p> <p>Impact: Operating expenditure and operating income.</p> <p>Desired outcome: More streamlined processes which will lead to a reduction in operating expenditure with the Comprehensive Income Statement.</p> | <p>Ongoing: Internal reviews are undertaken on an ongoing basis for a number of internal services and activities to deliver efficiencies through shared services, reduction in process or removal of service.</p> |

APPENDIX B- STRATEGIC ACTIONS - Continued

| Action | Description | Impact on the Financial Plan | Progress |
|--------|--|--|---|
| 10 | Complete the Transitioning Towns Policy (Small Towns Strategy) to establish minimum service levels for each town. | <p>Adjustment: Reflect cost-effective service delivery costs.</p> <p>Impact: Operating expenditure and operating income.</p> <p>Desired outcome: Understanding the required service level which should lead to a reduction in operating expenditure with the Comprehensive Income Statement.</p> | <p>Complete: Social Infrastructure Strategy Adopted by Council in August 2024. Implementation underway.</p> |
| 11 | Undertake service reviews in consultation with the community to determine the best mix and level of service provided by Council for services provided to the community. | <p>Adjustment: Reflect cost-effective service delivery costs.</p> <p>Impact: Operating expenditure and operating income.</p> <p>Desired outcome: Understanding the required service level which may lead to a reduction in operating expenditure with the Comprehensive Income Statement.</p> | <p>Progressing: Preliminary list of service reviews completed or underway, with a program based on importance to be developed.</p> |
| 12 | Report to Council on the potential to borrow funds (including relevant risk assessment) for strategic and/or intergenerational projects. | <p>Adjustment: Offset the cost of delivering projects using immediate Council funds to a long term borrowing option.</p> <p>Impact: Capital expenditure and balance sheet.</p> <p>Desired outcome: Should borrowings be used as a funding mechanism, desired outcome is a positive impact on the Financial Plan and the introduction of intergenerational equity.</p> | <p>Completed: Discussions held to inform Council of the options available for borrowing and a Borrowing Policy has been developed and adopted.</p> |
| 13 | Investigate and report to Council the cost vs benefits of applying for a rate cap variation to the Essential Services Commission after above initiatives have been explored. | <p>Adjustment: Increased rate revenue for Council.</p> <p>Impact: Operating income.</p> <p>Desired outcome: Increase to ongoing rate revenue within the Comprehensive Income Statement.</p> | <p>Not yet commenced</p> |
| 14 | Explore shared services options available to Council. | <p>Adjustment: Potential to decrease costs or improve services.</p> <p>Impact: Operating expenditure.</p> <p>Desired outcome: Reduction in operating expenditure within the Comprehensive Income Statement.</p> | <p>Completed: Council is a member of the Regional Procurement Network and is informed of any shared services opportunities as they arise.</p> |