



Mayors Budget Statement 2021-2022

BUDGETORY OVERSIGHT IS WHAT I AND MY FELLOW COUNCILLORS SEE AS ONE OF OUR MOST IMPORTANT RESPONSIBILITIES

Today, I am pleased to present the result of many months of hard work and preparation in the development of the Hopevale Aboriginal Shire Council's 2021-2022 budget. Our budget is the foundational framework for the Council's finances, that has considered detailed previous years financial performances whilst also serving as the tool for forecasting the budget for the 2021-2022 financial year, with considerations given to assets, revenue, and expenditure.

Our budget enables us to accurately set strategic goals, priorities, expenditure caps and details where our current funding originates from. Importantly, it has also assisted Council to consider new strategies and approaches which may generate other lines of own source revenue. The line items within the budget that command the most funding are high priority items such as our sources of revenue and associated expenses. These items demand precise oversight and serve as performance indicators of the Council's overall business strategy.

With all of this in mind, the aim of our budget remains simple, which is to continue to balance our financial position and maintain Hope Vale's sustainability which has been achieved now for ten (10) years in a row. The result delivered for the 2020-2021 financial year cements this solid foundation that has stood the test of time whereby we as Council intend to continue to build on this with the budget presented today.

The budget for 2021-2022 aims to achieve this goal. Whilst our Sales and Recoverable works revenue is under pressure, this budget delivers a good news story.

Council's team have worked exceedingly hard in its preparation to ensure that it sets out the initiatives which reflect the expectations of our residents and that it also positions Council as an example of being fiscally responsible.

Bearing comparison with last year, we have had to factor in the reality of the COVID 19 pandemic which has resulted in a decrease of over 50% of the Sales and Recoverable Works element of Recurrent Revenue, generated since 2017. To put this into perspective and significance, this has equated to a \$6,568M reduction in recurrent revenue over a 4-year period, which potentially could have laid waste to our financial sustainability through our inability to earn our revenues that we consider to be the central element to Council's financial sustainability. In 2010, when the Council ascertained that they were better qualified to determine Hope Vale's future, rather than being grant reliant, the methodology they adopted was to form a profitable local building sector. Importantly, the Council understood that to be successful in the long term, an innovation management system had to be incorporated into this structure of the building program as this would shape the conditions that would safeguard the Council's finances from external factors, that were beyond Council's control. It was also the most logical way that Council could define Hope Vale's financial future. The results of the past decade demonstrates that the objectives of the management system back then, were carefully considered and chosen adequately to the extent which the objectives are still pertinent for future policy instruments today.

The most significant elements of the budget that cement this platform, include our cash at bank, our unrestricted cash reserves, the increase of community equity, a profitable building sector, our asset management strategies and maintaining the target measures of the sustainability ratios.

These six (6) elements create the backbone of the future success of Hope Vale Aboriginal Shire Council and this budget combines these elements amongst others to ensure that the budget expectations for 2021-2022 will be achieved.

It's been a great year and I'm proud of what we have accomplished together. We would like to thank the dedication of our employees and the support of community residents alike. We will be going into the new financial year with strength, to build on these accomplishments and to maintain Hope Vale Council's fiscal position with the transparency, integrity and commitment which must be the community's expectation of us, your Council, and we view this budget as a reflection of the expectation of the community.

