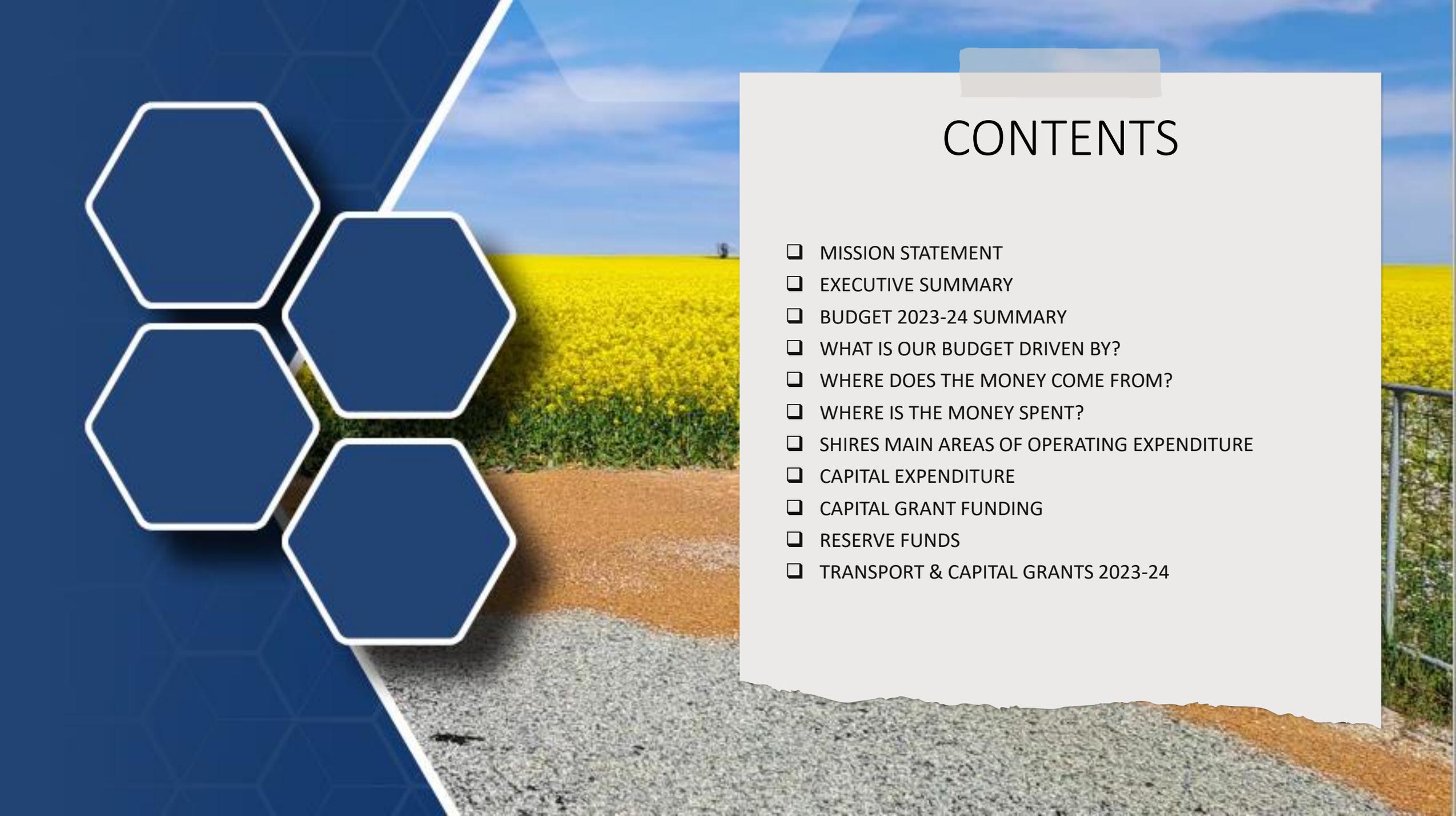




Budget 2023-2024 Summary

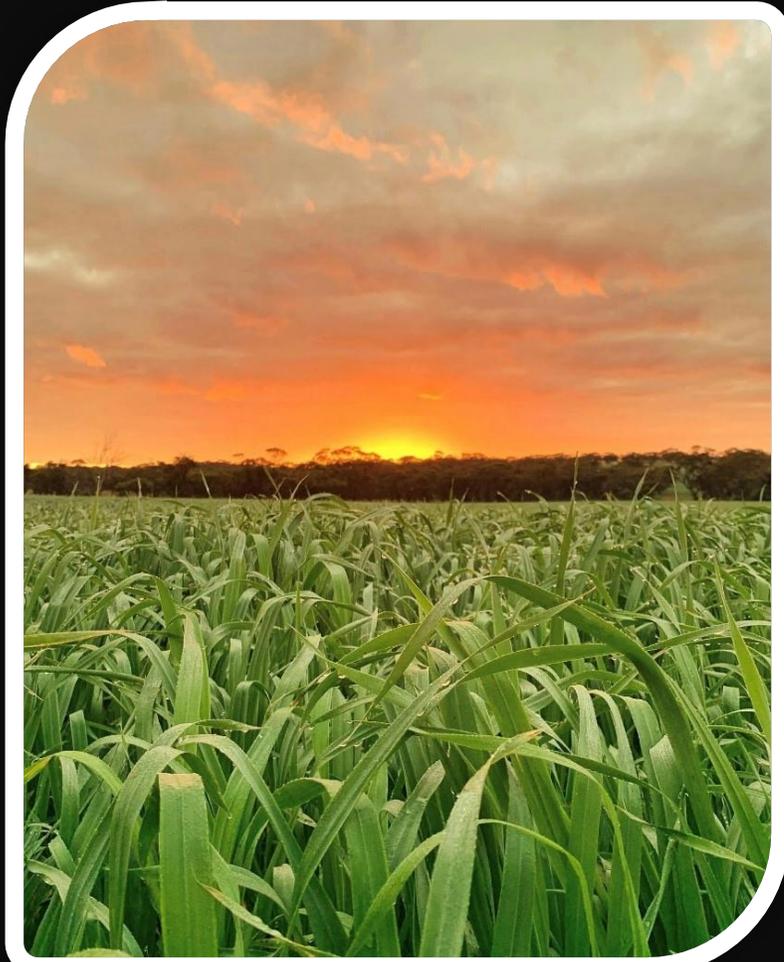




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- EXECUTIVE SUMMARY
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- WHAT IS OUR BUDGET DRIVEN BY?
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- WHERE IS THE MONEY SPENT?
- SHIRES MAIN AREAS OF OPERATING EXPENDITURE
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- CAPITAL GRANT FUNDING
- RESERVE FUNDS
- TRANSPORT & CAPITAL GRANTS 2023-24

MISSION STATEMENT



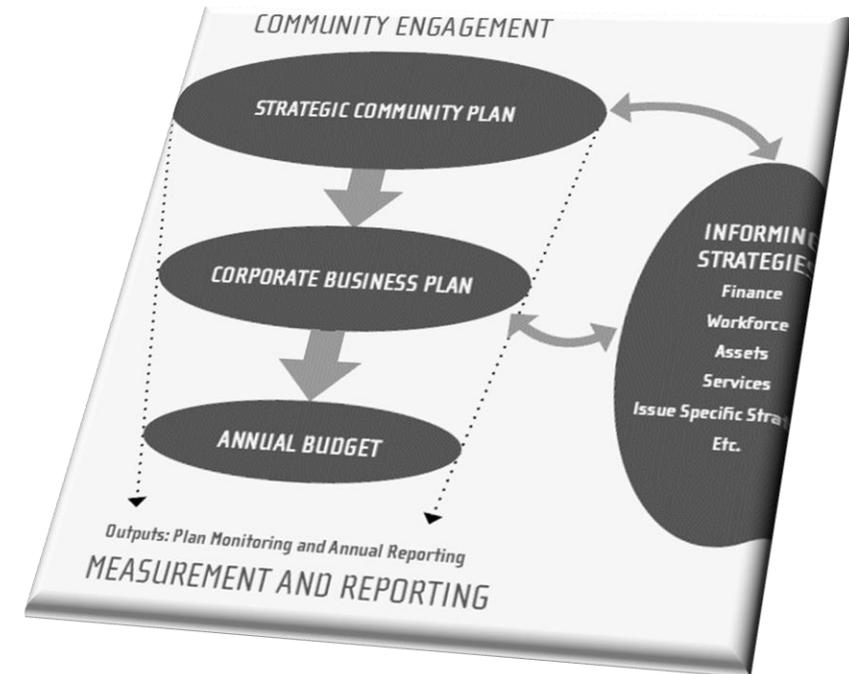
"A Place to Grow" – depicts several meanings but, to the Shire this is across a number of spectrums including business, community, facilities, personal and lifestyle.

Of more recent time, our unofficial vision is "to do what we say we are going to do" which means, continuous better practice to achieve our strategic direction and to be transparent when we may fall short.



EXECUTIVE SUMMARY

- The Shire of Victoria Plains is a service providing organisation and where Local Government has evolved to provide more than the traditional 3 R's of Rates, Rubbish and Roads though this is still a major part. Today, Local Governments are run like any other business but have the additional layers of strong governance and transparency, aspects not always applied or required in private enterprise.
- Our services also include Recreation, Community and Business Development, Health, Building and Town Planning and of course a focal point for Law, Order and Public Safety such as disaster management.
- The Shire is underpinned by many different physical assets which includes roads, paths, drainage, buildings, recreation spaces, fleet and equipment and the growing need of IT and Cyber Security.
- All the above operating and capital expenditure requires a source of funding, and more importantly strong Strategic Planning.
- Ensuring that the Shire meets the service needs of current and future users is important to us. To do this, the Shire takes a long-term management view. This view, and the plans and strategies that the Shire has for its Ratepayers drives the yearly budget, depicted by the diagram to the right.



Sean Fletcher
Chief Executive Officer

Environment

3.1 Environmental Health and Waste Services

- ✓ EHO
- ✓ Capacity and Infrastructure Enhancements
- ✓ Cemetery aesthetics
- ✓ Sewerage schemes

3.2 Conservation of Natural Environment

- ✓ Reduce bushfire risk
- ✓ Animal Control
- ✓ Water Strategy

Strategic Community Plan

Civic Leadership

4.1 Forward Planning

- ✓ SCP / BCP
- ✓ Participation in zone meetings

4.2 Communication

- ✓ Communication Strategy
- ✓ Customer Service Charter
- ✓ Shire Newsletter

4.3 Proactive and well governed Shire

- ✓ Compliance
- ✓ Long Term Financial Plan
- ✓ Professional Development
- ✓ ERP / Cyber Security

The budget is driven by the Strategic Community Plan comprising of:

1.1 Healthy, Connected & Safe

- ✓ Footpath Maintenance, Upgrade and extension
- ✓ Support Senior Activities

1.2 Inclusive Community Activities

- ✓ Community Grants Scheme
- ✓ Support existing community events

1.3 Recreational, social and heritage

- ✓ Heritage facilities
- ✓ Community Gym

1.4 Emergency Services

- ✓ Participate in LEMC
- ✓ Scenario planning and training

Community

2.1 Support diverse industry

- ✓ Economic Development Plan
- ✓ Telecommunications networks
- ✓ Consistent Water Supply
- ✓ Shire Housing Stock

2.2 Safe and efficient Transport Network

- ✓ WSN / Road Construction
- ✓ Plant Replacement Program
- ✓ Roadside Parking Plan

2.3 Visitors Experience

- ✓ Parks and Gardens Budget
- ✓ Public Toilets Cleaning and Maintenance
- ✓ Caravan Parks
- ✓ RV Dump Point
- ✓ Signage

Economy



Strategic Community Plan and Budget integration:

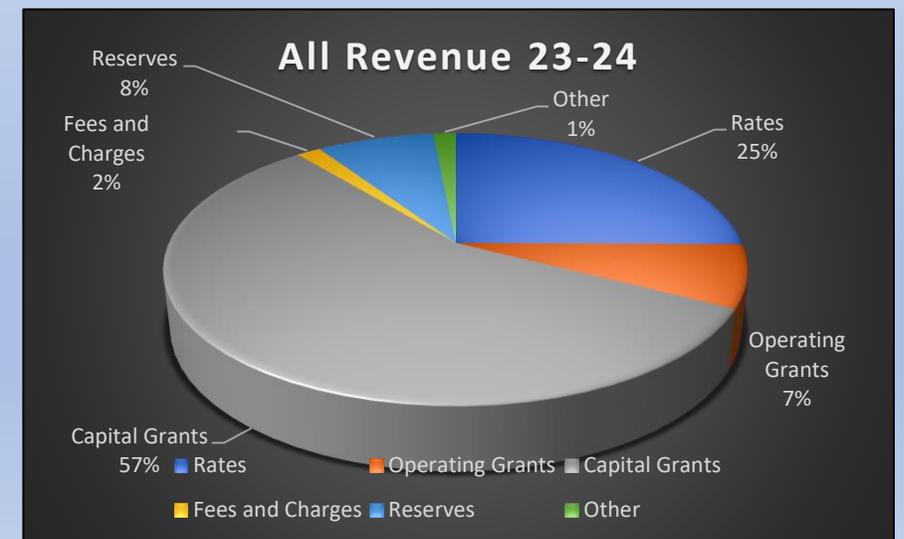
- ❖ Achievement of these strategic outcomes, is underpinned by the financial year budget that comprises the source of revenue and a number of integrated expenditure activities combining to reach these targeted goals.
- ❖ The 23-24 Budget is best summarised by the following components:
 - ❖ Operating Income and Expenditure
 - ❖ Capital Expenditure
 - ❖ Grant Funding
 - ❖ Reserve Funds
 - ❖ Rate Revenue

WHERE DOES THE MONEY COME FROM?

- The shire’s main source of revenue comes from:
- Rates – charges levied on property within the shire falling into three (3) broad categories, agriculture (UV), townsite properties (GRV) and Mining.
- Grant Funding – Amounts received externally which can be for acquisition, new construction or upgrading of non-current assets (capital) or general operating to assist in running the business.
- Reserves – monies that have been ‘put away’ to be utilised for a specific purpose in the future. One current example is the use of a Plant Replacement Reserve to assist in funding major Plant purchases such as Trucks, Graders and Rollers.
- The majority of revenue comes from grant funding (64%) followed by rates (25%).

SHIRE OF VICTORIA PLAINS
ANNUAL STATUTORY BUDGET
FOR THE YEAR ENDING 30 JUNE 2024

| | Budget 23 / 24 \$ | Actual 22 / 23 \$ | Budget 22 / 23 \$ |
|------------------------------------|-------------------------|-------------------------|-------------------------|
| Revenue from All Activities | | | |
| Rates | 3,542,667 | 3,159,510 | 3,256,149 |
| Operating Grants | 1,047,098 | 2,148,204 | 4,995,078 |
| Capital Grants | 7,956,450 | 1,363,461 | 5,480,864 |
| Fees and Charges | 222,749 | 194,632 | 264,952 |
| Reserves | 1,102,480 | 13,766 | 40,000 |
| All Other Revenue | 210,228 | 283,471 | 247,517 |
| | 13,037,153 | 7,149,278 | 14,244,560 |



WHERE IS THE MONEY BEING SPENT?

- Much like your household budget, money is spent on operating (keeping the lights on) and capital (buying that new harvester).

In Local Governments, expenditure is classified by the following table:

| EXPENDITURE | |
|--|---|
| EMPLOYEE COSTS | MATERIALS AND CONTRACTS |
| All costs associate with the employment of a person such as salaries, wages, allowances, benefits such as vehicle and housing. | All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication. |
| UTILITY CHARGES | DEPRECIATION ON NON-CURRENT ASSETS |
| Expenditures made to the respective agencies for the provision of power, gas or water. | Depreciation and amortisation expenses raised on all classes of assets. |
| INSURANCE EXPENSES | INTEREST EXPENSES |
| All insurance other than worker's compensation. | Interest and other costs of finance paid, including costs of finance. |
| LOSS ON ASSET DISPOSAL | OTHER EXPENDITURE |
| Loss on the disposal of fixed assets. | Statutory fees, taxes, member's, FESA levy. Donations and subsidies made to community groups. |

For 2023-24 Operating Expenditure is provided in the following table:

**ANNUAL STATUTORY BUDGET
FOR THE YEAR ENDING 30 JUNE 2024
STATEMENT OF FINANCIAL ACTIVITY**

| | Budget 23 / 24 \$ | Actual 22 / 23 \$ | Budget 22 / 23 \$ |
|--|-------------------------|-------------------------|-------------------------|
| OPERATING ACTIVITIES | | | |
| Expenditure from Operating Activities | | | |
| Employee Costs | (2,307,701) | (2,137,912) | (1,910,137) |
| Materials and Contracts | (2,347,190) | (2,421,665) | (6,483,298) |
| Utility Charges | (132,393) | (122,153) | (116,653) |
| Depreciation on Non-current Assets | (4,273,564) | (4,273,564) | (4,046,982) |
| Finance Costs | (70,511) | (12,573) | (32,885) |
| Insurance Expenses | (189,840) | (180,971) | (173,165) |
| Other Expenditure | (75,610) | (149,671) | (79,835) |
| Loss on Disposal of Assets | (77,025) | - | (29,944) |
| | (9,473,834) | (9,298,509) | (12,872,899) |

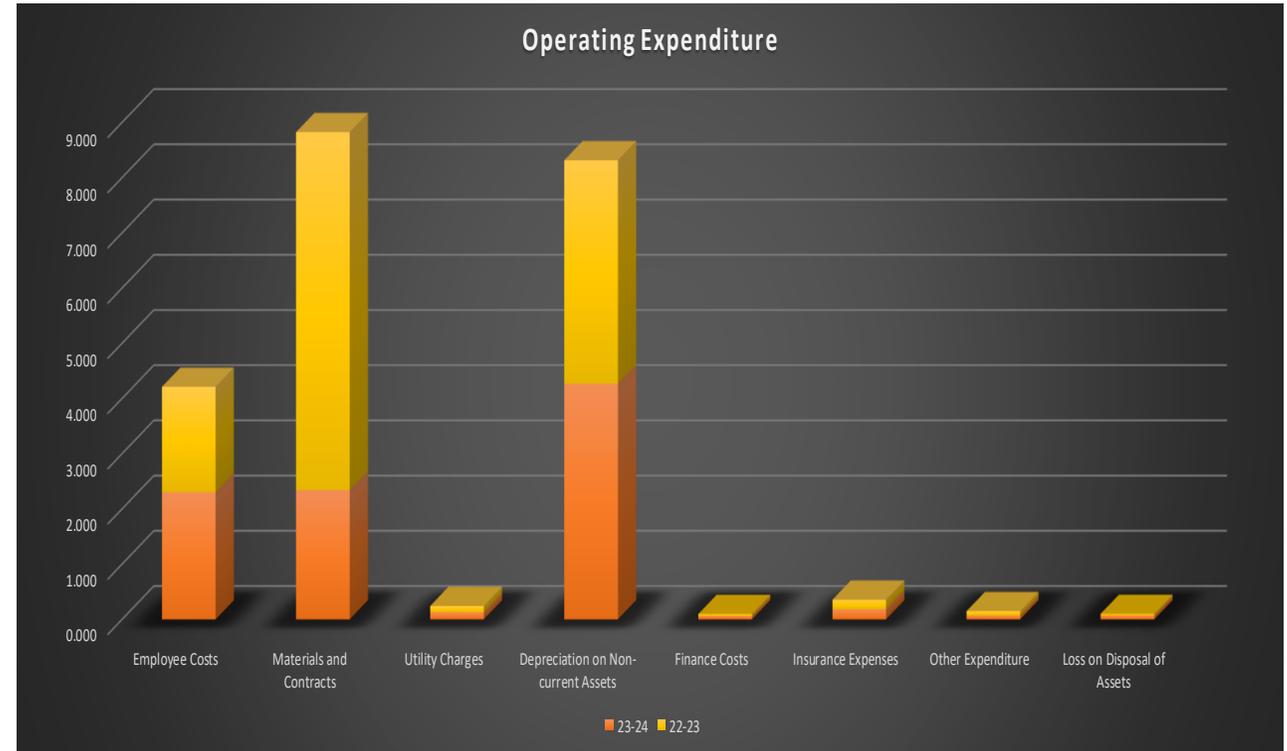


The shires main areas of operating expenditure comes in the form of:

Employee Costs – Costs to engage a workforce and includes, inside and outside staff casuals and part-time staff but not contractors.

Materials and Contracts - where we physically write a purchase order out and receive goods and services.

Depreciation - the wear and tear cost of assets as they are used. Ideally funds should be put aside in accordance with deprecation to allow for replacement, but this is virtually impossible to do in any local government.



Local Governments like most businesses incur costs in similar areas as per the above table but are also unique in the services and capital expenditure it provides which private businesses do not.

Similarly, it provides for community in terms of its asset base but also a sense of belonging such as the many community events, areas of support and leadership during natural disasters.

As a government agency, it has the additional layer of providing transparency and good governance to ensure responsibility and accountability of revenue and expenditure – this comes at a cost.



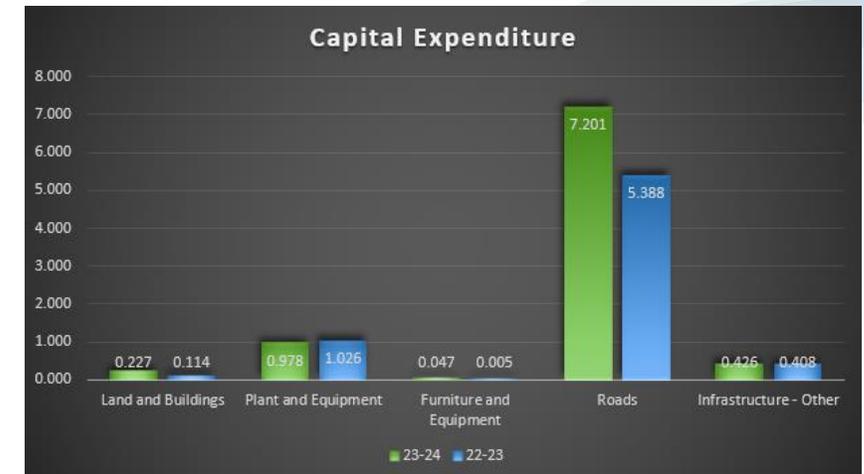
- In 2023-24 the shire has budgeted to expend in excess of \$7.5 million in capital works in a range of activities, but always aligned to the strategic outcomes the community desires. If it's not linked to the Strategic Community Plan, it should not be funded. The majority of this work is attributed to road construction throughout the shire, but also includes:
 - Plant Replacement Program.
 - Building works such as the Mogumber Hall roofing.
 - Other Infrastructure such as the Piawaning Desalination, and E-Waste Transfer Station.

CAPITAL EXPENDITURE

SHIRE OF VICTORIA PLAINS
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDING 30 JUNE 2024

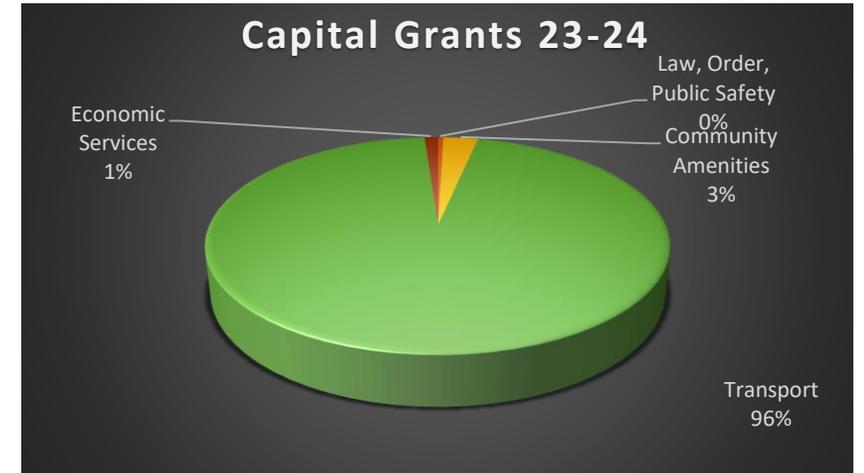
CAPITAL EXPENDITURE - PROPERTY, PLANT AND EQUIPMENT

| | Budget 23 / 24 \$ | Actual 22 / 23 \$ | Budget 22 / 23 \$ |
|----------------------------------|-------------------------|-------------------------|-------------------------|
| Land and Buildings | 227,000 | - | 114,267 |
| Plant and Equipment | 978,274 | 818,831 | 1,026,000 |
| Furniture and Equipment | 47,000 | - | 5,000 |
| Roads | 7,200,780 | 1,128,779 | 5,387,707 |
| Infrastructure - Other | 426,003 | 385,189 | 407,773 |
| Total Capital Expenditure | 7,626,783 | 1,513,968 | 5,795,480 |



CAPITAL GRANT FUNDING

- A major component of shire revenue is capital grant funding which, in 2023-24, equates to 57% of the overall revenue budget.
- A major portion of capital expenditure is on road construction and accordingly, this is also a major source of funding (96%).



**SHIRE OF VICTORIA PLAINS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2024**

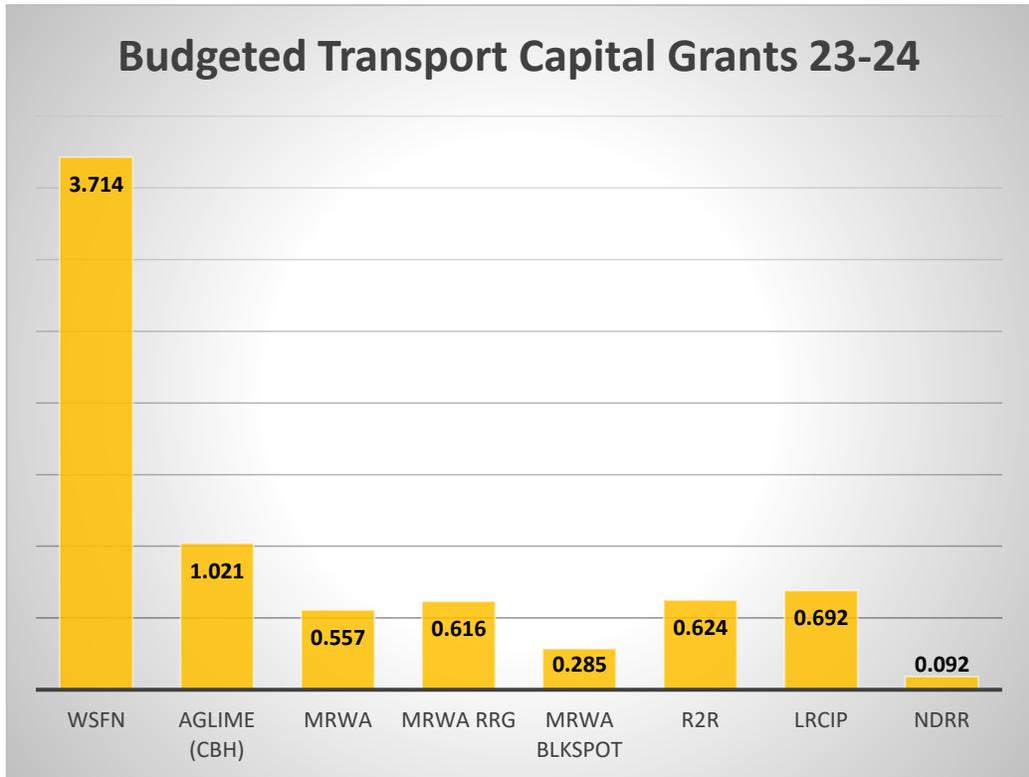
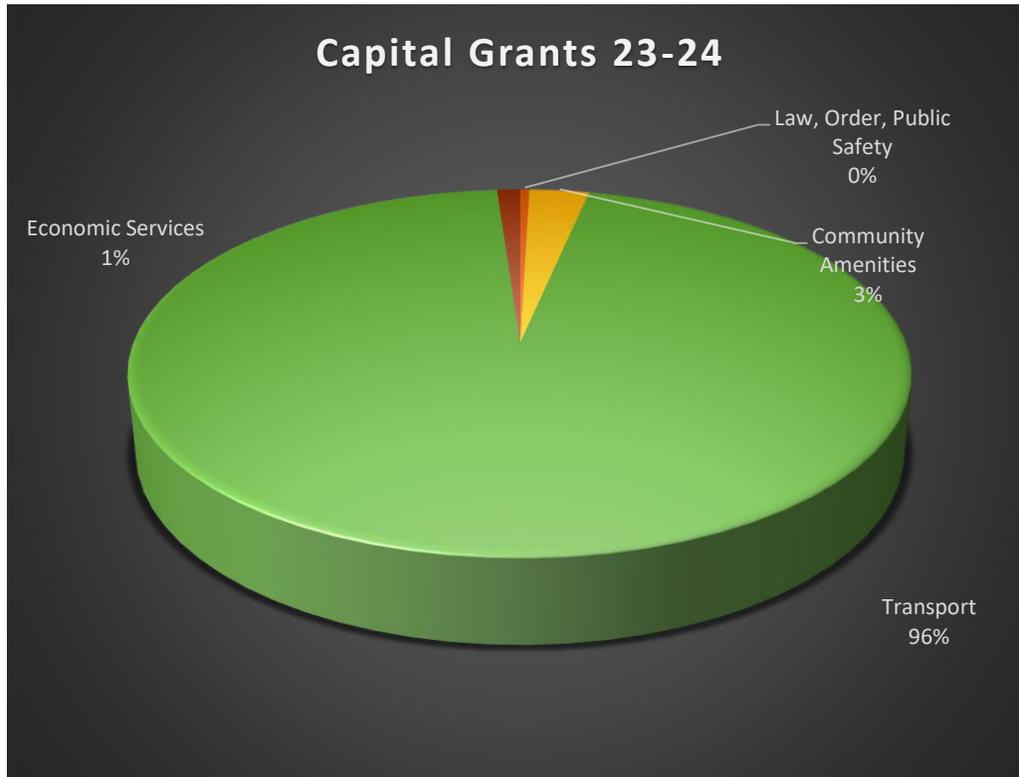
Capital grants, subsidies and contributions

Law, Order, Public Safety
Community Amenities
Transport
Economic Services

| | Budget 23 / 24 \$ | Actual 22 / 23 \$ | Budget 22 / 23 \$ |
|---------------------------|-------------------------|-------------------------|-------------------------|
| Law, Order, Public Safety | 35,000 | - | - |
| Community Amenities | 230,795 | 9,605 | - |
| Transport | 7,600,988 | 1,353,856 | 5,480,864 |
| Economic Services | 89,667 | | |
| | 7,956,450 | 1,363,461 | 5,480,864 |

TRANSPORT & CAPITAL GRANTS 2023-24

Several sources of funding contribute at the state and federal level including MRWA, Roads to Recovery and Local Regional Community Infrastructure.



RESERVE FUNDS

- Reserves are typically quarantined or restricted funding meaning it must be utilised for a particular purpose.
- During 22-23, the shire increased its cash reserves significantly by 179% primarily to assist in funding the Plant Replacement Program.
- Whilst there is a decrease in Reserve balances in 23-24, over the two budget years there has been a significant increase.

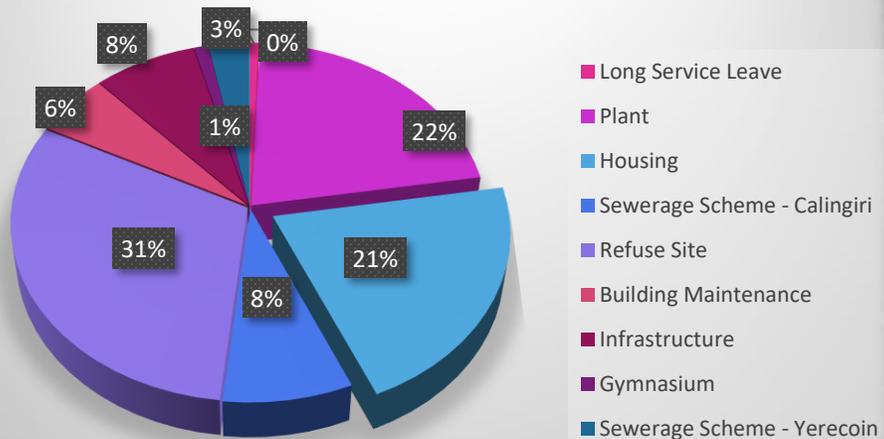
SHIRE OF VICTORIA PLAINS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30 JUNE 2024

CASH BACKED RESERVES

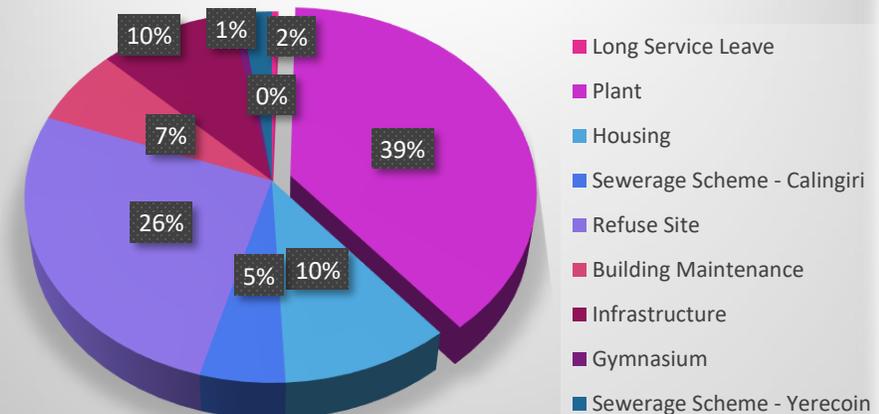
Reserves restricted by Council

| | Adopted Budget 30 Jun 24 | Actual 30 Jun 23 | Adopted Budget 30 Jun 23 |
|-----------------------------|-----------------------------|---------------------|-----------------------------|
| | \$ | \$ | \$ |
| Long Service Leave | 4,654 | 4,518 | 4,616 |
| Plant | 385,291 | 675,150 | 156,346 |
| Housing | 102,094 | 143,775 | 151,759 |
| Sewerage Scheme - Calingiri | 51,412 | 49,913 | 58,930 |
| Refuse Site | 263,980 | 256,281 | 221,841 |
| Building Maintenance | 66,705 | 40,489 | 40,643 |
| Infrastructure | 96,596 | 54,945 | 55,125 |
| Gymnasium | 7,705 | 7,480 | 7,643 |
| Sewerage Scheme - Yerecoin | 21,975 | 21,334 | 21,797 |
| Unspent Grants Reserve | - | 756,480 | - |
| Total Reserves | 1,000,411 | 2,010,365 | 718,700 |

Cash Reserves 22-23



Cash Reserves 23-24



FURTHER READING

The following documents integrate into the Strategic Community Plan and 'in year' Budget

- Asset Management Plan
- Long Term Financial Plan
- Works Program 2023-2033
- Plant Replacement Program
- Disability Access and Inclusion Plan 2023-2028

