

Grants - operating (\$5.89 million decrease)

Grants include transfers received from State and Federal sources for the purpose of funding the delivery of Council's services to ratepayers. Operational grants are further classified according to whether they are received each year (recurrent) or received on a once off or short term basis (non-recurrent); refer to the table on the following page.

Overall, the level of grant funding is budgeted to decrease by 50.8% or \$5.89 million compared to the 2021- 22 forecast primarily due to:

Recurrent Operational Grants \$5.48 million decrease primarily due to:

- Victorian Local Government Grants Commission (VLGGC) - 75% or \$3.93 million of the 2022-23 allocation was brought forward to the 2021-22 financial year.

Non-recurrent operating grants - \$413,000 decrease primarily due to:

- Reduction in COVID-19 related grant funding to enable outdoor dining across the municipality of \$415,000 and a reduction in other COVID-19 support initiatives of \$277,000.

Partially offset by:

- Streetscape and transport grants associated with the North East Link \$691,000 and removal of the Union Road level crossing \$265,000.

Total operating grants, after adjusting for the Victorian Local Government Grants Commission, is expected to decrease by 2.9%. The minor underlying increase in operating grants and subsidies indicates that the trend of grant income is not keeping pace with the expenditure levels required to deliver services to the community and as a result there is an increasing financial burden on Council and its ratepayers, i.e. a cost shift to local government from State and Commonwealth Governments.

A list of operating grants by type and source, classified into recurrent and non-recurrent is included below.

Operating and Capital grants	Forecast Actual 2021-22 \$'000	Budget 2022-23 \$'000	Variance \$'000
Commonwealth funded grants	19,872	7,352	(12,520)
State funded grants	13,538	6,854	(6,684)
Total Grants Received	33,410	14,206	(19,204)

Recurrent - Commonwealth Government

Operating grants	Forecast Actual 2021-22 \$'000	Budget 2022-23 \$'000	Variance \$'000
Commonwealth Home Support Programme	4,485	4,262	(223)
Victorian Local Governments Grants Commission *	6,485	1,309	(5,176)

Recurrent - State Government

Operating grants	Forecast Actual 2021-22 \$'000	Budget 2022-23 \$'000	Variance \$'000
Community health and safety	243	216	(27)
Family and children	1,385	1,430	45
Home and Community Care	889	905	16
Libraries	1,160	1,133	(27)
School crossing supervisors	727	740	13
Senior citizens centres	152	3	(149)
Youth services	210	259	49
Total recurrent operating grants	15,736	10,257	(5,479)

Non-recurrent State Government

Operating grants	Forecast Actual 2021-22 \$'000	Budget 2022-23 \$'000	Variance \$'000
Outdoor Dining	415	-	(415)
COVID-19 Support initiatives	277	-	(277)
Environment management	-	212	212
Family and Children	52	-	(52)
Graffiti Prevention and Removal	165	165	-
Libraries	34	-	(34)
Senior and disability support	48	-	(48)
Streetscapes and transport	596	956	360
Volunteer services	73	-	(73)
Working for Victoria	79	-	(79)
<i>Other</i>			
Arts and Culture	7	-	(7)
Total non-recurrent operating grants	1,746	1,333	(413)
Total operating grants	17,482	11,590	(5,892)

* The Victorian Local Government Grants Commission (VLGGC) is expected to increase by 5% or \$264,000 in 2022-23.