



# Annual Report 2021-2022

## Audited Financial Reports

The audited financial statements are required to be included as part of the Annual Report and are included in *Part C*.

## Environmental Upgrade Agreements

### In accordance with any requirements imposed under s54P

Council has no environmental upgrade agreements under Part 2A of the Local Government Act 1993.

## Special Variation of Rating Income

In 2021 Council was successful in obtaining approval from the Independent Pricing and Regulatory Tribunal (IPART) to continue with the temporary Special Rate Variation on a permanent basis from 2021-2022. This will provide \$1.5 million in funding annually for asset renewals including roads, footpaths, kerb and gutter, community facilities and buildings.

The approval was subject to the following conditions:

1. The Council uses the Additional Income for the purposes of improving its financial sustainability, reducing its infrastructure backlog, and maintaining service levels and implementing the requirements under the Performance Improvement order as outlined in the Council's application.
2. The Council report, in its annual report for the Year 2021-2022, on the following:
  - a. The program of expenditure that was actually funded by the Additional Income;
  - b. Any significant differences between the Proposed Program and the program of expenditure that was actually funded by the Additional Income and the reasons for those differences;
  - c. The outcomes achieved as a result of the Additional Income;
  - d. The Council's actual revenues, expenses and operating balance against the projected revenues, expenses and operating balance as outlined in the Long Term Financial Plan; and
  - e. Any significant differences between the Council's actual revenues, expenses and operating balance and the projected revenues, expenses and operating balance as outlined in the Long Term Financial Plan and the reasons for those differences.

Program of Expenditure funded by SRV Funds	Allocation of SRV Income and Proposed Expenditure \$000	Actual Expenditure \$000	(Underspend)/ Overspend \$000	Comments
Renewals - Urban	323	1,285	962	Note 1
Renewals - Rural	458	1,319	861	Note 1
Renewals – Gravel Resheeting	393	1,847	1,454	Note 1
Renewals – Kerb & Gutter	65	28	(37)	Note 2
Renewals – Footpaths	47	4	(43)	Note 2
Renewals - Buildings	227	1,153	926	Note 1
<b>Total</b>	<b>1,513</b>	<b>5,636</b>	<b>3,116</b>	

Note 1: Council expended the allocated SRV Funds and made an additional investment of General Fund resources/other grant related funding into the relevant Renewals Program. The overall outcome achieved as a result of the additional income was some progress towards reducing the backlog of required asset maintenance and renewal works.

Note 2: Inclement weather and availability of service providers resulted in delays in the provision of some services for Kerb & Gutter and Footpath programs. It is proposed for the Program underspend amounts to be expended in FY2023.

<b>Projected &amp; Actual Results FY2022 (General Fund)</b>	<b>Projected Results \$m</b>	<b>Actual Results \$m</b>	<b>Variance \$m</b>	<b>Comments</b>
Total revenue	62	86	24	Note 3
Total expenses	(56)	(67)	(11)	Note 4
Operating result from continuing operations	6	19	13	Note 5
Less Capital grants and contributions	(8)	(18)	(10)	Note 6
Net operating result before capital grants and contributions	(2)	1	3	Note 5

Note 3: Council received an increased level of income from Rates and Annual Charges, User charges and fees and Operating Grants during FY2022 than was forecast in the Long Term Financial Plan for the corresponding year.

Note 4: Council's incurred an increased level of expenditure on employees costs, materials and services and depreciation during FY2022 than was forecast in the Long Term Financial Plan for the corresponding year.

Note 5: The overall net increase in operating result from continuing operations and net operating result before capital grants and contributions is a result of the gross increase in income being larger than the gross increase in expenses.

Note 6: Council received an increased level of capital grants and contributions during FY2022 than was forecast in the Long Term Financial Plan for the corresponding year.

## Rates and Charges Written Off

### Local Government (General) Regulation 2005 (Reg), cl 132

Rates abandoned (postponed)	\$18,328
Interest abandoned (postponed)	\$6,941
Mandatory pension rebate	\$613,728
Voluntary pension rebate (*)	\$104,009
<b>Total</b>	<b>\$743,006</b>

(\*) Council has Pensioner Concession Policy which provides an additional concession of up to \$25 in General Rates, up to \$25 in Water Rates and up to \$25 in Sewerage Rates.