

Budget Estimates

2022-2023



Version 1 – May 2022
Version 2 – Adopted June 2022

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Introduction – Budget 2022 - 2023

Provided below is an overview of the changes to the rates resolution for the 2022/2023 financial year. In general, although it is Council intention to operate at a small surplus, this has not been possible due to the significant impacts of the 2020/2021 pandemic support measures and the flow on from these to Council operations and the very significant inflationary pressures on costs such as fuel. Although many of the operating impacts are across Council operations, many are specific to waste operations and therefore funding the true cost of these operations is addressed in this budget:

General Rate

Due to strong inflationary pressures, it is necessary to implement a 3.75% increase on the general rate for residential, commercial, primary production and forestry properties for the 2022/2023 financial year.

The state government has implemented interim re-valuations for the municipality which would have changed the relative proportions of contribution to the overall general rate. On that basis, Council has amended the cents in the dollar for each differential rate category to recover the 3.75% general rate increase from each property (except where an individual property has had changes to its capital value).

Vacant residential valuations increased more than other residential properties and therefore may have had a significantly greater general rate increase than 3.75% but most of these incur the minimum rate and therefore are not affected.

Residential, Commercial and Primary Production were 8.10 cents in the \$ in 2021/2022 and are reduced to 6.352, 7.831 and 5.41940 respectively. Forestry general rate reduces to 10.77017 cents in the \$ down from 16.60368 cents in the \$ in 2021/2022. The minimum General rate has increased by 3.75% to \$589.30.

Waste Management

Increased costs to dispose of waste and recycling, as well as a state waste levy being implemented, Council has had to increase the waste Infrastructure charge by 13% to \$226.00 per tenement (\$200.00 2021/2022).

Kerbside Collection Charges

General waste collection charges are unchanged and have been set at;

140 litre service	\$100.00
240 litre service	\$164.00

Recycling collection charge has been increased by 22.6% due to increased cost of disposal and has been set at;

240 litre service	\$103.00
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Fire Levy

Contributions required of Council to the State Fire Commission are set by the state government. Due to the valuation changes, the cents in the dollar have been decreased similar to the general rate to 0.226435 for the urban areas and .3692080 for the rural areas. The minimum rate for the fire levy is set at \$44.00 (\$42.00 - 2021/2022).

Penalty & Interest

The interest percentage maximums are set by legislation, under S.128 of the *Local Government Act 1993*. The maximum percentage that can be charged for 2022/2023 is 8.13%, which is an increase on the 2021/2022 financial year (7.87%).

Council has not made any changes to the current penalty rate, which is an immediate charge of 6% of the unpaid instalment amount.

Discount

The discount percentage provided to ratepayers for paying rates in full is unchanged from 2021/2022 at to 2%.

1. Rates Resolution

That in accordance with the provisions of the *Local Government Act 1993*, Council adopts the rates and charges for the period 1 July 2022 to 30 June 2023 in accordance with the resolutions which follow.

1. General Rate:

- 1.1 Pursuant to Section 90 of the *Local Government Act 1993*, Council makes the following general rate on all rateable land (excluding land which is exempt pursuant to the provisions of Section 87) within the Municipal area of Break O'Day for the period commencing 1 July 2022 and ending 30 June 2023, namely a rate of 6.35200 cents in the dollar on the assessed annual value (as adjusted) of the land.
- 1.2 Pursuant to Section 90(4) of the *Local Government Act 1993*, Council sets a minimum amount payable in respect of the general rate of \$589.30.
- 1.3 Pursuant to Section 107(1)(a) of the *Local Government Act 1993*, Council declares by absolute majority, that the general rate is varied as follows:
 - (a) for land which has the defined use, of primary production forestry, in accordance with the list provided by the Valuer General, a varied general rate of 10.77017 cents in the dollar of the assessed annual value (as adjusted) of the land
 - (b) for land which has the defined use, of commercial, in accordance with the list provided by the Valuer General, a varied general rate of 7.831 cents in the dollar of the assessed annual value (as adjusted) of the land
 - (c) for land which has the defined use, of primary production, in accordance with the list provided by the Valuer General, a varied general rate of 5.41940 cents in the dollar of the assessed annual value (as adjusted) of the land

2. Service Charges:

Pursuant to Sections 93, 93A, 94, and 95 of the *Local Government Act 1993*, Council makes the following service rates and service charges on all rateable land within the municipal area of Break O'Day (including land which is otherwise exempt from rates pursuant to Section 87 but excluding Crown Land to which Council does not supply any of the following services) for the period commencing 1 July 2022 and ending on the 30 June 2023, namely:

2.1 Waste Management:

Service charges for different waste management services as follows;

2.1.1 Waste Infrastructure

For the making available of waste management services to all land within the municipal area comprising waste disposal areas, waste transfer stations and related waste management facilities, \$226.00.

2.1.2 Waste Collection Services

- (a) for making available the service of a 140 litre mobile waste bin collection within each collection area, \$100.00 per bin; and
- (b) for each additional 140 litre mobile waste bin collection within each collection area, \$100.00 per bin.
- (c) for making available the service of a 240 litre mobile waste bin collection within each collection area, \$164.00 per bin; and
- (d) for each additional 240 litre mobile waste bin collection within each collection area, \$164.00 per bin
- (e) for making available the service of a 240 litre mobile recycling collection within each collection area, \$103.00 per bin; and
- (f) for each additional 240 litre mobile recycling collection within each collection area, \$103.00 per bin.

2.1.3 Waste Collection Services – Exceptions

Pursuant to Section 94(3) Council declares, by absolute majority, that the service charges for waste management are each varied within the municipal area according to each of the following factors;

- (a) where land is within a collection area pursuant to sub-paragraph 2.1.2(a), (c) or (e) but is vacant and is not used for any purpose, vary the collection service charge to nil;
- (b) where improved land is within a collection area pursuant to sub-paragraph 2.1.2(a), (c) or (e) but either of the following two conditions apply:
 - (i) the capital value is \$3,000 or less above the land value; or
 - (ii) is considered to not be habitable;vary the collection service charge to nil;
- (c) where land to which sub-paragraphs 2.1.2 (a), (c) or (e) apply is used as a sporting or recreational facility and is a jetty, boat shed, boat ramp or slipway, vary the service charges to nil.

2.2 Fire Protection (fire service contribution):

Pursuant to Section 93A of the *Local Government Act 1993* Council makes the following service rates in respect of the fire service contributions it must collect under the Fire Service Act 1979 for the rateable parcels of land within the Municipal area as follows:

<i>District</i>	<i>Cents in the Dollar of AAV</i>
Volunteer brigade rating district	.3692080
General land	.2264350

Pursuant to Section 93(3) of the *Local Government Act 1993* Council sets a minimum amount payable in respect of this service rate of \$44.00.

3. Separate Land:

For the purposes of these resolutions the rates and charges shall apply to each parcel of land which is shown as being separately valued in the valuation list prepared under the Valuation of Land Act 2001.

4. Adjusted Values:

For the purposes of each of these resolutions any reference to assessed annual value includes a reference to that value as adjusted pursuant to Section 89 of the *Local Government Act 1993*.

5. Instalment Payment:

Pursuant to Section 124 of the *Local Government Act 1993*, Council:

- (a) decides that all rates are payable by all rate payers by four (4) instalments which must be of approximately equal amounts.
- (b) determines that the dates by which instalments are to be paid shall be as follows:
 - (i) The first instalment on or before 6 September 2022;
 - (ii) The second instalment on or before 8 November 2022;
 - (iii) The third instalment on or before 7 February 2023; and
 - (iv) The fourth instalment on or before 2 May 2023.
- (c) where a ratepayer fails to pay any instalment within 21 days of the date on which the rates are due, the full amount owing becomes due and payable in accordance with Section 124 (5) of the *Local Government Act 1993*.

6. Discount:

Pursuant to Section 130 of the *Local Government Act 1993* Council offers to all of the ratepayers who are liable to pay rates and charges, a discount of 2% of the rates and charges if they are paid, and received by Council, by one payment on or before 6 September 2022.

7. Penalty and Interest:

Pursuant to Section 128 of the *Local Government Act 1993*, if any rate or instalment is not paid, and received by Council, on or before the date it falls due then:

- (a) there is payable a penalty of 6% of the unpaid rate or instalment; and
- (b) there is payable a daily interest charge of 0.0222740% (8.13% per annum) in respect of the unpaid rate or instalment for the period during which it is unpaid.

8. Words and Expressions:

Words and expressions used both in these resolutions and in the *Local Government Act 1993* or the *Fire Service Act 1979* have in these resolutions the same respective meanings as they have in those Acts.

John Brown
General Manager

2. Budget Income Statement

	2020-2021	2021-2022 Expected 30 June 22	2022-2023 Estimate	Comments
INCOME				
Rates and Charges	9,770,000	10,343,691	10,952,767	
User Charges	1,313,000	1,032,109	1,048,696	
Grants	1,683,063	1,583,193	840,445	75% 2022/2023 FAGS received in advance
Other Income	278,000	218,436	232,402	
Investment Income	303,000	483,000	483,369	
Total Income	13,347,063	13,660,430	13,557,679	
Capital Income				
Capital grants	5,573,000	2,713,373	4,141,381	
Profit or Loss on Sale of Assets	(988,000)	-	120,000	
Total Income	17,932,063	16,373,802	17,819,060	
EXPENSES				
Employee Expenses	5,073,000	5,385,121	5,852,332	
Materials and Services	5,136,000	5,555,021	5,738,731	
Depreciation and amortisation	3,802,000	3,928,046	3,943,626	
Other expenses	1,587,000	747,089	731,217	
Total Expenses	15,598,000	15,615,279	16,265,905	
FAGs in advance	1,520,937	2,373,968	1,582,645	\$800k additional FAGs in advance in 2021/2022, and less in 2022/2023
Net Operating Surplus\ (Deficit)	(730,000)	419,119	(1,125,581)	
Net Surplus\ (Deficit)	2,334,063	3,132,492	3,135,800	

3. Budgeted Cash Flow Statement

	2020-2021 Actual	2021-2022 Expected 30June22	2022-2023 Budget
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Operating Receipts	15,766,000	16,034,398	15,140,324
PAYMENTS			
Operating payments	(12,642,000)	(11,675,232)	(12,310,279)
NET CASH FROM OPERATING	3,124,000	4,359,165	2,830,045
CASH FLOWS FROM INVESTING ACTIVITIES			
RECEIPTS			
Proceeds from sale of Plant & Equipment	40,000	-	120,000
PAYMENTS			
Payment for property, plant and equipment	(8,767,000)	(7,697,325)	(9,173,791)
Capital Grants	5,819,000	2,713,373	4,141,381
Payments for financial assets	-	-	-
NET CASH FROM INVESTING ACTIVITIES	(2,908,000)	(4,983,953)	(4,912,410)
CASH FLOWS FROM FINANCING ACTIVITIES			
RECEIPTS			
Proceeds from borrowings	-	-	-
PAYMENTS			
Repayment of borrowings	(346,060)	(1,872,273)	(389,023)
Repayment of Lease Liabilities	-	(12,000)	(12,000)
Proceeds from trust funds and deposits	421,000	-	-
NET CASH FROM FINANCING ACTIVITIES	74,940	(1,884,273)	(401,023)
NET INCREASE (DECREASE) IN CASH HELD	290,940	(2,509,060)	(2,483,388)
CASH AT BEGINNING OF YEAR	10,257,000	10,547,940	8,038,880
CASH AT END OF PERIOD	10,547,940	8,038,880	5,555,492

4. Budget Balance Sheet and Equity

	2020-2021 Actual	2021-2022 Expected 30June22	2021-2022 Budget	2022-2023 Budget
Current Assets				
Cash	10,547,940	8,038,880	6,054,838	5,555,492
Receivables	691,000	600,000	750,000	650,000
Inventories	58,000	120,000	120,000	100,000
Other Current Assets	24,000	30,000	45,000	30,000
Total Current Assets	11,320,940	8,788,880	6,969,838	6,335,492
Non Current Assets				
Property Plant and Equipment	162,049,000	160,049,455	167,103,187	165,279,620
Investment in TasWater	31,996,000	31,996,000	31,996,000	31,996,000
Other Non Current Assets	166,000	166,000	166,000	166,000
Total Non -Current Assets	194,211,000	192,211,455	199,265,187	197,441,620
Total Assets	205,531,940	201,000,335	206,235,025	203,777,112
Current Liabilities				
Payables	1,765,000	950,000	950,000	950,000
Interest Bearing Liabilities	1,882,469	389,024	1,872,273	406,545
Contract Liabilities	249,000	-	-	-
Provisions	867,000	900,000	900,000	900,000
Total Current Liabilities	4,763,469	2,239,024	3,722,273	2,256,545
Non Current Liabilities				
Interest Bearing Liabilities	6,314,379	5,866,821	6,255,845	5,460,278
Provisions	488,615	500,000	500,000	500,000
Total Non Current Liabilities	6,802,994	6,366,821	6,755,845	5,960,278
Total Liabilities	11,566,463	8,605,845	10,478,118	8,216,823
Net Assets	193,965,477	192,394,490	195,756,907	195,560,289
EQUITY				
Accumulated surplus	41,932,843	36,820,894	43,724,273	43,527,655
Asset revaluation reserve	151,471,634	155,012,595	151,471,634	151,471,634
Other reserves	561,000	561,000	561,000	561,000
TOTAL EQUITY	193,965,477	192,394,490	195,756,907	195,560,289
Other Reserves - detailed separately	561,000	561,000	464,628	561,000
Trust funds	652,000	652,000	-	652,000
Unspent grant funds	249,000	-	-	-
Employee Provisions	1,355,615	1,400,000	1,379,015	1,400,000
Unallocated accumulated surplus	7,730,325	5,425,880	3,887,495	2,942,492
Total cash available	10,547,940	8,038,880	5,731,138	5,555,492
Note: This reflects the cash position and does not include Payables and Receivables				

	Other Reserves 1/7/20	Remaining 30/6/2021
Public Open Space		
Binalong Bay	3,362	3,362
Ansons Bay	4,907	4,907
Beaumaris	2,229	2,229
Scamander	3,750	3,750
St Helens	23,398	23,398
St Marys	32,509	32,509
Stieglitz	6,752	6,752
Total Public Open Space	76,907	76,907
General Reserves		
Community Development	12,500	12,500
137 Trust Seizures	273,259	273,259
Total General Reserves	285,759	285,759
Grant Proceeds Reserve		
Projectors for Stadium	14,000	14,000
Regional Workforce Development	15,710	15,710
Community Infrastructure Fund Grant	28,010	27,260
26TEN Communities Grant Program	45,455	44,992
Total Grant Reserves	103,175	56,970
Total Other Reserves	465,841	464,628

5. Budget 2022 – 2023 Revenue

		2021-2022 Expected 30June22	2022-2023 Budget	% of Annual Budget used	Comments
1600	Revenues				
1611	General Rate	7,696,442	8,010,311	96%	
1612	Waste Charges	1,318,210	1,487,984	89%	
1613	Fire Levy	374,853	374,853	100%	
1614	Tips & Transfer Stations	183,855	220,626	60%	
1615	Recycling Charges	392,339	482,332	81%	
1616	Early Settlement Discounts	(104,954)	(108,103)	97%	
1617	Wheelie Bin Charges	482,946	484,764	100%	
	Total Rates	10,343,691	10,952,767	94%	
	Environmental Health				
1621	Waste Disposal Fees	-	-		
1622	Inspection Fees	6,000	6,000	0%	
1623	Health/Food Licence Fees and Fines	14,000	14,000	15%	
1624	Immunisations	1,000	1,000	79%	
1625	Sampling	-	-		
1626	Place of Assembly Licence	-	-		
	Total Environmental Health	21,000	21,000	14%	
	Municipal Inspector				
1631	Kennel Licences	1,200	1,200	12%	
1632	Dog Registrations	50,100	50,100	19%	
1633	Dog Impoundment Fees & Fines	2,500	2,500	15%	
1634	Dog Replacement Tags	-	-		
1635	Caravan Fees and Fines	68,309	70,000	98%	
1636	Fire Abatement Charges	2,000	2,000	0%	
1637	Infringement Notices	10,000	10,000	-4%	
	Total Municipal inspector	134,109	135,800	57%	
	Building Control Fees				
1641	Building Fees	41,000	42,359	57%	
1642	Plumbing	49,000	40,000	72%	
1643	Building Search Fees	2,000	2,000	75%	
1644	Permit Administration	40,000	42,165	57%	
1645	Building Inspections	53,000	54,810	57%	
1647	Certificates of Likely Compliance	48,000	49,504	57%	
1651	Development Application Fees	115,000	118,660	57%	
1653	Subdivision Fees	8,000	8,617	57%	
1654	Advertising Fee	82,000	84,843	57%	
1655	Adhesion Orders	1,000	1,112	57%	
1656	Engineering Fees	11,000	11,903	57%	

		2021-2022 Expected 30June22	2022-2023 Budget	% of Annual Budget used	Comments
1657	Public Open Space	22,000	20,000	65%	
1658	Illegal Building Fees	3,000	-		
	Total Planning & Building Control Fees	475,000	475,972	59%	
	Government Fees Levies				
1661	B.C.I Training Levy	45,000	45,593	58%	
1662	Building Permit Levy	22,000	22,797	58%	
1663	132 & 337 Certificates	143,000	143,966	58%	
	Total Government Fees Levies	210,000	212,355	58%	
	Investment Income				
1671	Interest Income	18,000	18,369	58%	
1676	Dividends - TasWater	465,000	465,000	42%	
	Total Investment Income	483,000	483,369	42%	
	Sales Hire and Commission				
1681	Sales	60,000	67,633	38%	
1682	Commission	17,000	19,683	52%	
1684	Facilities and Hall Hire	40,000	41,253	56%	
1685	Facilities Leases	75,000	75,000	55%	
	Total Sales Hire and Commission	192,000	203,568	49%	
	Other Income				
1761	Late Payment Penalties inc Interest	80,000	80,000	65%	
1765	Private Works	80,000	65,000	97%	
1766	Cemetery	20,000	25,402	58%	
1767	Contributions	-	60,000	4%	
	Total Other Income	180,000	230,402	57%	
	Reimbursements				
1773	Workers Comp. Recoveries	30,374	2,000	1519%	
1776	Miscellaneous Reimbursements	5,286	-		
1778	GST free reimbursements	2,776	-		
	Total Reimbursements	38,436	2,000	1908%	
	Gain or Loss on Sale of Assets				
1781	Profit or Loss on Sale of Assets	-	120,000	0%	
	Total Gain or Loss on Sale of Assets	-	120,000	0%	
	Grant Income				
	Operating Grants				
1792	Financial Assistance Grant	1,539,716	790,445	100%	75% 2022/2023 FAGS received in advance
1794	State Grants - Other	21,477	-		

		2021-2022 Expected 30June22	2022-2023 Budget	% of Annual Budget used	Comments
1794	Learner Driver Mentor Grant	20,000	50,000	40%	
1796	NRM Facilitator	2,000			
	Total Operating Grants	1,583,193	840,445	99%	
	Capital Grants				
1791	Federal Capital Grants	2,201,708	3,641,381	13%	
1793	State Grants Other	511,665	500,000	102%	
	Total Capital Grants	2,713,373	4,141,381	24%	
	Total Revenue	16,373,802	17,819,060	73%	

6. Budget 2022 – 2023 Expenses

		2021-2022 Expected 30June22	2022-2023 Budget	% of Annual Budget used	Comments
	Employee Costs				
1811	Salaries and Wages	3,564,167	3,917,062	53%	
1812	On Costs	1,782,083	1,931,485	41%	
1813	Overtime Payments	38,871	40,897	70%	
1848	Net Oncosts	-	(37,113)		
	Total Employee Costs	5,385,121	5,852,332	52%	
	Energy Costs				
1851	Electricity	154,590	154,890	45%	
	Total Energy Costs	154,590	154,890	45%	
	Materials and Contracts				
1861	Advertising	58,500	54,000	52%	
1862	Accom Receipts & Park Passes-Hist Rm	-	-		
1863	Bank Charges - GST	38,268	31,200	72%	
1864	Books Manuals Publications	4,050	3,933	54%	
1865	Catering	16,400	15,400	56%	
1866	Bank Charges - FREE	1,000	1,000	27%	
1867	Computer Hardware Purchase	30,042	15,000	200%	
1868	Computer Software Purchase	-	-		
1869	Computer Internet Charges	-	-		
1870	Computer Licence & Maintenance Fees	207,000	208,200	63%	
1871	Commission Paid	-	-		
1872	Corporate Membership	144,790	144,790	84%	
1873	Debt Collection	16,000	16,000	26%	
1875	Public Liability Insurance	-	-		
1876	Stock Purchases for Resale	30,000	30,000	41%	
1890	Equipment Hire and Leasing	38,500	38,500	35%	
1891	Equipment Maint & Minor Purchases	12,550	10,550	144%	
1893	Internet Billpay Costs	7,000	7,000	3%	
1894	IVR Charges	-	-		
1895	Licensing and Licence Costs	93,429	139,278	25%	
1896	Land & Building Rental or Leasing Costs	50,000	50,000	61%	
1897	Materials	373,313	407,275	64%	
1898	Phone Calls Rental Fax	42,160	41,160	55%	
1899	Postage/Freight	24,988	17,208	145%	
1900	Printing/Laminating	4,500	6,000	0%	
1901	Property Insurance	138,500	128,500	93%	
1902	Room Hire	1,250	1,250	85%	
1904	Royalties and Production Licences	5,000	5,000	0%	
1905	Stationery	17,300	19,057	128%	

		2021-2022 Expected 30 June 22	2022-2023 Budget	% of Annual Budget used	Comments
1906	Water and Property rates Payable	105,800	106,880	56%	
1907	Loan Charges and Interest	-	2,000	99%	
	Total Materials and Contracts	1,460,341	1,499,182	65%	
	Contractor Costs				
1971	Contractors	1,100,000	860,107	110%	
1972	Cleaning Contractors	210,000	251,039	45%	
1973	Waste Management Contractors	1,216,582	1,315,487	44%	
	Total Contractor Costs	2,526,582	2,426,633	68%	
	Professional Fees				
1992	Audit Fees	40,000	45,000	45%	
1993	Legal Fees	70,000	65,000	87%	
1994	Internal Audit Fees	7,000	7,000	37%	
1995	Revaluation Fees- Municipal only	28,000	28,000	51%	
1996	Professional Fees - Grant funded	-	60,000	0%	
1997	Professional Fees - Strategic Projects	50,000	50,000	0%	
1998	Other Professional Fees	260,000	394,618	43%	
	Total Professional Fees	455,000	649,618	41%	
	Plant Hire				
2101	Plant Hire - Internal	525,000	562,842	85%	
2102	Plant Hire - External	5,500	5,500	16%	
2103	Registration and MAIB	45,958	47,554	92%	
2104	Insurance Premiums	30,612	46,222	66%	
2105	Plant Repairs and Maintenance	210,000	229,797	79%	
2140	Plant Hire Recovered	(720,000)	(745,200)	72%	
2141	Fuel	390,000	393,862	36%	
2142	Fuel Credit	(25,000)	(30,000)	47%	
	Total Plant Hire	462,070	510,577	64%	
	Government Fees and Levies				
2255	Fire Levy	372,626	372,628	50%	
2257	Building Permit Levy	22,000	22,797	65%	
2258	Land Tax	56,813	56,813	44%	
2259	Training Levy	45,000	45,593	54%	
	Total Government Fees and Levies	496,439	497,831	50%	
	Depreciation				
2305	Depreciation Buildings	433,620	432,176	59%	
2306	Depreciation Roads and Streets	1,893,715	1,893,715	58%	
2307	Depreciation Bridges	462,082	462,082	58%	
2308	Depreciation Plant & Equipment	398,790	412,411	56%	
2310	Depreciation Stormwater Infra	373,985	373,985	58%	

		2021-2022 Expected 30June22	2022-2023 Budget	% of Annual Budget used	Comments
2311	Depreciation Furniture	138,086	138,087	58%	
2312	Depreciation Land Improvements	206,168	206,169	58%	
2313	Amortisation of Municipal Valuation	21,600	25,000	50%	
	Total Depreciation	3,928,046	3,943,626	58%	
	Other Expenses				
2401	Interest Payable	290,009	271,341	55%	
2404	Grants and Community Support Given	198,100	182,600	30%	
2405	Rate Remissions	62,385	74,234	84%	
2407	Waiver of Fees and Lease etc	1,646	1,457	113%	
2408	Refunds/Reimbursements	261	-		
2409	Council Member Expenses	18,000	28,000	20%	
2410	Council Member Allowances	176,688	173,584	59%	
	Total Other Expenses	747,089	731,217	52%	
	Total Expenses	15,615,279	16,265,905	57%	
	FAG's received prior year in advance	2,373,968	1,582,645	0%	
	Net Surplus\ (Deficit) before Capital amounts	419,119	(1,125,581)		
	Capital Grants	2,713,373	4,141,381	24%	
	Profit or Loss on Sale of Assets	-	120,000	0%	
	Net Surplus\ (Deficit)	3,132,492	3,135,800		

7. Budget 2022 – 2023 Department

Business & Corporate Services

	2021-2022 Budget	2022-2023 Budget
Total Environmental Health	-	-
Total Municipal inspector	-	-
Total Planning And Building Control Fees	-	-
Total Government Fees Levies	-	-
Total Investment Income	423,000	483,369
Total Sales Hire and Commission	-	-
Total Other Income	-	-
Total Reimbursements	-	-
Total Gain or Loss on Sale of Assets	-	-
Total Operating Grants	-	-
Total Capital Grants	-	-
Total Revenue	423,000	483,369
Total Employee Costs	770,743	725,734
Total Energy Costs	5,800	5,800
Total Materials and Contracts	532,800	523,611
Total Contractor Costs	8,900	14,900
Total Professional Fees	11,000	108,500
Total Plant Hire	14,360	17,858
Total Government Fees and Levies	180	180
Total Depreciation	129,756	154,130
Total Other Expenses	-	-
Total Expenses	1,473,539	1,550,713
Net Surplus\ (Deficit) before Capital Income	(1,050,539)	(1,067,345)
Net Surplus\ (Deficit)	(1,050,539)	(1,067,345)

Development Services

	2021-2022 Budget	2022-2023 Budget
Total Environmental Health	21,000	21,000
Total Municipal inspector	67,000	72,000
Total Planning And Building Control Fees	365,200	464,447
Total Government Fees Levies	167,000	212,355
Total Investment Income	-	-
Total Sales Hire and Commission	1,300	1,706
Total Other Income		
Total Reimbursements	-	-
Total Gain or Loss on Sale of Assets	-	-
Total Operating Grants	-	-
Total Capital Grants	-	-
Total Revenue	621,500	771,509
Total Employee Costs	917,742	928,118
Total Energy Costs	-	-
Total Materials and Contracts	63,120	57,870
Total Contractor Costs	2,500	10,000
Total Professional Fees	94,500	293,018
Total Plant Hire	9,025	13,153
Total Government Fees and Levies	45,000	68,390
Total Depreciation	11,567	12,350
Total Other Expenses	34,500	19,000
Total Expenses	1,177,954	1,401,898
Net Surplus\ (Deficit) before Capital Income	(556,454)	(630,389)
Net Surplus\ (Deficit)	(556,454)	(630,389)

Community Services

	2021-2022 Budget	2022-2023 Budget
Total Environmental Health	-	-
Total Municipal inspector	-	-
Total Planning And Building Control Fees	-	-
Total Government Fees Levies	-	-
Total Investment Income	-	-
Total Sales Hire and Commission	-	15,000
Total Other Income	-	-
Total Reimbursements	-	-
Total Gain or Loss on Sale of Assets	-	-
Total Operating Grants	20,000	50,000
Total Capital Grants	-	-
Total Revenue	20,000	65,000
Total Employee Costs	288,171	303,455
Total Energy Costs	-	300
Total Materials and Contracts	21,570	24,650
Total Contractor Costs	30,000	31,500
Total Professional Fees	10,000	10,000
Total Plant Hire	12,735	14,045
Total Government Fees and Levies	-	-
Total Depreciation	12,551	15,600
Total Other Expenses	163,600	163,600
Total Expenses	538,627	563,150
	-	-
Net Surplus\ (Deficit) before Capital Income	(518,627)	(498,150)
Net Surplus\ (Deficit)	(518,627)	(498,150)

Works and Infrastructure

	2021-2022 Budget	2022-2023 Budget
Total Rates	2,347,377	2,675,706
Total Environmental Health	-	-
Total Municipal inspector	63,800	63,800
Total Planning And Building Control Fees	2,000	11,525
Total Government Fees Levies	-	-
Total Investment Income	-	-
Total Sales Hire and Commission	160,000	126,253
Total Other Income	40,000	150,402
Total Reimbursements	2,000	2,000
Total Gain or Loss on Sale of Assets	120,000	120,000
Total Operating Grants	1,675,694	1,302,991
Total Capital Grants	2,555,708	4,141,381
Total Revenue	6,966,579	8,594,058
Total Employee Costs	2,758,631	3,193,329
Total Energy Costs	143,790	143,790
Total Materials and Contracts	634,540	714,351
Total Contractor Costs	2,227,392	2,363,883
Total Professional Fees	42,600	42,600
Total Plant Hire	154,678	449,853
Total Government Fees and Levies	52,354	52,354
Total Depreciation	3,587,618	3,729,542
Total Other Expenses	290,009	290,032
Total Expenses	9,891,613	10,979,734
	-	-
Net Surplus\ (Deficit) before Capital Income	(5,480,742)	(6,527,057)
Net Surplus\ (Deficit)	(2,925,034)	(2,385,676)

Visitor Information Centre

	2021-2022 Budget	2022-2023 Budget
Total Environmental Health	-	-
Total Municipal inspector	-	-
Total Planning And Building Control Fees	-	-
Total Government Fees Levies	-	-
Total Investment Income	-	-
Total Sales Hire and Commission	50,000	45,615
Total Other Income	-	-
Total Reimbursements	-	-
Total Gain or Loss on Sale of Assets	-	-
Total Operating Grants	-	-
Total Capital Grants	-	-
Total Revenue	50,000	45,615
Total Employee Costs	141,290	115,250
Total Energy Costs	5,000	5,000
Total Materials and Contracts	36,700	36,700
Total Contractor Costs	6,350	6,350
Total Professional Fees	-	-
Total Plant Hire	-	-
Total Government Fees and Levies	1,600	1,600
Total Depreciation	16,136	16,356
Total Other Expenses	-	-
Total Expenses	207,076	181,256
Net Surplus\ (Deficit) before Capital Income	(157,076)	(135,641)
Net Surplus\ (Deficit)	(157,076)	(135,641)

Governance and Members Expenses

	2021-2022 Budget	2022-2023 Budget
Total Rates	7,869,106	8,277,061
Total Environmental Health	-	-
Total Municipal inspector	-	-
Total Planning And Building Control Fees	-	-
Total Government Fees Levies	-	-
Total Investment Income	-	-
Total Sales Hire and Commission	13,291	14,994
Total Other Income	80,000	80,000
Total Reimbursements	-	-
Total Gain or Loss on Sale of Assets	-	-
Total Operating Grants	1,221,250	1,070,099
Total Capital Grants	-	-
Total Revenue	9,183,647	9,442,155
Total Employee Costs	759,230	586,446
Total Energy Costs	-	-
Total Materials and Contracts	142,500	142,000
Total Contractor Costs	-	-
Total Professional Fees	198,000	195,500
Total Plant Hire	9,645	15,668
Total Government Fees and Levies	375,307	375,307
Total Depreciation	15,522	15,648
Total Other Expenses	246,357	258,584
Total Expenses	1,746,561	1,589,153
	-	-
Net Surplus\ (Deficit) before Capital Income	7,437,087	7,853,001
Net Surplus\ (Deficit)	7,437,087	7,853,001

Council Total

	2021-2022 Budget	2022-2023 Budget
Total Rates	10,216,483	10,952,767
Total Environmental Health	21,000	21,000
Total Municipal inspector	130,800	135,800
Total Planning And Building Control Fees	367,200	475,972
Total Government Fees Levies	167,000	212,355
Total Investment Income	423,000	483,369
Total Sales Hire and Commission	224,591	203,568
Total Other Income	120,000	230,402
Total Reimbursements	2,000	2,000
Total Gain or Loss on Sale of Assets	120,000	120,000
Total Operating Grants	2,916,944	2,423,090
Total Capital Grants	2,555,708	4,141,381
Total Revenue	17,264,726	19,401,705
Total Employee Costs	5,635,807	5,852,332
Total Energy Costs	154,590	154,890
Total Materials and Contracts	1,431,230	1,499,182
Total Contractor Costs	2,275,142	2,426,633
Total Professional Fees	356,100	649,618
Total Plant Hire	200,444	510,577
Total Government Fees and Levies	474,441	497,831
Total Depreciation	3,773,148	3,943,626
Total Other Expenses	734,466	731,217
Total Expenses	15,035,368	16,265,905
Net Surplus\ (Deficit) before Capital Income	(446,350)	(1,125,581)
Strategic Projects		
Capital Income	2,675,708	4,261,381
Net Surplus\ (Deficit)	2,229,358	3,135,800

8. Capital Budget

Funding Sources	
External	
Grants - Capital	4,141,381
Loan Funds	-
Plant & Vehicle Sales	120,000
Internal	
Unrestricted cash & investments	4,912,410
Total Funding Sources	9,173,791

9. Capital Budget - Expenses

Project Code	Details	Estimated Carry Forward @ 30/06/2022	2022-2023 Estimate	2022-2023 Budget + c/fwd	Comments
	PLANT & EQUIPMENT				
	Replacement of the following vehicles				
	Vehicle Management Tracking System		30,000	30,000	
	Airport Self Starting Generator		16,000	16,000	Subject to regional airport grant funding of \$12k
	1336 Building Services Coordinator		45,000	45,000	
	H66ZW - DS Pool Car		40,000	40,000	
	1339 General Manager		55,000	55,000	
	1369 Manager Community Services		36,000	36,000	
	Manager Infra & Development Services		36,000	36,000	
	Turf Mower Replacement		80,000	80,000	2nd hand Mower - Contingent of co-funding from St Helens Football Club 50:50
	1321 Fuso Fighter		130,000	130,000	Truck with HYAB (on-board crane)
	1219 Street Sweeper		150,000	150,000	
	Mower Trailer		20,000	20,000	
	1084 - Box Trailer		3,000	3,000	
	1252 Box Trailer		3,000	3,000	
	1080 Box Trailer		3,000	3,000	
	1097 - Pavement Roller (self propelled)		30,000	30,000	
	Mobile Porta-loo		4,000	4,000	Additional unit
CJ005	Small Plant - VARIOUS		40,000	40,000	
	TOTAL PLANT & EQUIPMENT	-	721,000	721,000	
	FURNITURE & IT				
CI070	Additional sit down/stand up desks		1,500	1,500	
	IT - Exchange Upgrade 2022/23		20,000	20,000	
	Spatial Upgrade		10,000	10,000	
	IT - SANS		30,000	30,000	
	Desktop replacements 2022/23		15,000	15,000	
	Tablet/Laptop Replacement - Councillors		20,000	20,000	
	Planning & Reporting Software		15,000	15,000	
	Street furniture & signage		20,000	20,000	
	TOTAL FURNITURE & IT	-	131,500	131,500	
	BUILDINGS				
CI720	Marine Rescue Building - Additions	4,000	20,000	24,000	To be a contributed asset. Project run by St Helens Marine Rescue. Additions plus gantry.
	Fingal Community Shed (Old Tas Hotel)		378,497	378,497	BSBR Grant
	Managana Communications Cell		115,119	115,119	BSBR Grant
	St Marys Indoor Recreation Facility		1,146,727	1,146,727	BSBR Grant
CH730	Portland Hall Upgrades	6,000		6,000	Audio visual equipment to be purchased and installed.

Project Code	Details	Estimated Carry Forward @ 30/06/2022	2022-2023 Estimate	2022-2023 Budget + c/fwd	Comments
	Scamander Sports Complex		50,000	50,000	Solar Panel & Kitchen upgrade - Contrib from Scamander Sports Complex \$20k
	St Marys Hall Upgrades	50,000		50,000	Solar Panel = \$35K + \$15K for Heating - Refer Council Motion
	St Helens Croquet proposal		20,000	20,000	
CH705	Small projects - bus shelters and misc improvements	30,000		30,000	Bus Shelters/Small projects and improvements that cannot be considered maintenance
CJ710	Council Chambers additions and improvements	10,000	30,000	40,000	New Indoor/Outdoor Kitchen/Lunch Room Extension, Painting outside.
	TOTAL BUILDINGS	100,000	1,760,343	1,860,343	
	PARKS, RESERVES & OTHER				
7042	Special Project - Marine Strategy	30,000		30,000	
	Special Project - St Helens Wharf Foreshore Master Plan		50,000	50,000	
	Special Project - Feasibility Study Aquatic Centre & Hydrotherapy Pool		40,000	40,000	
	Fingal Youth Playground/recreation hub		345,767	345,767	BSBR Grant
	Pump Track/s		500,000	500,000	State Gov't Grant
CI810	St Helens Sports Comp - Athletics building	48,000		48,000	
	St Helens Cricket Facilities - upgrade		10,000	10,000	\$80k community led project, \$10k Council contribution - subject to successful grant application.
CI820	Playground equip replace prog - Cornwall	20,000	40,000	60,000	
CI825	Playground equip replacement program	50,000		50,000	
CH815	Dog exercise area St Helens Improvements		10,000	10,000	
CD815	Wrinklers Lagoon Redevelopment Design & Planning - Amenities Building	30,000		30,000	Transfer \$30,600 from CE110
CF805	Parnella/Foreshore Walkway	246,010		246,010	Existing grant prior year (State). Erosion barrier repair.
	St Marys Dog Park		10,000	10,000	
	Cornwall Soldiers Park - Track upgrade and SW works		60,000	60,000	
	St Marys Cemetery Master Plan - Columbarium Wall & garden		55,000	55,000	
	St Helens Cemetery Master Plan improvements		50,000	50,000	
	St Helens Football Grounds Fencing		50,000	50,000	
CJ855	St Helens Sports Complex New Lighting Towers	15,000		15,000	09/21.16.3 Contributed Asset - Council contribution, part of larger grant funded project (total value \$235k)
	TOTAL PARKS, RESERVES & OTHER	439,010	1,220,767	1,659,777	
	ROADS				
	STREETSCAPES				
	LRCI Round 3 - Cecilia St St Helens		320,000	320,000	Bayside section - Circassian St down, and intersection with Esplanade
	Quail St Parking Bay		50,000	50,000	
	TOTAL STREETSCAPES	-	370,000	370,000	

Project Code	Details	Estimated Carry Forward @ 30/06/2022	2022-2023 Estimate	2022-2023 Budget + c/fwd	Comments
	FOOTPATHS				
CJ105	Annual replace of damaged footpaths		25,000	25,000	
CI110	Akaroa - Akaroa Ave		25,000	25,000	Replace 100m of path
	Maori Place		10,000	10,000	Replace 40m of path
	Penquin St		5,000	5,000	Replace 95m of path
	Irishtown Rd		15,000	15,000	Relace 285m of path
CI115	Akaroa - Carnnell Place		23,000	23,000	
	Main St Mathinna (Wilson St to Community Hall)		85,000	85,000	
	Young St - St Helens		110,000	110,000	
	Jason St St Helens		25,000	25,000	
CF130	Parkside Foreshore Footpath	400,000		400,000	
	St Helens Lawry Heights 580m	104,000		104,000	
	TOTAL FOOTPATHS	504,000	323,000	827,000	
	KERB & CHANNEL				
CH155	Byatt Court, Scamander	20,000		20,000	SW system assessment and new design
	Falmouth St St Helens		140,000	140,000	Penelope to Halcyon
	Penelope St St Helens		40,000	40,000	100 lm on new K&C required to address local flooding issue and includes bus pull over area pavement treatment
	Replacements TBA		50,000	50,000	
	TOTAL KERB & CHANNEL	20,000	230,000	250,000	
	RESHEETING				
	1214 - Roses Tier Rd		60,000	60,000	
	1215 - Roses Tier Rd		60,000	60,000	
	Eddystone Rd		50,000	50,000	
	Policemans Point Road		30,000	30,000	
	St Marys Area		100,000	100,000	
CF325	Upper Scamander Road, Scamander		70,000	70,000	
	41 - Anchor Rd		37,000	37,000	
	85 - Forest Lodge Rd		50,000	50,000	
	TOTAL RESHEETING	-	457,000	457,000	
	RESEALS				
	St Marys-Story St, Esk Main Rd to Groom St		55,000	55,000	Subject to DSG resealing Story St
	70 - St Columba Falls Rd		42,874	42,874	
	166 - Mathinna Rd		25,901	25,901	
	251 - Upper Esk Rd		16,096	16,096	
	252 - Upper Esk Rd		57,245	57,245	
	274 - Rossarden Rd		18,852	18,852	
	275 - Rossarden Rd		27,882	27,882	
	324 - Cornwall Rd		21,268	21,268	
	341 - Posiedon St		15,638	15,638	
	342 - Posiedon St		801	801	
	343 - Perseus St		11,308	11,308	

Project Code	Details	Estimated Carry Forward @ 30/06/2022	2022-2023 Estimate	2022-2023 Budget + c/fwd	Comments
	352 - Lawry Heights		1,776	1,776	
	378 - Kings Park		2,971	2,971	
	383 - Cobrooga Dve		4,784	4,784	
	436 - Circassian St		8,234	8,234	
	491 - Beaulieu St		13,280	13,280	
	492 - History Room C/P		6,735	6,735	
	529 - Targett St		12,995	12,995	
	530 - George St		18,144	18,144	
	694 - St Helens Point Rd		10,420	10,420	
	759 - Hilltop Dr		6,092	6,092	
	768 - Highcrest Ave		8,806	8,806	
	789 - Coffey Ct		9,867	9,867	
	891 - Nicks Cl		4,186	4,186	
	913 - Ansons Bay Rd (Priory Rd)		5,233	5,233	
	1001 - Champ St Fingal		8,244	8,244	
	1089 - Seymour St		4,196	4,196	
	1090 - Seymour St		17,657	17,657	
	1155 - North Ansons Bay Rd		79,115	79,115	
	TOTAL RESEALS	-	515,600	515,600	
	ROAD RECONSTRUCTION / DIGOUTS				
CJ525	Mathinna Road		150,000	150,000	
	St Helens Pt Rd - Parkside		200,000	200,000	
	Digouts to be allocated		50,000	50,000	
	Road Intersection Upgrade Works		50,000	50,000	
	Sealed Roads - Condition Assessments		33,000	33,000	
	Road Network - Sign Replacement		25,000	25,000	
	218 - Mathina Plains Road		185,000	185,000	Sealing - Stage 3 works
	LRCI Phase 3 Projects allocated to 22/23		76,000	76,000	Projects determined for 22/23 amount to be carried forward. Projects to be fully funded under the AG LRCI.
	LRCI Phase 3 North Ansons Bay Sealing		539,000	539,000	
	LRCI Phase 3 Mount Paris Dam Sealing		50,000	50,000	
	Medeas St/Circassian St intersection upgrade		200,000	200,000	Subject only to successful Black Spot Funding to Council 50:50 funding
	TOTAL ROADS OTHER	-	1,558,000	1,558,000	
	ROADS TOTAL	524,000	3,453,600	3,977,600	
	BRIDGES				
	B1605 - St Columba Falls Rd		215,571	215,571	Replace timber bridge with concrete structure to SM1600
	B2293 - Cecilia St		224,000	224,000	Replace bridge with concrete structure to SM1600
	B63 Gardiners Creek Road		47,000	47,000	renew timber deck and runners
	B7027 - Mathiina Plains Road		30,000	30,000	Extend Culvert Length
	B160 - Newman Street Footbridge		10,000	10,000	Replace timber deck with FRP
	TOTAL BRIDGES	-	526,571	526,571	

Project Code	Details	Estimated Carry Forward @ 30/06/2022	2022-2023 Estimate	2022-2023 Budget + c/fwd	Comments
	STORMWATER				
CJ655	Minor stormwater Jobs		50,000	50,000	
	Osprey Drive	10,000	-	10,000	Design only
	Penelope Dr		120,000	120,000	Stormwater Main - frontage of caravan park 275 lm
	Falmouth St, St Helens		10,000	10,000	Design only
	TOTAL STORMWATER	10,000	180,000	190,000	
	WASTE MANAGEMENT				
CI630	Rehabilitation of former Binalong Bay Tip	5,000		5,000	Contingency sum only - no immediate requirement to undertake works
CI615	Scamander WTS - Inert Landfill		50,000	50,000	Design
	Scamander WTS retaining wall replacement	52,000		52,000	Contingency for potential replacement - condition monitoring in place for existing asset
	WASTE MANAGEMENT TOTAL	57,000	50,000	107,000	
	Total Capital expenditure	1,130,010	8,043,781	9,173,791	

10. Community Services

Core Activities

Community Development Department consists of a Manager, Community Services who is responsible for the leadership and management of the following programs:

- Community Activities
- Employment Programs
- Area Promotion
- SES Operations
- Community Development
- Community Lifestyle
- Youth Health

2022 - 2023 Programs and Initiatives

Community Services	
Community Grants	30,000
Youth Services	8,000
Misc Donations & Events	7,500
School Prizes	1,000

Community Event Funding	
Seniors Day	3,000
Australia Day Event	5,000
Swimcart	1,000
St Helens Athletic Carnival	2,500
Carols by Candlelight	1,600
Mountains to the Sea Trail Fest (including Woodchopping)	15,000
Fingal Valley Coal Festival	2,000
Pyengana Endurance Ride -	500
St Helens Game Fishing Comp	2,000
St Marys Memorial Service funding	500
Marketing Valley Tourism	2,500
Volunteer Week	2,500
Bay of Fires Winter Arts Festival & market	14,000
St Marys Community Car & Bike Show	2,000
East Coast Masters Golf Tournament	2,500
World Supermodel	1,000
Mental Health Week	500
Break O'Day Community Triathlon	3,000
Suicide Prevention	1,000
Pyengana Easter Carnival	1,000

Council Sponsorship	
Funding for BEC Directory	2,000
St Helens Marine Rescue	3,000
Business Enterprise Centre	28,000

Emergency Services Operational Costs	
SES Operations	17,000
Emergency Planning/Management	6,000

Learner Driver Program – grant funding/Council	
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11. Ratios

Indicator 1 – Operating Surplus

(the difference between day to day income and expenses for the period)

An operating surplus (deficit) arises when operating revenue exceeds (or is less than) operating expenses for a period. A Council's long term financial sustainability is dependent upon ensuring that, on average, its expenses are less than its revenues. If a Council is not generating an operating surplus in most periods then it is effectively living beyond its means and is unsustainable. It will be inevitable the Council will be faced with a financial shock at some stage and be forced to either substantially raise its rates or not replace its assets and thus provide the community with a lower standard of service.

Council's Target – to make a surplus or \$nil (ie break-even)

Indicator 2 – Underlying Surplus or Deficit Ratio

(by what percentage does the major controllable income source vary from day to day expenses)

The operating surplus ratio is the operating surplus (or deficit) expressed as a percentage of general and other rates net of rate rebates and revenues from the Fire Levy.

A positive ratio indicates the percentage of rates available to fund capital expenditure. A negative ratio indicates the percentage increase required in rates to achieve a break even operating result. If in the event of a positive ratio and that amount is not being required for that particular year, it can be held over for future capital works or can be used to reduce existing debt.

	2017/18	2018/19	2019/20	2020/21	Actual to Date	2021/22 Estimate	2022/23 Budget
Underlying Surplus or Deficit							
Recurrent income* less	13,633,033	14,111,105	14,714,608	13,347,063	12,083,660	13,660,430	13,557,679
Recurrent expenditure	12,943,048	13,114,338	14,570,854	15,598,000	9,248,667	15,615,279	16,265,905
Underlying Surplus/Deficit	689,985	996,767	143,754	143,754	2,834,993	(1,954,849)	(2,708,226)
*Recurrent income excludes income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature.							
Underlying Surplus Ratio							
Operating Surplus or Deficit	689,985	996,767	143,754	143,754	2,834,993	(1,954,849)	(2,708,226)
Recurrent Income*	13,633,033	14,111,105	14,714,608	13,347,063	12,083,660	13,660,430	13,557,679
Underlying Surplus Ratio	5.1%	7.1%	1.0%	1.1%	23.5%	(14.3%)	(20.0%)

Indicator 3 – Net Financial Liabilities

(what is owed to others less money you already have or is owed to you)

Net financial liabilities are total liabilities less financial assets. Net financial liabilities is a broader and more appropriate measure of indebtedness than the level of borrowings as it includes all of Council's financial assets and obligations including employee entitlements and creditors. Often too much focus is placed on the level of a Council's borrowings without also considering the available financial assets (ie money in the bank). However, before considering an increase in its net debt a Council must recognize that interest associated with the debt will impact negatively on its operating result. A Council's indebtedness should be managed to ensure its liabilities and associated costs can be met comfortably from operating revenues.

Council's Target is 50% of total annual revenue

	2017/18	2018/19	2019/20	2020/21	Actual to Date	2021/22 Estimate	2022/23 Budget
Liquid assets less	10,217,110	9,582,252	11,350,204	11,238,940	14,341,576	6,804,838	6,205,492
Total Liabilities	11,335,055	11,506,362	11,969,505	11,566,463	10,774,558	10,478,118	8,216,823
Net Financial Liabilities	(1,117,945)	(1,924,110)	(619,301)	(327,523)	3,567,018	(3,673,280)	(2,011,331)

Indicator 4 – Net Financial Liabilities Ratio

(how significant is the net amount owed compared with income)

This ratio indicates the extent to which net financial liabilities of a Council could be met by its operating revenue. Where the ratio is falling over time indicates that the Council's capacity to meet its financial obligations from operating revenue is strengthening. However a Council with a healthy operating surplus may decide to allow its net liabilities ratio to increase in order to provide additional services to its community through the acquisition of additional assets without detracting from its financial sustainability.

Council's Target is 50%

	2017/18	2018/19	2019/20	2020/21	Actual to Date	2021/22 Estimate	2022/23 Budget
Net Financial Liabilities	(1,117,945)	(1,924,110)	(619,301)	(327,523)	3,567,018	(3,673,280)	(2,011,331)
Operating Revenue	13,633,033	14,111,105	14,714,608	13,347,063	12,083,660	13,660,430	13,557,679
Net Financial Liabilities Ratio	(8%)	(14%)	(4%)	(2%)	30%	(27%)	(15%)

Indicator 5 – Asset Sustainability Ratio

(are assets being replaced at the rate they are wearing out)

This ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate the assets are wearing out. It is calculated by measuring capital expenditure on renewal or replacement of assets relative to the recorded rate of depreciation of assets for the same period.

If capital expenditure on renewing or replacing existing assets is at least equal to depreciation on average over time then a Council is ensuring the value of its assets is maintained. If capital expenditure on existing assets is less than depreciation it is likely it is under spending on renewal and replacement of assets and will eventually be confronted with failed assets and a significant renewal and replacement costs that cannot be accommodated for within a short period.

Council's Target – is 100%. That is Council spending an amount each year equivalent to the depreciation expenses on asset renewal.

	2017/18	2018/19	2019/20	2020/21	Actual to Date	2021/22 Estimate	2022/23 Budget
Capex on Replacement/ Renewal of Existing Assets	3,917,923	3,918,377	4,061,966		811,247	5,804,313	-
Annual Depreciation Expense	3,546,098	3,420,377	3,732,684	3,802,000	2,291,360	3,928,046	3,943,626
Asset Sustainability Ratio	110%	115%	109%	0%	35%	148%	0%

Indicator 6 – Asset Consumption Ratio

(the average proportion of “as new condition” left in assets)

This ratio shows the written down current value of Council’s depreciable assets relative to their “as new” value in up to date prices.

This ratio highlights the aged condition of Council’s assets. If a Council is responsibly maintaining and renewing and replacing its assets then the ratio would be relatively high. However, it makes no sense financially to replace perfectly serviceable assets just because they are old. Providing a Council is operating sustainably it will be in a strong financial position to be able to fund the future renewal or replacement of assets when necessary.

Council's Target – between 40% and 80%. That is Council's assets have between 80% and 40% of their useful life left.

	2017/18	2018/19	2019/20	2020/21	Actual to Date	2021/22 Estimate	2022/23 Budget
Depreciated Replacement Cost	141,085,812	144,849,527	154,921,761	162,049,000	161,673,873	160,049,455	165,279,620
Current Replacement Cost	205,110,349	210,707,939	220,871,417	218,462,059	221,046,154	224,603,220	227,661,731
Asset Consumption Ratio	68.79%	68.74%	70.14%	74.18%	73.14%	71.26%	72.60%

12. Rates and Charges Policy



POLICY NO LG40 RATES AND CHARGES POLICY

DEPARTMENT:	Corporate Services
RESPONSIBLE OFFICER:	Manager Corporate Services
LINK TO STRATEGIC PLAN:	Maintain financial viability and accountability in budgeting and administration.
STATUTORY AUTHORITY:	Local Government Act 1993
OBJECTIVE:	<p>This policy defines Council's commitment to levying rates and charges in an equitable manner and provides clear principles and direction at a strategic level to guide Council's decision making process in making rates and charges. It informs the annual decision making process of Council but does not represent the making of specific decisions on rates and charges levied each year under Part 9 of the <i>Local Government Act 1993</i>.</p> <p>This policy provides the community and ratepayers with the underlying principles Council uses in determining rates and charges, taking into account the varying nature of properties, the relative capacity to pay within the community, and Council's obligations under section 86B of the <i>Local Government Act 1993</i>.</p>
POLICY INFORMATION:	Adopted 25 June 2012 – Minute No 06/12.11.7.147 Amended 19 January 2015 – Minute No 01/15.11.7.011 Amended 15 April 2019 – Minute No 04/19.12.6.76

POLICY

1. STRATEGIC REQUIREMENTS

Council will consider the following when setting the rates and charges for a particular financial year:

- Council's Strategic Plan
- Council's Long Term Financial Plan
- The Annual Plan & Budget for that year
- Current economic climate and external influences such as legislative reform, grant funding programs, inflation factors and interest rates, as well as local economic issues affecting the municipality as a whole or individual industries or sectors.

2. LEGISLATIVE REQUIREMENTS

When setting the rates and charges for each year, Council also takes into account the principles outlined in section 86A of the *Local Government Act 1993* that:

- (a) Rates constitute taxation for the purposes of local government, rather than a fee for a service; and
- (b) The value of ratable land is an indicator of the capacity of the ratepayer, in respect of that land, to pay rates

3. COUNCIL'S REVENUE RAISING POWERS

As an overriding principle, general rates will be levied on all land within the municipality regardless of service provided in accordance with the legislated principle that rates constitute taxation for the purposes of the Act. However section 87 of the *Local Government Act 1993* provides for exemptions to this principle and Council's "Rating Exemptions and Remissions Policy" outlines the criteria set by Council in accordance with this section.

4. VALUES TO BE USED A BASIS OF RATES

The *Local Government Act 1993* outlines that Council can use any one (1) of the three (3) valuations provided under the Valuation of *Land Act 2001*, as the basis of its rates. These are:

- Land Value
- Capital Value
- Assessed Annual Value (AAV) or any portion of the AAV as determined by the Valuer-General under section 11(3) (c) of the *Valuation of Land Act 2001*.

Council will use the AAV (including the adjusted AAV) as the primary basis for levying rates. Council believes this is the fairest method of distributing the rate burden across all ratepayers and it is consistent with the value of land being an indicator of capacity to pay (as provided by S86A(1) of the *Local Government Act 1993*.

Rates are adjusted throughout each financial year under section 89 of the *Local Government Act 1993*, using supplementary valuations issued by the Valuer General (eg for new dwelling, subdivisions, etc) and these change the total valuation of the municipality.

5. GENERAL RATE

Council will levy a general rate on all ratable property. This rate will be determined in accordance with the requirements of the Annual Plan and Budget each year and will recover the cost of services for which specific users cannot readily be identified, or for which a regime of full cost recovery through user charges is not appropriate or has not been established by Council.

6. MINIMUM GENERAL RATE

A minimum general rate provides a mechanism by which lower valued properties pay not less than a minimum amount, and it can only apply if there has been no fixed charge applied. The minimum rate must not apply to more than 35% of properties.

Council will apply a minimum general rate in accordance with section 90 of the Act at an appropriate level to recognise that each ratable property should bear a reasonable portion of the total rates burden each year to enable Council to deliver appropriate services and infrastructure as determined in the Annual Plan and Budget.

7. SERVICE RATES AND CHARGES

Council will levy service rates and charges as required for the purposes of fire protection and waste management in accordance with the Act. These rates and/or charges will apply to all ratable properties at an appropriate level to recognise that each ratable property should bear a reasonable portion of the cost of the service provided.

The service rate and associated minimums for fire protection will be levied in accordance with notifications provided by the State Fire Commission under relevant legislation.



Service charges for waste management will be levied on a fixed amount for each property recognising that waste management services, comprising waste disposal areas, waste transfer stations and related waste management facilities, are available to all land within the municipal area and therefore all ratepayers should contribute to the cost of this service. These charges will also recognise where mobile garbage bin services are provided and the level of that service. Council may consider varying the level of these charges where land is vacant or where Council determines a level of community benefit.

8. SEPARATE RATES AND CHARGES

Where Council has identified, for the purpose of planning, carrying out, making available, maintaining or improving anything that in Council's opinion is, or is intended to be, of particular benefit to specific land or a class of land, or the owners of that land, Council may make a separate rate or charge in respect of that land, as per Section 100 of the Act.

9. DISCOUNTS AND REBATES

Council may provide a discount on rates and charges where these are paid in full by the date determined for the payment of the first quarterly rates installment.

Council may apply rebates to general rates payable in respect to specific properties and/or classes of ratepayers where Council determines there is social, economic, or equity benefit to the community in providing such rebates. While Council may provide rate rebates to various classes of ratepayers from time to time, Council is committed to the principle that social welfare responsibilities lie with State and Federal Governments.

10. PENALTY AND INTEREST

Council will apply penalty and interest charges in accordance with S128 of the Act where any rates and charges are not paid on or before the date on which the rates or installments fall due.

11. MONITORING AND REVIEW

Council will review and amend this Policy in compliance with Section 86B of the Act, including by the end of each successive 4 year period after 31 August 2012, or earlier in the event of major changes to legislation or related policies, procedures or if deemed necessary by the General Manager.

13. Plain English Guide to Council's Financial Report

The Break O'Day Council is committed to accountability. Council's financial reports are prepared in accordance with the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, and the Local Government Act 1993, and as such, use terminology and conventions that may not be familiar to some readers.

This Plain English Guide has been developed to assist readers understand and analyse our financial reports.

What is contained in the Financial Report?

The financial report contains four (4) major disclosures, collectively known as the Financial Statements.

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Cash Flow Statement

These key documents provide an overview of the transactions that occurred during the year and a summary of the financial status of Council at the end of the year.

Comprehensive Income Statement

The Comprehensive Income Statement shows the sources of revenue earned and the operating (or day-to-day) expenses incurred during the financial year. Capital asset purchases are not included in the Statement of Financial Performance because assets have a life greater than 12 months. Instead, there is an item for "Depreciation". This value is the value of assets used up during the year. This arrangement ensures that the cost of an asset is matched to the period in which it is used rather than just the period in which it was purchased.

Balance Sheet

The Balance Sheet is a snap shot of the financial situation at 30 June. It shows in total value what the Council owns as Assets and what it owes as Liabilities. The bottom line of this Statement is Net Assets. This is the net worth of Council, built up over many years.

The assets and liabilities are separated into Current and Non-Current categories. Current means those assets or liabilities that will fall due in the next 12 months.

The items included in the Balance Sheet are:

Current Assets

- Cash and cash equivalents – Cash held in a bank, on hand as petty cash or cash register floats and bank bills or term deposits that mature within the next 12 months.
- Trade and other receivables – Monies owed to Council by ratepayers and others who have been invoiced or bills sent.
- Accrued income – Income that has been earned but not received by the 30 June such as interest.

- Prepayments – This represents payments made during the reporting year for services either in part or in full that will be delivered in a future reporting period.
- Inventories – Frequently used goods and materials purchased in advance to minimize delays in undertaking works.
- Non-current assets classified as held for sale – Represents non-current assets such as land that are ready for sale and a decision has been made to sell within the next 12 months.

Non-Current Assets

- Trade and other receivables – Monies owed to Council by ratepayers and others that are not due for payment within the next 12 months.
- Financial assets – Bank bills and term deposits that have been invested for periods longer than 12 months that also will not mature within the next 12 months.
- Investments in associates – The value of Council's equity.
- Property infrastructure, plant & equipment, land, buildings, roads, vehicles, equipment, etc. which have been built up by Council over many years.

Current and Non-Current Liabilities

- Trade and other payables – People and businesses to whom Council owes money.
- Trust funds and deposits – Money held on behalf of other people or business that will be refunded at some point in the future.
- Provisions – The accrued value of Long Service Leave and Annual Leave.
- Interest bearing loans and borrowings – The outstanding balance Council owes on Bank loans. Current interest bearing loans and borrowings represent the amount to be repaid in the financial year.

Net Assets and Total Equity

These terms describe the worth that the Council has built up over many years. Net Assets is the difference between all the assets and all the liabilities. Total Equity is the term used to describe the components of Net Assets. These components are:

- Accumulated surplus – The value of all net assets, other than those directly below, which has been accumulated over time.
- Asset revaluation reserve – The difference between the previously recorded value of assets and their current valuation.
- Statutory reserves – Funds that have restrictions placed on their use and are not readily available for use by Council.
- Discretionary reserves – Funds that Council has set aside for a specific purpose.

A reduction in total equity means that the overall value of the Municipality has fallen. There can be many reasons for this. However, it usually means that the level of new capital investment has not kept pace with depreciation. This is not unusual in the short term because of the cyclical nature of asset replacement. However, in the longer term and in the absence of a conscious decision to downsize, a reduction in total equity can be of concern.

Statement of Changes in Equity

Over the course of the year the values which make up Total Equity can change. This Statement shows the values of changes and how these changes arose.

The most important value to consider is the movement in the Accumulated Surplus. Movements arise from a reduction in the value of Council's major asset groups or an increase in liabilities.

Cash Flow Statement

The Cash Flow Statement summarises cash payments and cash received over the year. The values in this Statement may differ from those shown in the Income Statement because the Income Statement is prepared on an accrual accounting basis ie taking into account payments due but not made and money due but not received.

Council's cash arises from, and is used in, three (3) main areas:

Cash Flows from Operating Activities:

Receipts

All cash received arising from the general operations of Council. It includes rates, general trading sales and debtors, grants and interest earnings. Cash from the sale of assets for loan funds is not included.

Payments

All cash paid by Council from its bank account to staff, creditors and other persons. It does not include the costs associated with the creation or purchase of assets.

Cash Flows from Investing Activities:

The accounting term Investing Activities relates to the purchase and sale of assets such as land, buildings, plant and other long-term revenue producing assets.

Cash Flows from Financing Activities:

This is where the receipt and repayment of borrowed funds is recorded.

The bottom line of the Statement of Cash Flows is the Cash at the End of Financial Year. This shows the cash position of Council to meet its debts and other liabilities.