

Appendix D:

Underlying factors affecting results

Many factors affect a councils' financial performance. Audited councils reported the following factors that affected their results from 2015–16 to 2023–24.

Figure D1: Factors that affected performance and financial results

Indicator	Factor	Effect	Council impacted
Net result and adjusted underlying result	Receipt of advance payments of financial assistance grants	increased results for audited councils from 2016–17 to 2022–23	All audited councils
	Receipt of reduced or no advance financial assistance grants payments	decreased results in 2015–16 and 2023–24	All audited councils
	Lower income and more expenses during COVID-19 period	decreased results from 2019–20 to 2021–22	All audited councils
	Fair value movement for landfill provision	increased results from 2019–20 to 2022–23	Greater Shepparton
	Water shares recognised as intangible assets	increased the result in 2021–22	Greater Shepparton
	October 2022 flood	decreased the result for 2022–23	Greater Shepparton
	Zero per cent rate rise	decreased the result in 2021–2022 and 2022–23	Greater Shepparton
	Asset write-offs	decreased results from 2019–20 to 2021–22	Greater Shepparton
	Underspend on asset maintenance	increased results in 2021–22	Maribyrnong
	Net loss on disposal of property	decreased results for 2022–23	Maribyrnong
	Lower income from Fines Victoria	decreased results for 2018–19	Maribyrnong and Yarra
	Asset write-offs	decreased results in 2018–19	Maribyrnong and Yarra
	Cost savings measures	increased the result in 2023–24	Yarra
Unrestricted cash	Receipt of advance payments of financial assistance grants	Increased percentage results from 2016–17 to 2022–23	All audited councils
	Receipt of reduced or no advance financial assistance grants payments	decreased percentage results in 2015–16 and 2023–24	All audited councils
	Lower income and more expenses during COVID-19 period	decreased results from 2019–20 to 2021–22	All audited councils
	Payments into term deposits with maturity greater than 90 days decreased	decreased percentage result from 2015–16 to 2019–20 and in 2021–22 and 2023–24	Greater Shepparton
	Zero percent rate rise	decreased percentages in 2021–2022 and 2022–23	Greater Shepparton

Indicator	Factor	Effect	Council impacted
	Early repayment of loans	increased percentages in 2015–16 and 2016–17	Maribyrnong
	Planned capital works funded by council	decreased percentages from 2021–22 to 2023–24	Maribyrnong
	Higher trade costs	decreased percentage in 2018–19	Northern Grampians
	Planned capital works funded by council	decreased percentages from 2020–21 to 2022–23	Northern Grampians
	Payments into term deposits with maturity greater than 90 days decreased	decreased percentage result from 2020–21 to 2022–23	Wyndham
	Payments into term deposits with maturity greater than 90 days decreased	decreased percentage result from 2021–22 to 2023–24	Yarra
	New borrowings for capital works	increased percentages in 2016–17	Yarra
	Higher income generated	increased percentages in 2017–18 and 2018–19	Yarra
	Repayment of borrowings	decreased percentages in 2020–21	Yarra
Asset renewal and upgrade	Completing asset renewal and upgrade projects early	increased percentages in 2016–17, 2018–19 and 2021–22,	Greater Shepparton
	Carry forward of asset renewal or upgrade projects	decreased percentages in 2022–23	Greater Shepparton
	Revised budgets for asset renewal projects, including for flood damage in October 2022	decreased percentages in 2017–18, 2020–21 and 2023–24	Greater Shepparton
	Completing asset renewal and upgrade projects early	increased percentages in 2018–19 and from 2021–22 to 2023–24	Maribyrnong
	Carry forward of asset renewal or upgrade projects	decreased percentages in 2016–17 and 2017–18	Maribyrnong
	Impact of October 2022 flood event	decreased the percentage in 2023–24	Maribyrnong
	Increased spending on new assets resulted in increased depreciation	decreased percentages in 2016–17 and 2017–18	Northern Grampians
	Carry forward of asset renewal or upgrade projects	decreased percentages in 2021–22	Wyndham
	Increased spending on new assets resulted in increased depreciation	decreased percentages in 2016–17 and 2017–18.	Wyndham
	Lower asset renewal spending due to COVID-19 restrictions	decreased indicator results in 2020–21	Wyndham
	Infrastructure revaluations increased depreciation	which decreased percentages in 2018–19	Yarra
	Lower asset renewal spending due to COVID-19 restrictions	decreased indicator results in 2020–21	Yarra

Source: VAGO, based on council reports.