



ATTACHMENTS

Special Council Meeting

Under Separate Cover

Wednesday, 18 September 2024

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2023/2024 GOVERNANCE AND MANAGEMENT CHECKLIST

Requirement		Assessment	Date implemented/Effective date
Community Engagement Policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act	YES	24/02/2021
Community Engagement Guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation	YES	24/02/2021
Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act	YES	19/10/2022
Asset Plan (plan that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act	YES	05/05/2021
Revenue and Rating Plan (plan setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act	YES	07/07/2021
Annual Budget (plan setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 94 of the Act	YES	17/05/2023
Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation	YES	03/07/2024
Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation	YES	07/06/2023

Requirement	Assessment	Date implemented/Effective date	
Municipal Emergency Management Plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i>	YES	June 2021
Procurement Policy (policy outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council)	Adopted in accordance with section 108 of the Act	YES	12/10/2021
Business Continuity Plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation	YES	23/04/2024
Disaster Recovery Plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation	YES	11/11/2019
Complaint Policy (Policy under section 107 of the Act outlining Council's commitment and approach to managing complaints.)	Policy developed in accordance with section 107 of the Act.	YES	21/12/2021
Workforce Plan (Plan outlining Council's commitment and approach to planning the current and future workforce requirements of the organization).	Plan developed in accordance with section 46 of the Act	YES	01/12/2023
Payment of rates and charges hardship policy. (Policy outlining Council's commitment and approach to assisting ratepayers experiencing financial hardship or difficulty paying their rates.)	Current policy in operation	YES	06/02/2019
Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation	YES	03/07/2024

Requirement		Assessment	Date implemented/Effective date
Audit and Risk Committee (advisory committee of Council under section 53 and 54 of the Act)	Established in accordance with section 53 of the Act	YES	26/08/2020
Internal Audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged	YES	24/11/2020
Performance Reporting Framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Local Government Act 1989)	Current framework in operation	YES	07/06/2023
Council Plan Reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Current report	YES	01/05/2024
Quarterly budget reports (quality reports to Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations)	Quarterly reports presented to Council in accordance with section 97(1) of the Act.	YES	1st Quarter 06/12/2023 2nd Quarter 06/03/2024 3rd Quarter 05/06/2024
Risk Reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented	YES	Strategic Risk Register 21/02/2024 Strategic Risk Register 15/05/2024
Performance Reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the 1989 Act)	Reports prepared and presented	YES	04/10/2023

Requirement	Assessment	Date implemented/Effective date
Annual Report (annual report under sections 131, 132 and 133 of the Local Government Act 1989 to the community containing a report of operations and audited financial performance statements)	Annual report considered at a meeting of Council in accordance with section 134 of the 1989 Act YES	27/10/2023
Councillor Code of Conduct (Code setting out the standards of conduct to be followed by Councillors and other matters)	Code of conduct reviewed and adopted in accordance with section 139 of the Act YES	24/02/2021
Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act YES	25/10/2023
Meeting procedures (Governance Rules governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act YES	01/11/2023

I certify that this information presents fairly the status of Council's governance and management arrangements.

Derek Madden
 Chief Executive Officer
 Dated: _____

Cr Ally Munari
 Mayor
 Dated: _____



Performance Statement

30 June 2024

Moorabool Shire Council

*We embrace our natural environment and lifestyle options to create
an inspiring place for everyone to live, work and play*



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Council respectfully acknowledges the Traditional Owners of the land, which include the Wurundjeri Woi Wurrung, Wadawurrung and Dja Dja Wurrung people. We pay our respects to the Elders past, present and emerging.



2023-2024 Performance Statement

Certification of the performance statement

In my opinion, the accompanying performance statement has been prepared in accordance with the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020.

Steven Ivelja CPA
Principal Accounting Officer

Dated:

In our opinion, the accompanying performance statement of the (council name) for the year ended 30 June 2024 presents fairly the results of council's performance in accordance with the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the Council and by the Local Government (Planning and Reporting) Regulations 2020 to certify this performance statement in its final form.

Cr. Tonia Dudzik
Councillor

Dated:

Cr. Moira Berry
Councillor

Dated:

Derek Madden
Chief Executive Officer

Dated:



Victorian Auditor General's Office – Audit Report

<to be inserted once received from the External Auditors>



Description of Municipality

Moorabool Shire is a fast growing semi-rural municipality nestled between Melbourne, Geelong and Ballarat. Moorabool's eastern boundary is located just 40km west of Melbourne's CBD and extends westwards to the City of Ballarat municipal boundary. The Shire straddles Victoria's Western Highway and has excellent transport access to Melbourne, Ballarat and Geelong.

Spanning more than 2,111 square kilometres, Moorabool is made up of 64 localities, hamlets and towns. More than 74% of the Shire comprises of water catchments, state forests and national parks.

The estimated resident population of Moorabool Shire in 2023/24 is 39,092 and is forecast to double in the next 20 years.

Service Performance Indicators (year ended 30 June 2024)

	2021	2022	2023	2024		Comment
Service / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities						
Utilisation						
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	0.18	0.27	0.29	N/A	0.29	
Animal Management						
Health and safety						
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	50%	100%	0%	N/A	0%	
Food Safety						
Health and safety						
<i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non- compliance outcome notifications and	100.00%	83.33%	53.85%	N/A	175.00%	

Service / Indicator / Measure [Formula]	2021	2022	2023	2024		Comment
	Actual	Actual	Actual	Target as per budget	Actual	
major non-compliance notifications about a food premises] x100						
Governance						
Consultation and engagement						
<i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	50	46	48	48	47	
Libraries						
Participation						
<i>Library membership</i> [Number of registered library members / Population] x100	#N/A	#N/A	#N/A	N/A	20.82%	
Maternal and Child Health (MCH)						
Participation						
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	71.43%	67.18%	50.00%	N/A	65.99%	
<i>Participation in the MCH service by Aboriginal children</i>	63.10%	67.03%	64.71%	N/A	64.71%	

	2021	2022	2023	2024		Comment
Service / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	
[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100						
Roads						
Condition						
<i>Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	95.38%	96.14%	96.89%	97.00%	94.82%	
Statutory Planning						
Service standard						
<i>Planning applications decided within required time frames</i> [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	57.93%	79.74%	73.63%	84.00%	95.58%	Council has received a reduction in total applications in the current financial year which has seen an improvement in processing timeframes.
Waste Management						
Waste diversion						
<i>Kerbside collection waste diverted from landfill</i>	39.88%	41.25%	39.67%	43.00%	39.22%	

Service / Indicator / Measure [Formula]	2021	2022	2023	2024		Comment
	Actual	Actual	Actual	Target as per budget	Actual	
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100						

Service Performance Indicators - Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"Active library member" means a member of a library who has borrowed a book from the library


"Annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

"Class 1 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act "Class 2 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 2 food premises under section 19C of that Act

"Critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the Food Act 1984 , or advice given to council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health

"Food premises" has the same meaning as in the Food Act 1984

"Local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004



"Major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age "Population" means the resident population estimated by council

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the Occupational Health and Safety Act 2004.

Financial Performance Indicators (year ended 30 June 2024)

	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Efficiency										
Expenditure level										
Expenses per property assessment [Total expenses / Number of property assessments]	\$3,341.49	\$3,676.84	\$3,436.97	\$3,341.00	\$3832.37	\$3,539.51	\$3,591.94	\$3,626.53	\$3,615.27	Expenses have increased in 2023/24 mainly due to the write off of some costs included in the balance of Work in Progress from previous years. There was also a significant increase in Depreciation from the previous financial year.
Revenue level										
Average rate per property assessment [Sum of all general rates and municipal charges / Number of property assessments]	\$1,785.26	\$1,822.81	\$1,902.73	N/A	\$1,934.51	\$2,013.53	\$2,063.56	\$2,127.40	\$2,183.26	
Liquidity										

Dimension / Indicator / Measure [Formula]	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Working capital										
Current assets compared to current liabilities [Current assets / Current liabilities] x100	135.84%	126.31%	102.05%	174.00%	74.12%	123.86%	120.41%	122.86%	133.53%	The decrease is due to new borrowings taken up being classified as a current liability (includes borrowings in 2022/23 and 2023/24). The borrowings have been taken up on a temporary basis and will be locked in when interest rates are more competitive. When this is done, the total amount will be split between current and non-current
Unrestricted cash										
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	13.20%	-100.12%	-35.64%	N/A	-42.90%	59.82%	52.31%	55.35%	67.03%	Unrestricted cash has temporarily decreased in 2023/24. The main

Dimension / Indicator / Measure [Formula]	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
										reasons for this are; - a higher level of Receivables at balance date - Council has \$6 million in Term Deposits not included in the total cash figure - Current Liabilities are high due to Council having \$20 million in temporary loan facilities (this will be refinanced once market conditions approve) The 4-year forecast shows significant improvement.
Obligations										
<i>Loans and borrowings</i>										

Dimension / Indicator / Measure [Formula]	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	44.88%	29.36%	58.72%	N/A	67.29%	64.58%	54.42%	47.09%	39.75%	The increase relates to new borrowings of \$6m being taken up in the 2023/24 financial year. This includes deferred borrowings from previous financial years.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	4.66%	14.19%	2.09%	N/A	3.14%	6.26%	15.29%	6.27%	5.92%	Increased mainly due to finance costs on new borrowings taken up in 2022/23 and 2023/24.
Indebtedness										
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	29.99%	26.26%	22.05%	N/A	19.42%	46.00%	45.39%	39.31%	32.92%	There has been a reduction in non-current liabilities compared to last financial year. Decreases relate

Dimension / Indicator / Measure [Formula]	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
										to provisions and interest-bearing liabilities.
Asset renewal and upgrade										
<i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x100	128.61%	104.31%	156.06%	128.00%	127.03%	154.68%	120.10%	109.84%	96.75%	Depreciation has increased in 2023/24 due to a large amount of capital works, gifted assets, and the full year impact of revaluations in the previous financial year.
Operating position										
Adjusted underlying result										
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	-2.84%	-7.04%	6.03%	N/A	-21.88%	-2.83%	-1.86%	-0.85%	1.22%	The decrease is mainly due to Council receiving the 2023/24 Grants Commission allocation in the 2022/23 financial year. Council also wrote

Dimension / Indicator / Measure [Formula]	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
										off/expensed some items from the 2023/24 Capital Improvement Program, and the carrying balance of Work in progress. (When adjusting for the impacts of both, the Adjusted Underlying Surplus would be 2.67%).

Stability										
<i>Rates concentration</i>										
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	65.49%	64.36%	64.40%	73.00%	77.17%	72.33%	72.53%	72.99%	73.12%	There has been a decrease in adjusted underlying revenue due to Council receiving the 2023/24 Grants

Dimension / Indicator / Measure [Formula]	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
										Commission allocation in the 2022/23 financial year.
Rates effort										
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.40%	0.38%	0.33%	N/A	0.30%	0.32%	0.32%	0.33%	0.34%	

Financial Performance Indicators – Definitions

"Adjusted underlying revenue" means total income other than:


- a. non-recurrent grants used to fund capital expenditure; and non-monetary asset contributions; and
- b. contributions to fund capital expenditure from sources other than those referred to above "Adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

"Asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability "Current assets" has the same meaning as in the AAS

"Current liabilities" has the same meaning as in the AAS

"Non-current assets" means all assets other than current assets

"Non-current liabilities" means all liabilities other than current liabilities



"Non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

"Own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants

"Population "means the resident population estimated by council

"Rate revenue" means revenue from general rates, municipal charges, service rates and service charges "Recurrent grant "means a grant other than a non-recurrent grant

"Residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"Restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

"Unrestricted cash" means all cash and cash equivalents other than restricted cash.

Sustainable Capacity Indicators (year ended 30 June 2024)

	2021	2022	2023	2024	Comment
<i>Indicator / Measure</i> [Formula]	Actual	Actual	Actual	Actual	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,680.35	\$1,831.57	\$1,657.76	\$1,840.99	Expenses have increased in 2023/24 mainly due to the write off of some costs included in the balance of Work in Progress from previous years. There was also a significant increase in Depreciation from the previous financial year.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$15,300.90	\$15,641.58	\$17,738.94	\$19,009.72	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	24.84	25.03	25.68	26.74	
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,222.14	\$1,285.16	\$1,361.56	\$1,398.37	
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$315.81	\$377.29	\$347.67	\$83.85	The decrease is mainly due to Council receiving the 2023/24 Grants Commission allocation in the 2022/23 financial year. The 2024/25 allocation was not paid forward. Therefore, significantly reducing recurrent grant income in the 2023/24 financial year.
Disadvantage					

	2021	2022	2023	2024	Comment
<i>Indicator / Measure</i> [Formula]	Actual	Actual	Actual	Actual	
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	7.00	7.00	7.00	7.00	
Workforce turnover					
<i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	15.8%	33.3%	22.2%	13.8%	Moorabool Shire Council has invested significantly in its attraction and retention activities and culture change program. This has resulted in a working environment (and accompanying terms and conditions) that is quickly entering the destination employer category. As such, our people have been more inclined to stay with Council and this has been reflected in our turnover rates.

Other Information - Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2020 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by Council in its Strategic Resource Plan on 22 June 2022 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General-Purpose Financial Statements. The Strategic Resource Plan can be obtained by contacting Council.

**MOORABOOL SHIRE COUNCIL
ANNUAL FINANCIAL REPORT**

For the Year Ended 30 June 2024

Moorabool Shire Council

2023/2024 Financial Report

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FINANCIAL REPORT

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Moorabool Shire Council
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Certification of the Financial Statements 2023/2024

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, Australian Accounting Standards and other mandatory professional reporting requirements.

Steven Ivelja CPA
Principal Accounting Officer

Dated: 18 September 2024
Ballan

In our opinion the accompanying financial statements present fairly the financial transactions of Moorabool Shire Council for the year ended 30 June 2024 and the financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the financial statements in their final form.

Maira Berry
Councillor

Dated: 18 September 2024
Ballan

Tonia Dudzik
Councillor

Dated: 18 September 2024
Ballan

Derek Madden
Chief Executive Officer

Dated: 18 September 2024
Ballan

Moorabool Shire Council
2023/2024 Financial Report

Victorian Auditor-General's Office Report 2023/2024

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Moorabool Shire Council
2023/2024 Financial Report

Comprehensive Income Statement
For the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income / Revenue			
Rates and charges	3.1	45,567	43,052
Statutory fees and fines	3.2	1,606	941
User fees	3.3	2,453	2,659
Grants - operating	3.4(a)	3,103	13,973
Grants - capital	3.4(b)	13,234	18,154
Contributions - monetary	3.5	1,425	8,269
Contributions - non-monetary	3.5	14,995	9,877
Other income	3.7	5,039	4,944
Total income / revenue		87,422	101,870
Expenses			
Employee costs	4.1	(25,572)	(23,769)
Materials and services	4.2	(24,472)	(23,341)
Depreciation	4.3	(14,588)	(12,900)
Depreciation - right of use assets	4.4	-	(448)
Allowance for impairment losses	4.5	(154)	(171)
Borrowing costs	4.6	(812)	(288)
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	(5,698)	(1,219)
Finance costs - leases	4.7	-	(18)
Other expenses	4.8	(672)	(667)
Total expenses		(71,968)	(62,821)
Surplus for the year		15,454	39,048
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	6.1	45,506	52,745
Total other comprehensive result		45,506	52,745
Total comprehensive result		60,960	91,793

The above statement should be read in conjunction with the accompanying notes

Moorabool Shire Council
2023/2024 Financial Report

Balance Sheet
As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	15,097	26,158
Trade and other receivables	5.1	16,491	10,074
Other financial assets	5.1	6,000	16,000
Inventories	5.2	49	68
Prepayments	5.2	901	736
Other assets	5.2	68	2,039
Total current assets		38,606	55,075
Non-current assets			
Trade and other receivables	5.1(c)	15	102
Property, infrastructure, plant and equipment	6.1	857,551	782,674
Total non-current assets		857,566	782,776
Total assets		896,172	837,851
Liabilities			
Current liabilities			
Trade and other payables	5.3(a)	6,393	9,929
Trust funds and deposits	5.3(b)	5,740	3,603
Contract and other liabilities	5.3(c)	14,209	20,724
Provisions	5.5	5,119	5,094
Interest-bearing liabilities	5.4	20,626	14,618
Total current liabilities		52,087	53,968
Non-current liabilities			
Provisions	5.5	583	715
Interest-bearing liabilities	5.4	10,035	10,661
Total non-current liabilities		10,618	11,376
Total liabilities		62,705	65,344
Net assets		833,467	772,507
Equity			
Accumulated surplus		274,702	261,569
Reserves	9.1	558,765	510,938
Total Equity		833,467	772,507

The above balance sheet should be read in conjunction with the accompanying notes

Moorabool Shire Council
2023/2024 Financial Report

Statement of Changes in Equity
For the Year Ended 30 June 2024

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2024					
Balance at beginning of the financial year		772,507	261,569	499,722	11,214
Surplus/(deficit) for the year		15,454	15,454	-	-
Net asset revaluation gain/(loss)	6.1	45,506	-	45,506	-
Transfers to other reserves	9.1	-	(4,066)	-	4,066
Transfers from other reserves	9.1	-	1,745	-	(1,745)
Balance at end of the financial year		833,467	274,702	545,228	13,535
2023					
Balance at beginning of the financial year		680,714	222,870	446,977	10,866
Surplus/(deficit) for the year		39,048	39,048	-	-
Net asset revaluation gain/(loss)	6.1	52,745	-	52,745	-
Transfers to other reserves	9.1	-	(10,398)	-	10,398
Transfers from other reserves	9.1	-	10,050	-	(10,050)
Balance at end of the financial year		772,507	261,569	499,722	11,214

The above statement should be read in conjunction with the accompanying notes

Moorabool Shire Council
2023/2024 Financial Report

Statement of Cash Flows
For the Year Ended 30 June 2024

		2024	2023
		Inflows/ (Outflows)	Inflows/ (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Rates and charges		43,818	42,189
Statutory fees and fines		1,606	941
User fees		2,453	2,890
Grants - operating		2,190	15,764
Grants - capital		4,349	16,711
Contributions - monetary		1,425	8,269
Interest received		1,677	1,297
Trust funds and deposits taken/ (repaid)		2,137	(602)
Other receipts		3,362	3,647
Net GST refund/(payment)		282	(80)
Employee costs		(25,679)	(24,249)
Materials and services		(27,761)	(22,599)
Other payments		(826)	(667)
Net cash provided by operating activities	9.2	9,033	43,511
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(35,136)	(52,174)
Proceeds from sale of property, infrastructure, plant and equipment		472	416
Proceeds from sale of investments /(payments for investments)		10,000	13,000
Net cash used in investing activities		(24,664)	(38,758)
Cash flows from financing activities			
Finance costs		(812)	(288)
Proceeds from borrowings		6,000	14,000
Repayment of borrowings		(618)	(610)
Interest paid - lease liability		-	(18)
Repayment of lease liabilities		-	(481)
Net cash provided by/(used in) financing activities		4,570	12,603
Net increase (decrease) in cash and cash equivalents		(11,061)	17,356
Cash and cash equivalents at the beginning of the financial year		26,158	8,802
Cash and cash equivalents at the end of the financial year	5.1	15,097	26,158
Financing arrangements	5.6		

The above statement should be read in conjunction with the accompanying note

Moorabool Shire Council
2023/2024 Financial Report

Statement of Capital Works
For the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Property			
Buildings		8,300	28,263
Building improvements		517	-
Total buildings		8,817	28,263
Total property		8,817	28,263
Plant and equipment			
Plant, machinery and equipment		1,613	796
Computers and telecommunications		1,157	531
Library books		128	103
Total plant and equipment		2,898	1,430
Infrastructure			
Roads		12,206	6,652
Bridges		122	243
Footpaths and cycleways		3,037	2,680
Drainage		1,007	663
Recreational, leisure and community facilities		4,899	10,880
Parks, open space and streetscapes		1,752	1,099
Other infrastructure		398	264
Total infrastructure		23,421	22,481
Total capital works expenditure		35,136	52,174
Represented by:			
New asset expenditure		16,605	32,042
Asset renewal expenditure		17,066	10,856
Asset upgrade expenditure		1,465	9,276
Total capital works expenditure		35,136	52,174

The above statement should be read in conjunction with the accompanying notes

Note 1 OVERVIEW**Introduction**

Moorabool Shire Council was established by an Order of the Governor in Council on Friday, 6 May 1994 and is a body corporate. The Council's main office is located at 15 Stead Street, Ballan.

Statement of Compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 2020, and the Local Government (Planning and Reporting) Regulations 2020.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

Accounting policy information**1.1 Basis of accounting**

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Specific accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

The accrual basis of accounting has been used in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 6.1)

Significant accounting policies (cont.)

- the determination of employee provisions (refer to note 5.5)
- the determination of quarry restoration provisions (refer to note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not AASB 1059 Service Concession Arrangements: Grantors is applicable
- other areas requiring judgements

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Note 2 Analysis of our results

2.1 Performance against budget

The budget comparison note compares Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$1,000,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

2.1.1 Income / Revenue and Expenditure	Budget	Actual	Variance	Variance	Ref
	2024	2024			
	\$'000	\$'000	\$'000	%	
Income / Revenue					
Rates and charges	45,955	45,567	(388)	(1%)	
Statutory fees and fines	1,368	1,606	238	17%	1
User fees	2,347	2,453	106	5%	
Grants - operating	9,164	3,103	(6,061)	(66%)	2
Grants - capital	28,020	13,234	(14,786)	(53%)	3
Contributions - monetary	6,822	1,425	(5,397)	(79%)	4
Contributions - non monetary	7,500	14,995	7,495	100%	5
Other income	2,474	5,039	2,565	104%	6
Total income / Revenue	103,650	87,422	(16,228)	(16%)	
Expenses					
Employee costs	(25,676)	(25,572)	104	(0%)	
Materials and services	(19,923)	(24,472)	(4,549)	23%	7
Depreciation	(14,060)	(14,588)	(528)	4%	
Depreciation - Right of use assets	(224)	-	224	(100%)	8
Allowance for impairment losses	-	(154)	(154)	0%	
Borrowing costs	(773)	(812)	(39)	5%	
Finance costs - Leases	(6)	-	-	0%	
Net gain/(loss) on disposal of property, infrastructure, plant and equip.	(1,500)	(5,698)	(4,198)	280%	9
Other expenses	(584)	(672)	(88)	15%	
Total expenses	(62,745)	(71,968)	(9,223)	15%	
Surplus/(deficit) for the year	40,906	15,454	(25,452)	(62%)	

(Explanation of material variations on next page)

Note 2 Performance against budget (cont.)

(i) Explanation of material variations

Ref	Item	Explanation
1	Statutory fees and fines	Actual was greater than budget due to increases in fees and infringements for Parking, Litter Abatement, and Local Laws.
2	Grants - operating	Actual was lower than budget primarily due to Council receiving all of the 2023/24 Grants Commission Allocation in the previous financial year.
3	Grants - capital	Less than budget by \$14,786k due to not recognising grant income for projects expected to be completed in financial year 23/24 but deferred to future years. These include; Ballan Library, Bacchus Marsh Racecourse and Recreation Reserve Pavilion, and Bacchus Marsh Bowls Club.
4	Contributions - monetary	Council received significantly less in Developer Contributions this financial year due to delays in milestones being met for some developments. This is expected to be received in future years.
5	Contributions - non monetary	Actual gifted and donated assets from developers is more than budget mainly due to delays in the completion of some new subdivisions in prior years. This has meant an increase in donated assets recognised in 2023/24.
6	Other income	Favourable by \$2,565k mainly due to income received relating to Wind Farm Dilapidation Deeds.
7	Materials and Services	Over budget by \$4,549k which primarily relates to the completion of non-capital projects originally budgeted as capital expenditure. This includes; Bungaree Oval Renovation, and certain parts of Telford Park All Accessibility Trail.
8	Depreciation - Right of use assets	Variance is due to change in waste management contractors.
9	Net gain/(loss) on disposal of property, infrastructure, plant and equip.	This variance is due to the write-off of a number of projects included in the carrying amount of Work in Progress. These projects were deemed not capital in nature and include; Ballan Recreation Reserve Pavilion, and Gordon Public Park Upgrades.

Note 2 Performance against budget (cont.)

2.1.2 Capital Works	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
Property					
Buildings	19,561	8,300	(11,261)	(58%)	1
Building improvements	1,085	517	(568)	-52%	2
Total property	20,646	8,817	(11,829)	(57%)	
Plant and equipment					
Plant, machinery and equipment	2,005	1,613	(392)	(20%)	3
Computers and telecommunications	802	1,157	355	44%	4
Library books	118	128	10	8%	
Total plant and equipment	2,925	2,898	(27)	(1%)	
Infrastructure					
Roads	10,532	12,206	1,674	16%	5
Bridges	168	122	(46)	(27%)	
Footpaths and cycleways	3,385	3,037	(348)	(10%)	
Drainage	821	1,007	186	23%	
Recreational, leisure and community facilities	15,505	4,899	(10,606)	(68%)	6
Parks, open space and streetscapes	1,615	1,752	137	8%	
Other infrastructure	817	398	(419)	(51%)	7
Total infrastructure	32,843	23,421	(9,422)	(29%)	
Total capital works expenditure	56,413	35,136	(21,277)	(38%)	
Represented by:					
New asset expenditure	38,361	16,605	(21,756)	(57%)	
Asset renewal expenditure	15,512	17,066	1,554	10%	
Asset upgrade expenditure	2,540	1,465	(1,075)	(42%)	
Total capital works expenditure	56,413	35,135	(21,278)	(38%)	

(Explanation of material variations on next page)

Note 2 Performance against budget (cont.)

(i) Explanation of material variations

Ref	Item	Explanation
1	Buildings	Capital expenditure on Buildings was \$11,261k less than budget due to some major projects being incomplete at year end. These will be carried over to the 2024/25 financial year and include; Bacchus Marsh Bowls Club, and Ballan Library.
2	Building improvements	Less than budget due to some projects being incomplete and being carried over to next financial year. These include; Dunnstown Recreation Reserve, and Ballan Senior Citizens Centre
3	Plant, machinery and equipment	There have been some delays in some larger items of plant being delivered. This will be carried over to next financial year.
4	Computers and telecommunications	Actual spend was more than budget due to the completion of purchases carried over from previous financial years.
5	Roads	Over budget due to the completion of projects carried over from previous financial years. These include; Taverner Street, Ingliston Road, and Bungeeltap South Road.
6	Recreational, leisure and community facilities	Actual expenditure was less than budget by \$10,606k as a number of projects have been carried forward to the 2024/25 financial year for completion. These include works at Bacchus Marsh Racecourse Reserve, Bald Hill Stage 3, Federation Park, and Darley Park Playground.
7	Other infrastructure	Actual spend was less than budget due to projects being incomplete and carried over to 2024/25. These include; Masons Lane Dog Park, and Blackwood Township Improvements.

Note 2.2 Analysis of Council results by program

2.2.1 Council delivers its functions and activities through the following programs.

CEO's Office

The CEO's Office is responsible for providing strategic direction to business units and to the Council as a whole. This division includes:

Office of the CEO

Customer & Corporate Services

Customer & Corporate Services is responsible for providing internal operational services to business units and external customer services, performance management, employee relations and HR Compliance. This division includes:

Finance and Procurement

Information and Technology

Brand & Advocacy

Customer Experience and Innovation

Democratic Support & Corporate Governance

Democratic Support & Corporate Governance division is responsible for providing expertise and support in the areas of communications and advocacy to our community and different tiers of government agencies. This division includes:

Democratic Support & Corporate Governance

Community Strengthening

Community Strengthening provides a diverse range of high quality services to meet the needs of growing communities. This division includes:

Community Connections & Wellbeing

Community Place & Prosperity

Community Development & Activation

Community Planning & Development

Community Planning and Development is responsible for planning and delivery of major festivals and events as well as strategic and statutory planning, building services and major development across the municipality. This division includes:

Statutory Planning & Regulatory Services

Special Projects

Strategic Planning and Development

Community Health and Safety

People & Culture

People & Culture division is responsible for providing expertise and support in the areas of employee relations, HR compliance and Payroll. This division includes:

People & Culture

Note 2.2 Analysis of Council results by program (cont.)

Community Assets & Infrastructure

Community Assets & Infrastructure facilitates the provision, management and maintenance of suitable community assets and infrastructure for the delivery of services and fulfil the requirements of the community now and into the future. This division includes:

Asset Management	Capital Works
Operations	Engineering Services
Waste Management	Emergency Management

2.2.2 Summary of income / revenue, expenses, assets and capital expenses by program

	Income / revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
CEO's Office	150	1,174	(1,024)	150	14,622
Community Strengthening	1,966	7,708	(5,742)	1,596	95,984
Customer & Corporate Services	40,516	15,459	25,057	420	192,498
Community Assets & Infrastructure	40,970	38,102	2,869	13,963	474,459
Community Planning & Development	3,485	5,927	(2,442)	208	73,801
Democratic Support & Corporate Governance	210	1,446	(1,236)	-	18,006
People & Culture	124	2,152	(2,028)	-	26,802
	87,422	71,968	15,454	16,337	896,172

	Income / revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
CEO's Office	-	961	(961)	-	12,810
Community Strengthening	1,867	6,861	(4,994)	19,734	91,509
Customer Care & Advocacy	55,730	10,524	45,205	-	140,366
Community Assets & Infrastructure	41,026	37,454	3,573	10,565	499,531
Community Planning & Economic Development	3,034	5,893	(2,859)	398	78,596
Democratic Support & Corporate Governance	212	1,128	(916)	1,430	15,039
	101,869	62,821	39,048	32,127	837,851

*Assets have been attributed to functions/activities based on the control and/or custodianship of specific assets.

2024 **2023**
\$'000 **\$'000**

Note 3 Funding for the delivery of our services

3.1 Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the market value of the land and all improvements to that land as assessed by the Valuer General of Victoria.

The valuation base used to calculate general rates for 2023/2024 was \$15,248 million (2022/2023: \$13,174 million).

General Rates	35,780	34,194
Waste management charge	8,172	7,219
Supplementary rates and rate adjustments	548	641
Revenue in lieu of rates	1,067	999
Total rates and charges	45,567	43,052

The date of the general revaluation of land for rating purposes within the municipal district was 01 January 2023 and the valuation was first applied in the rating year commencing 01 July 2023.

Annual rates and charges are recognised as income when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

3.2 Statutory fees and fines

Infringements and costs	1,032	273
Town planning fees	458	541
Land information certificates	46	42
Permits	67	83
Freedom of Information	3	2
Total statutory fees and fines	1,606	941

Statutory fees and fines (including parking fees and fines) are recognised as income when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

Moorabool Shire Council
2023/2024 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2024

	2024 \$'000	2023 \$'000
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Note3 Funding for the delivery of our services (Cont.)

3.3 User fees

Aged and health services	-	1
Leisure centre and recreation	260	315
Child care/children's programs	-	6
Registrations and other permits	834	787
Building services	596	794
Waste management services	524	541
Other fees and charges	239	215
Total user fees	2,453	2,659
User fees by timing of revenue recognition		
User fees recognised at a point in time.	2,453	2,659
Total user fees	2,453	2,659

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

3.4 Funding from other levels of government

Grants were received in respect of the following :

Summary of grants

Commonwealth funded grants	1,561	13,362
State funded grants	13,855	18,707
Others	921	58
Total grants received	16,337	32,127

(a) Operating Grants

Recurrent - Commonwealth Government

Financial Assistance Grant	365	10,512
Commonwealth Home Support Program	(86)	1

Recurrent - State Government

Aged care	5	31
School crossing supervisors	111	111
Libraries	292	290
Maternal and child health	916	719
Other	393	229
Total recurrent operating grants	1,996	11,893

Moorabool Shire Council
2023/2024 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2024

	2024 \$'000	2023 \$'000
Note 3 Funding for the delivery of our services (Cont.)		
Non-recurrent - State Government		
Emergency management	608	1,539
Strategic planning and tourism	137	305
Families and youth	231	23
Environment and health	55	63
Community development	76	126
Disability access	-	3
Other	-	21
Total non-recurrent operating grants	1,107	2,080
Total operating grants	3,103	13,973
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	1,282	1,282
Total recurrent capital grants	1,282	1,282
Non-recurrent - Commonwealth Government		
Local roads	-	1,567
Non-recurrent - State Government		
Community and recreational facilities	8,484	14,516
Local roads	2,547	731
Non-recurrent - Other sources		
Sundry capital grants	921	58
Total non-recurrent capital grants	11,952	16,872
Total capital grants	13,234	18,154

2024 **2023**
\$'000 **\$'000**

Note 3 Funding for the delivery of our services (cont.)

(c) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 Revenue from Contracts with Customers. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies AASB 1058 Income for Not-for-Profit Entities.

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

Income recognised under AASB 1058 Income of Not-for-Profit Entities

General purpose	3,598	12,657
Specific purpose grants to acquire non-financial assets	10,477	15,738
Other specific purpose grants	1,700	2,651

Revenue recognised under AASB 15 Revenue from Contracts with Customers

Specific purpose grants	562	1,081
	<u>16,337</u>	<u>32,127</u>

(d) Unspent grants received on condition that they be spent in a specific manner

Operating

Balance at start of year	1,791	1,275
Received during the financial year and remain unspent at balance	1	1,338
Received in prior years and spent during the financial year	(212)	(822)
Balance at year end	<u>1,580</u>	<u>1,791</u>

Capital

Balance at start of year	18,933	20,892
Received during the financial year and remain unspent at balance	1,658	18,836
Received in prior years and spent during the financial year	(7,962)	(20,795)
Balance at year end	<u>12,629</u>	<u>18,933</u>

Unspent grants are determined and disclosed on a cash basis.

2024
\$'000

2023
\$'000

Note 3 Funding for the delivery of our services (cont.)

3.5 Contributions

Monetary	1,425	8,269
Non-monetary	14,995	9,877
Total contributions	16,420	18,146

Contributions of non-monetary assets were received in relation to the following asset classes.

Land	3,966	3,233
Buildings	33	24
Infrastructure	10,996	6,620
Total non-monetary contributions	14,995	9,877

Monetary and non monetary contributions are recognised as revenue at their fair value when Council obtains control over the contributed asset.

3.6 Net gain/ (loss) on disposal of property, infrastructure, plant and equipment

Proceeds of sale	472	416
Written down value of assets disposed	(6,170)	(1,635)
Total net loss on disposal of property, infrastructure, plant and equipment	(5,698)	(1,219)

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

3.7 Other income

Interest	1,677	1,297
Reimbursements, rebates and recoveries	420	478
Other rent	197	183
Royalties	89	88
Insurance claims	-	249
Sales	27	55
Other	2,629	2,594
Total other income	5,039	4,944

Reimbursements, rebates and recoveries

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, when the performance obligation is met and the amount of the contribution can be measured reliably.

2024
\$'000

2023
\$'000

Note 3 Funding for the delivery of our services (cont.)

Interest

Interest is recognised as it is earned.

Other Income

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

Note 4 The cost of delivering services

4.1 (a) Employee costs

Wages and salaries	21,452	20,176
WorkCover	837	624
Casual staff	646	585
Superannuation	2,624	2,373
Fringe benefits tax	13	11
Total employee costs	25,572	23,769

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	39	42
--	----	----

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	815	887
Employer contributions to other funds	1,760	1,438
	2,575	2,324

Employer contributions payable at reporting date	52	42
--	----	----

Contributions made exclude amounts accrued at balance date. Refer to Note 9.3 for further information relating to Council's super obligations.

	2024 \$'000	2023 \$'000
Note 4 The cost of delivering services (cont.)		
4.2 Materials and services		
Materials and services	5,061	2,971
Contract payments	11,102	12,315
Building maintenance	687	581
General maintenance	735	688
Utilities	624	605
Office administration	673	510
Information technology	1,772	1,718
Insurance	792	640
Consultants	1,332	1,287
Agency staff	944	694
Community grants and advances	750	1,332
Total materials and services	24,472	23,341
Expenses are recognised as they are incurred and reported in the financial year to which they relate.		
4.3 Depreciation		
Property	2,332	2,041
Plant and equipment	1,462	1,484
Infrastructure	10,794	9,375
Total depreciation and amortisation	14,588	12,900
Refer to Note 5.8 and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.		
4.4 Depreciation - Right of use assets		
Property	-	448
Total Depreciation - Right of use assets	-	448
4.5 Allowance for impairment losses		
Parking fine debtors	48	3
Other debtors	106	168
Total Allowance for impairment losses	154	171

2024 **2023**
\$'000 **\$'000**

Note 4 The cost of delivering services (cont.)

Movement in allowance for impairment losses in respect of debtors

Balance at the beginning of the year	285	154
New allowances recognised during the year	154	171
Amounts already allowed for and written off as uncollectible	(216)	(40)
Balance at end of year	223	285

An allowance for impairment losses in respect of debtors is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

4.6 Borrowing costs

Interest - Borrowings	812	288
Total borrowing costs	812	288

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

4.7 Finance Costs - Leases

Interest - Lease Liabilities	-	18
Total finance costs	-	18

4.8 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	49	52
Auditors' remuneration - Internal Audit	103	111
Auditors' remuneration - Other	1	3
Councillors' allowances	306	316
Operating lease rentals	49	51
Bank fees	101	51
Other	63	83
Total other expenses	672	667

2024 **2023**
\$'000 **\$'000**

Note 5 Investing in and financing our operations

5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	2	3
Cash at bank	15,095	15,155
Term deposits	-	11,000
Total cash and cash equivalents	15,097	26,158

(b) Other financial assets

Current

Term deposits	6,000	16,000
Total current other financial assets	6,000	16,000
Total cash and cash equivalents and other financial assets	21,097	42,158

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

(c) Trade and other receivables

Current

Statutory receivables

Rates debtors	8,294	6,467
Special rate assessment	36	26
Infringement debtors	1,313	761
Allowance for expected credit loss - infringements	(139)	(168)
Net GST receivable	621	903

Non-statutory receivables

Other debtors	6,449	2,202
Allowance for expected credit loss - other debtors	(83)	(117)

Total current trade and other receivables **16,491** **10,074**

Non-current

Statutory receivables

Special rate assessment	15	102
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Total non-current trade and other receivables **15** **102**

Total trade and other receivables **16,506** **10,176**

2024 **2023**
\$'000 **\$'000**

Note 5 Our financial position (Cont.)

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

(d) Ageing of receivables

The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	2,376	1,646
Past due by up to 30 days	1,139	64
Past due between 31 and 180 days	20	99
Past due between 181 and 365 days	16	392
Past due by more than 1 year	2,898	-
Total trade and other receivables	6,449	2,202

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$6,449,000 (2023: \$2,202,000) were impaired. The amount of the allowance raised against these debtors was \$83,000 (2023: \$117,000).

Infringement debtors representing financial assets with a nominal value of \$1,313,000 (2023: \$761,000) were impaired. The amount of the allowance raised against these debtors was \$139,000 (2023: \$168,000).

They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

Past due by more than 1 year	223	285
Total trade and other receivables	223	285

	2024	2023
	\$'000	\$'000

Note 5 Our financial position (cont.)
5.2 Non-financial assets
(a) Inventories

Inventories held for distribution	49	68
Total inventories	49	68

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) Other assets

Accrued income	68	2,039
Total other assets	969	2,775

5.3 Payables, trust funds and deposits and contract and other liabilities
(a) Trade and other payables
Current

Non-statutory payables		
Trade payables	2,519	3,028
Accrued expenses	3,874	6,901
Total current trade and other payables	6,393	9,929

(b) Trust funds and deposits
Current

Refundable building deposits	4,376	2,900
Refundable contract deposits	12	12
Refundable civic facilities deposits	43	62
Retention amounts	1,254	409
Fire services levy	2	65
Other refundable deposits	53	154
Total current trust funds and deposits	5,740	3,603

(c) Contract and other liabilities
Current

Grants received in advance - operating	1,580	1,791
Grants received in advance - capital	12,629	18,933
Total contract and other liabilities	14,209	20,724

Note 5 Our financial position (cont.)*Contract Liabilities*

Contract liabilities reflect consideration received in advance from customers in respect of grants. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and nature of items

Refundable deposits - Deposits are taken by Council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

Fire service levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

Retention amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

5.4 Interest-bearing liabilities**Current**

Treasury Corporation of Victoria borrowings - secured	20,626	14,618
Total current interest-bearing liabilities	20,626	14,618

Non-current

Treasury Corporation of Victoria borrowings - secured	5,559	6,185
Other borrowings - secured	4,476	4,476
Total non-current interest-bearing liabilities	10,035	10,661
Total	30,661	25,279

(a) The maturity profile for Council's borrowings is:

Not later than one year	20,626	14,618
Later than one year and not later than five years	7,066	7,031
Later than five years	2,969	3,630
	30,661	25,279

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities based on contractual repayment terms at every balance date.

2024
\$'000

2023
\$'000

Note 5 Our financial position (cont.)

5.5 Provisions

	Quarry restoration \$ '000	Employee \$ '000	Total \$ '000
2024			
Balance at beginning of the financial year	292	5,517	5,809
Additional provisions	11	2,202	2,213
Amounts used	-	(2,320)	(2,320)
Balance at the end of the financial year	303	5,399	5,702
<i>Provisions - current</i>	-	5,119	5,119
<i>Provisions - non-current</i>	303	280	583
2023			
Balance at beginning of the financial year	273	6,015	6,288
Additional provisions	19	1,663	1,682
Amounts used	-	(2,161)	(2,161)
Balance at the end of the financial year	292	5,517	5,809
<i>Provisions - current</i>	-	5,094	5,094
<i>Provisions - non-current</i>	292	423	715

	2024 \$'000	2023 \$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,198	1,206
Long service leave	570	529
Other leave	193	201
Retirement gratuity	5	5
	1,966	1,941

	2024	2023
	\$'000	\$'000
Note 5 Our financial position (cont.)		
Current provisions expected to be wholly settled after 12 months		
Annual leave	568	568
Long service leave	2,585	2,585
	<u>3,153</u>	<u>3,153</u>
Total current employee provisions	<u>5,119</u>	<u>5,094</u>
Non-current		
Long service leave	280	423
Total non-current employee provisions	<u>280</u>	<u>423</u>
Aggregate carrying amount of employee provisions:		
Current	5,119	5,094
Non-current	280	423
Total aggregate carrying amount of employee provisions:	<u>5,399</u>	<u>5,517</u>

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date:

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability and measured at present value.

Key assumptions:

- discount rate	3.79%	4.06%
- inflation rate	4.44%	4.35%

	2024	2023
	\$'000	\$'000

Note 5 Our financial position (cont.)

Retirement Gratuity

Retirement gratuities were provided to certain employees who were employed by the former Shire of Bacchus Marsh. The liability represents a set proportion of accumulated sick leave that is payable on retirement. At balance date, the liability is measured at the nominal value of 14 March 1996.

(b) Quarry restoration

Non-current	303	292
	<u>303</u>	<u>292</u>

Council is obligated to restore quarry sites to a particular standard. The forecast life of the sites are based on current estimates of remaining capacity and the forecast rate of infill. The provision for quarry restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs. Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.

Key assumptions:

- inflation rate	3.60%	7.00%
- estimated cost to rehabilitate	292	292

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2024.

Bank overdraft	750	750
Credit card facilities	200	200
Total facilities	<u>950</u>	<u>950</u>
Used facilities	43	59
Unused facilities	907	891

Note 5 Our financial position (cont.)

5.7 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

(a) Commitments for expenditure

2024	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Waste collection	6,243	3,362	3,530	3,707	16,842
Septic program	-	-	-	-	-
Maintenance services	940	854	522	43	2,359
Financial and organisational services	1,066	895	417	78	2,456
Total	8,249	5,111	4,469	3,828	21,657
Capital					
Building	10,215	-	-	-	10,215
Roads	2,874	-	-	-	2,874
Recreational, leisure and community	5,109	-	-	-	5,109
Plant and Equipment	-	-	-	-	-
Bridges	-	-	-	-	-
Total	18,198	-	-	-	18,198
Total	26,447	5,111	4,469	3,828	39,855

5.7 Commitments (Continued)

2023	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Waste collection	5,914	4,354	3,339	3,573	17,180
Septic program	-	-	-	-	-
Maintenance services	2,979	1,688	1,700	-	6,367
Financial and organisational services	1,752	451	76	77	2,356
Total	10,645	6,493	5,115	3,650	25,903
Capital					
Building	12,597	-	-	-	12,597
Roads	10,372	-	-	-	10,372
Recreational, leisure and community	4,366	-	-	-	4,366
Plant and Equipment	319	-	-	-	319
Bridges	46	-	-	-	46
Total	27,700	-	-	-	27,700
Total	38,345	6,493	5,115	3,650	53,603

(b) Operating lease receivables

The Council has entered into commercial property leases on its various properties. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. Most leases include a CPI based revision of the rental charge annually.

Future undiscounted minimum rentals receivable under non-cancellable operating leases are as follows:

	2024	2023
	\$'000	\$'000
Not later than one year	280	303
Later than one year and not later than five years	744	880
Later than five years	626	863
	1,650	2,046

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2023	Acquisitions	Contributions	Revaluation	Depreciation	Disposal	Transfers	Carrying amount 30 June 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	110,457	-	3,966	-	-	-	-	114,423
Buildings	50,617	5,218	33	11,948	(2,332)	(1,390)	29,284	93,378
Plant and Equipment	6,287	2,250	-	-	(1,462)	(269)	71	6,877
Infrastructure	553,733	16,601	10,996	33,558	(10,794)	(531)	10,569	614,131
Work in progress	61,580	11,067	-	-	-	(3,980)	(39,923)	28,742
Total	782,674	35,136	14,995	45,506	(14,588)	(6,170)	-	857,551

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	33,900	1,491	(29,284)	(3,571)	2,536
Plant and Equipment	2,385	688	(71)	-	3,002
Infrastructure	25,295	8,888	(10,569)	(409)	23,204
Total	61,580	11,067	(39,923)	(3,980)	28,742

Note 6 Assets we manage (cont.)

(a) Property

	Land - specialised	Land - non specialised	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	7,606	102,852	110,457	64,024	20,174	84,198	33,900	228,555
Accumulated depreciation at 1 July 2023	-	-	-	(25,734)	(7,847)	(33,581)	-	(33,581)
	7,606	102,852	110,457	38,289	12,327	50,617	33,900	194,974
Movements in fair value								
Acquisition of assets at fair value	-	-	-	4,145	1,073	5,218	1,491	6,709
Contributed assets	625	3,342	3,966	33	-	33	-	3,999
Revaluation increments/decrements	-	-	-	13,927	2,933	16,860	-	16,860
Fair value of assets disposed	-	-	-	(2,479)	(296)	(2,775)	(3,571)	(6,346)
Transfers	-	-	-	29,284	-	29,284	(29,284)	-
	625	3,342	3,966	44,910	3,710	48,620	(31,364)	21,223
Movements in accumulated depreciation								
Depreciation and amortisation	-	-	-	(1,746)	(587)	(2,332)	-	(2,332)
Revaluation increments/decrements	-	-	-	(4,185)	(726)	(4,911)	-	(4,911)
Accumulated depreciation of disposals	-	-	-	1,253	132	1,385	-	1,385
	-	-	-	(4,678)	(1,181)	(5,859)	-	(5,859)
At fair value 30 June 2024	8,231	106,194	114,423	108,934	23,884	132,818	2,536	249,777
Accumulated depreciation at 30 June 2024	-	-	-	(30,412)	(9,028)	(39,440)	-	(39,440)
Carrying amount	8,231	106,194	114,423	78,522	14,856	93,378	2,536	210,337

Note 6 Assets we manage (cont.)**(b) Plant and Equipment**

	Plant, machinery and equipment	Computers and telecomms	Library books	Work In Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	11,142	1,205	649	2,385	15,381
Accumulated depreciation at 1 July 2023	(5,535)	(985)	(189)	-	(6,710)
	<u>5,606</u>	<u>220</u>	<u>460</u>	<u>2,385</u>	<u>8,671</u>
Movements in fair value					
Acquisition of assets at fair value	1,738	384	128	688	2,938
Contributed assets	-	-	-	-	-
Revaluation increments/decrements	-	-	-	-	-
Fair value of assets disposed	(718)	-	(146)	-	(863)
Transfers	-	71	-	(71)	-
	<u>1,020</u>	<u>454</u>	<u>(17)</u>	<u>617</u>	<u>2,075</u>
Movements in accumulated depreciation					
Depreciation and amortisation	(1,203)	(195)	(63)	-	(1,462)
Revaluation increments/decrements	-	-	-	-	-
Accumulated depreciation of disposals	464	-	131	-	595
	<u>(740)</u>	<u>(195)</u>	<u>68</u>	<u>-</u>	<u>(867)</u>
At fair value 30 June 2024	12,162	1,660	632	3,002	17,456
Accumulated depreciation at 30 June 2024	(6,275)	(1,180)	(121)	-	(7,576)
Carrying amount	<u>5,887</u>	<u>480</u>	<u>511</u>	<u>3,002</u>	<u>9,879</u>

Note 6 Assets we manage (cont.)

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and Community	Parks open spaces and streetscapes	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	472,049	46,023	29,867	125,756	3,205	21,892	4,586	25,295	728,673
Accumulated depreciation at 1 July 2023	(90,177)	(10,051)	(11,740)	(30,312)	(1,699)	(4,563)	(1,103)	-	(149,645)
	381,871	35,972	18,127	95,444	1,506	17,329	3,484	25,295	579,028
Movements in fair value									
Acquisition of assets at fair value	7,312	-	481	3,310	1,188	3,644	666	8,888	25,488
Contributed assets	3,776	943	986	4,975	116	169	31	-	10,996
Revaluation increments/decrements	-	3,597	5,766	36,264	-	-	14	-	45,641
Fair value of assets disposed	(270)	-	(181)	(331)	(104)	(20)	-	(409)	(1,315)
Transfers	5,282	-	4,438	310	-	540	-	(10,569)	-
	16,099	4,540	11,490	44,528	1,200	4,333	710	(2,090)	80,810
Movements in accumulated depreciation									
Depreciation and amortisation	(7,051)	(682)	(688)	(1,306)	(140)	(803)	(123)	-	(10,794)
Revaluation increments/decrements	-	(1,594)	(1,992)	(8,494)	-	-	(4)	-	(12,083)
Accumulated depreciation of disposals	98	-	134	76	61	5	-	-	375
	(6,953)	(2,276)	(2,546)	(9,723)	(79)	(797)	(128)	-	(22,502)
At fair value 30 June 2024	488,148	50,563	41,357	170,284	4,405	26,224	5,295	23,204	809,483
Accumulated depreciation at 30 June 2024	(97,130)	(12,326)	(14,286)	(40,036)	(1,778)	(5,361)	(1,232)	-	(172,147)
Carrying amount	391,018	38,237	27,072	130,248	2,627	20,863	4,064	23,204	637,336

Note 6 Assets we manage (Cont.)**Acquisition**

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. Refer also to Note 8.4 for further disclosure regarding fair value measurement.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

<i>Asset recognition thresholds and depreciation periods</i>	Depreciation Period	Threshold Limit \$'000
Property		
Land	-	5
Land improvements	-	5
Buildings		
Buildings	20-100 years	5
Plant and Equipment		
Plant, machinery and equipment	5-10 years	5
Fixtures, fittings and furniture	3-10 years	5
Computers and telecommunications	1-5 years	5
Library books	10 years	n/a
Infrastructure		
Roads		
- Formation and earthworks	-	5
- Pavement and seals	20-80 years	5
- Substructure	15-30 years	5
- Road kerb, channel and minor culverts	40-70 years	5
Footpaths and cycleways	10-50 years	5
Drainage	25-100 years	5
Bridges		
- Bridges deck	25-100 years	5
- Bridges substructure	50-80 years	5
- Major culverts	50-80 years	5
Recreational, leisure and community facilities	15-40 years	5
Parks, open space and streetscapes	20-100 years	5

Note 6 Assets we manage (Cont.)***Land under roads***

Council recognises land under roads it controls at fair value. Council does not recognise land under roads that it controlled prior to 1 July 2008 in its financial report.

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Valuation of land and buildings

Valuation of land, land under roads and buildings were undertaken by a qualified independent valuer (Preston Rowe Paterson (Warrnambool) Pty. Ltd). The valuation of land, land under roads and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

Note 6 Assets we manage (Cont.)

The date and type of the current valuation is detailed in the following table. A full revaluation of Buildings was conducted in 2023/24, and a full revaluation of Land is proposed for 2024/25.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2024 are as follows:

	Level 1	Level 2	Level 3	Valuation Date	Type of Valuation
Land	-	106,194	-	30/06/2022	Full
Specialised land	-	-	8,231	30/06/2022	Full
Buildings	-	14,856	78,522	30/06/2024	Full
Total	-	121,050	86,753		

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with valuations undertaken by Council staff and expert contractors. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

The date and type of the current valuation is detailed in the following table. An index based revaluation was conducted in the current year. A full revaluation is scheduled as per the below table.

The valuation is at fair value based on current replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2024 are as follows:

	Level 1	Level 2	Level 3	Valuation Date	Basis of indexation	Type of Valuation	Planned next full revaluation
Roads	-	-	391,018	30/06/2023	CPI	Indexation	30/06/2025
Bridges	-	-	38,237	30/06/2024	CPI	Comprehensive	30/06/2029
Footpaths and cycleways	-	-	27,072	30/06/2024	CPI	Indexation	30/06/2025
Drainage	-	-	130,248	30/06/2024	CPI	Indexation	Aged based
Recreational, leisure and community facilities	-	-	2,627	30/06/2023	CPI	Indexation	30/06/2026
Parks, open space and streetscapes	-	-	20,863	30/06/2023	CPI	Indexation	30/06/2027
Other infrastructure	-	-	4,064	30/06/2023	CPI	Indexation	Aged based
Total	-	-	614,129				

Note 6 Assets we manage (Cont.)

Description of significant unobservable inputs into level 3

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$27 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$1,500 to \$3,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 6 years to 75 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 1 year to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2024	2023
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	8,231	7,606
Total specialised land	8,231	7,606

Note 7 People and relationships

7.1 Council and Key Management Remuneration	2024	2023
	No.	No.

(a) Related Parties

Parent Entity

Moorabool Shire Council is the parent entity.

(b) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Moorabool Shire Council. The Councillors, Chief Executive Officer Executive and General Managers are deemed KMP. Details of KMP at any time during the year are:

Councillors Councillor Ally Munari (Mayor)
 Councillor David Edwards
 Councillor Moira Berry
 Councillor Paul Tatchell
 Councillor Rodney Ward
 Councillor Tom Sullivan
 Councillor Tonia Dudzik

Chief Executive Officer and other Key Management Personnel

Derek Madden - Chief Executive Officer
 Philip Jeffrey - General Manager Community Assets and Infrastructure
 Leigh McCallum - General Manager Community Strengthening
 David Jackson - General Manager Customer and Corporate Services
 Caroline Buisson - General Manager Customer and Corporate Services
 Steve Ivelja - Chief Financial Officer
 Henry Bezuidenhout - Executive Manager Community Planning and Economic Development
 Celeste Gregory - Executive Manager Democratic Support and Corporate Governance
 Joshua Warner - Executive Manager People and Culture

Total Number of Councillors	7	7
Total of Chief Executive Officer and other Key Management Personnel	9	8
Total Number of Key Management Personnel	16	15

(c) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

Note 7 People and relationships (Cont.)

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

	2024 \$'000	2023 \$'000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,916	1,801
Other long-term employee benefits	43	46
Post-employment benefits	177	156
Total	<u>2,137</u>	<u>2,002</u>

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

Income Range:	2024 No.	2023 No.
\$20,000 - \$29,999	-	1
\$30,000 - \$39,999	5	2
\$40,000 - \$49,999	-	2
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	-	1
\$70,000 - \$79,999	1	1
\$80,000 - \$89,999	1	-
\$160,000 - \$169,999	1	1
\$170,000 - \$179,999	1	-
\$180,000 - \$189,999	-	2
\$190,000 - \$199,999	1	-
\$200,000 - \$209,999	1	1
\$210,000 - \$219,999	-	2
\$220,000 - \$229,999	2	-
\$230,000 - \$239,999	-	1
\$250,000 - \$259,999	1	-
\$290,000 - \$299,999	-	1
\$330,000 - \$339,999	1	-
	<u>16</u>	<u>15</u>

Note 7 People and relationships (Cont.)
(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$170,000 and who report directly to a member of the KMP.

	2024	2023
	\$'000	\$'000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	778	1,195
Other long-term employee benefits	84	71
Post-employment benefits	86	126
Total	947	1,392

The number of other senior staff are shown below in their relevant income bands:

	2024	2023
Income Range:	No.	No.
\$160,000 - \$169,999	-	5
\$170,000 - \$179,999	1	2
\$180,000 - \$189,999	1	-
\$190,000 - \$199,999	2	-
\$200,000 - \$209,999	1	-
	5	7
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	947	1,392

7.2 Related party disclosure
(a) Transactions with related parties

During the period Council entered into the following transactions with related parties:

	2024	2023
Responsible Person / Related Party	\$'000	\$'000
Helen Tatchell - The Moorabool News (Ballan News Pty Ltd)		
- Payment for Moorabool News subscription and advertising *	-	62

* Moorabool Shire utilises services provided by the Moorabool News Pty Ltd. A public sector tender process was undertaken for the provision of media services and a contract is in place between the two entities. All transactions entered into between the two entities are in accordance with the terms and conditions of the contract.

Note 7 People and relationships (Cont.)**(b) Outstanding balances with related parties**

There was no outstanding balance with related parties at balance date.

(c) Loans to/from related parties

No loans have been made, guaranteed or secured by the Council to a related party during the reporting year.

(d) Commitments to/from related parties

There were no commitments in existence at balance date that have been made, guaranteed or secured by the Council to/from a related party.

Note 8 Managing uncertainties**8.1 Contingent assets and liabilities**

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of note and presented inclusive of the GST payable.

(a) Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council. Infrastructure assets from new subdivisions (constructed by developers) expected to be accounted for by Council in 2024/2025 total \$7.500 million (actual 2023/2024 \$14.955 million).

Guarantees for loans to other entities

Council has a bank guarantee to the value of \$15,000 in favour of the Department of Environment and Primary Industries. This guarantee is for an extractive mining licence in relation to the Allen's Gravel Pit.

(b) Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

The following are potential contingencies to be considered by council.

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 9.3. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Future superannuation contributions

There were \$52,237 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2024. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2025 are \$48,506.

Building Cladding

Council has not identified any potential contingents that may exist in relation to rectification works or other matters associated with building cladding.

Note 8 Managing uncertainties (Cont.)**8.2 Change in accounting standards**

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. Council assesses the impact of these new standards.

In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities to modify AASB 13 Fair Value Measurement. AASB 2022-10 amends AASB 13 Fair Value Measurement for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. The AASB 13 modifications:

- are applicable only to not-for-profit public sector entities;
- are limited to fair value measurements of non-financial assets not held primarily for their ability to generate net cash inflows;
- are to be applied prospectively for annual periods beginning on or after 1 January 2024;
- would not necessarily change practice for some not-for-profit public sector entities; and
- do not indicate that entities changing practice in how they measure relevant assets made an error in applying the existing requirements of AASB 13.

Council will assess any impact of the modifications to AASB 13 ahead of the 2024-25 reporting period.

In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants. AASB 2022-6 amends AASB 101 Presentation of Financial Statements to improve the information an entity provides in its financial statements about long-term liabilities with covenants where the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. The amendments in AASB 2022-6 are effective for annual periods beginning on or after 1 January 2024. Council will assess any impact of the modifications to AASB 101 ahead of the 2024-25 reporting period.

8.3 Financial instruments**(a) Objectives and policies**

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank and TCV borrowings. Details of the material policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*. We manage interest rate risk by adopting an investment policy that ensures:

- diversification of investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any allowance for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

Note 8 Managing uncertainties (Cont.)**(d) Liquidity risk**

Liquidity risk includes the risk that as a result of our operational liquidity requirements we will not have sufficient funds to settle a transaction when required or we will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1, and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.5.

Unless otherwise stated, the carrying amount of financial instruments reflect their fair value.

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of +1.25% and -1.25% in market interest rates (AUD) from year-end rates of 4.35%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

Note 8 Managing uncertainties (Cont.)**8.4 Fair value measurement***Fair value hierarchy*

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Note 8 Managing uncertainties (Cont.)*Revaluation*

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. (For plant and equipment carrying amount is considered to approximate fair value given short useful lives). At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 5 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset class	Revaluation frequency
Land	1 to 3 years
Buildings	1 to 3 years
Roads	3 to 5 years
Bridges	3 to 5 years
Footpaths and cycleways	3 to 5 years
Drainage	3 to 5 years
Recreational, leisure and community facilities	3 to 5 years
Waste management	3 to 5 years
Parks, open space and streetscapes	3 to 5 years
Aerodromes	3 to 5 years
Other infrastructure	3 to 5 years

Where the assets are revalued, the revaluation increases are credited directly to the asset revaluation reserve except to the extent that an increase reverses a prior year decrease for that class of asset that had been recognised as an expense in which case the increase is recognised as revenue up to the amount of the expense. Revaluation decreases are recognised as an expense except where prior increases are included in the asset revaluation reserve for that class of asset in which case the decrease is taken to the reserve to the extent of the remaining increases. Within the same class of assets, revaluation increases and decreases within the year are offset.

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets' carrying value over its recoverable amount is expensed to the Comprehensive Income Statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

8.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

Note 9 Other matters

	Balance at beginning of reporting period \$'000	Increase (decrease) \$'000	Balance at end of reporting period \$'000
9.1 Reserves			
(a) Asset revaluation reserves			
2024			
Property			
Land	75,517	-	75,517
Land under roads	2,413	-	2,413
Buildings	24,349	11,948	36,297
	<u>102,279</u>	<u>11,948</u>	<u>114,227</u>
Infrastructure			
Roads	303,758		303,758
Bridges	22,809	2,004	24,813
Drainage	60,284	27,770	88,054
Recreation, leisure and community facilities	9,979	3,774	13,753
Other infrastructure	615	10	625
	<u>397,445</u>	<u>33,558</u>	<u>431,003</u>
Total Asset revaluation reserves	<u>499,724</u>	<u>45,506</u>	<u>545,230</u>
2023			
Property			
Land	75,517	-	75,517
Land under roads	2,413	-	2,413
Buildings	18,890	5,459	24,349
	<u>96,820</u>	<u>5,459</u>	<u>102,279</u>
Infrastructure			
Roads	265,407	38,351	303,758
Bridges	22,809	-	22,809
Drainage	53,378	6,906	60,284
Recreation, leisure and community facilities	7,963	2,016	9,979
Other infrastructure	601	14	615
	<u>350,158</u>	<u>47,287</u>	<u>397,445</u>
Total Asset revaluation reserves	<u>446,977</u>	<u>52,746</u>	<u>499,724</u>

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

Note 9 Other matters (Cont.)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2024				
Car park reserve	66	10	-	76
Recreation facilities	2,189	806	(771)	2,224
Storm water management	73	-	-	73
Capital works contributions reserve	14	-	(14)	-
Developer contribution reserve	1,012	509	(355)	1,166
Industrial estate	631	-	-	631
Closed landfill	1,123	100	-	1,223
Defined benefits	720	91	-	811
Community seed funding	516	91	(605)	2
LGFV loan repayment reserve	4,476	-	-	4,476
Maddingley brown coal reserve	394	89	-	483
Wind farm dilapidation deeds reserve	-	2,370	-	2,370
Total statutory and other reserves	11,214	4,066	(1,745)	13,535
2023				
Car park reserve	21	45	-	66
Recreation facilities	1,531	659	-	2,189
Storm water management	73	-	-	73
Capital works contributions reserve	14	-	-	14
Developer contribution reserve	1,425	9,333	(9,746)	1,012
Industrial estate	631	-	-	631
Closed landfill	1,023	100	-	1,123
Defined benefits	633	87	-	720
Community seed funding	429	87	-	516
LGFV loan repayment reserve	4,476	-	-	4,476
Maddingley brown coal reserve	306	88	-	394
Wind farm dilapidation deeds reserve	304	-	(304)	-
Total statutory and other reserves	10,866	10,398	(10,050)	11,214

Note 9 Other matters (Cont.)Car park reserve

The purpose of this reserve is to provide improved parking facilities in urban areas.

Recreation facilities reserve

The purpose of this reserve is to provide funding for recreational facilities. Funded from developer contributions this reserve requires that recreation facilities be established within the proximity of the relevant new subdivision.

Industrial estate reserve

The purpose of this reserve is to fund future opportunities for industrial subdivision or economic development activity of a capital nature in and around Bacchus Marsh. This reserve is funded from the net proceeds of land sold in the Council developed Industrial Estate (the final parcel of land sold was in the 2013/14 financial year).

Storm water management reserve

The purpose of this reserve is to provide funding for future storm water management works which will be required for future subdivisions at the western end of Holts Lane in Darley.

Closed landfill reserve

The purpose of this reserve is to provide funding for future site remediation works related to closed landfills within Moorabool Shire.

Defined benefits reserve

The purpose of this reserve is to provide funding for future liability calls related to the Defined Benefits Superannuation scheme.

Community seed funding reserve

The purpose of this reserve is to provide a funding platform for the planning and advancement of future capital works projects.

Capital works contributions reserve

The purpose of this reserve is to provide funding for future capital works, such as road works, associated with specific developments funded by contributions from the developer.

Developer contribution reserve

The purpose of this reserve is to provide funding for various agreed infrastructure requirements arising from new developments and is funded from developer contributions.

Local Government Funding Vehicle (LGFV) loan repayment reserve

The purpose of this reserve is to provide funding for the repayment of the principal component of loans held through the LGFV. These loans are interest only until maturity.

Maddingley brown coal reserve

The purpose of this reserve is to provide funding for the maintenance of the local road network between the Maddingley Brown Coal site and the Western Freeway, Bacchus Marsh.

Wind farm dilapidation deeds reserve

The purpose of this reserve is to provide for remediation works for Council assets that have had accelerated deterioration in their condition as a result of construction activity at Wind Farms.

Note 9 Other matters (Cont.)

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)

	2024	2023
	\$'000	\$'000
Surplus/(deficit) for the year	15,454	39,048
Depreciation/amortisation	14,588	13,348
Loss on disposal of property, infrastructure, plant and equipment	5,698	1,219
Contributions - non-monetary assets	(14,995)	(9,877)
Finance costs-leases	-	18
Interest expense - borrowing cost	812	288
(Increase)/decrease in trade and other receivables	(6,327)	(540)
(Increase)/decrease in prepayments	(165)	(130)
(Increase)/decrease in accrued income	1,971	(1,182)
Increase/(decrease) in trade and other payables	(1,400)	1,856
(Decrease)/increase in unearned income /revenue	(6,515)	-
(Increase)/decrease in inventories	19	(57)
Increase/(decrease) in provisions	(107)	(480)
Net cash provided by/(used in) operating activities	9,033	43,511

9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2024, this was 11.0% as required under Superannuation Guarantee (SG) legislation (2023: 10.5%)).

Note 9 Other matters (Cont.)**Defined Benefit**

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. A triennial actuarial investigation for the Defined Benefit category as at 30 June 2023 was conducted and completed by 31 December 2023. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2023 was 104.1%. Council was notified of the 30 June 2023 VBI during August 2023. The financial assumptions used to calculate the 30 June 2023 VBI were:

Net investment returns 5.7% pa

Salary information 3.5% pa

Price inflation (CPI) 2.8% pa.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2023 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Note 9 Other matters (Cont.)**Employer contributions****Regular contributions**

On the basis of the results of the 2023 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2024, this rate was 11.0% of members' salaries (10.5% in 2022/23). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2023 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2023.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which Council is a contributing employer:

	2023 (Triennial)	2022 (Interim)
	\$m	\$m
A VBI surplus	84.7	44.6
A total service liability surplus	123.6	105.8
A discounted accrued benefits surplus	141.9	111.9

Note 9 Other matters (Cont.)

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2023. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2023. The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2023.

The 2024 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2024 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2024.

The VBI of the Defined Benefit category was 105.4% as at 30 June 2024. The financial assumptions used to calculate the 30 June 2024 VBI were:

Net investment returns 5.6% pa

Salary information 3.5% pa

Price inflation (CPI) 2.7% pa

Council was notified of the 30 June 2024 VBI during August 2024.

Because the VBI was above 100%, the Defined Benefit category was in a satisfactory financial position at 30 June 2024 and it is expected that the actuarial investigation will recommend that no change will be necessary to the Defined Benefit category's funding arrangements from prior years.

The 2020 triennial investigation

The last triennial actuarial investigation conducted prior to 30 June 2023 was at 30 June 2020. This actuarial investigation was completed by 31 December 2020. The financial assumptions for the purposes of that investigation was:

	2020	2023
	Triennial investigation	Triennial investigation
Net investment returns	5.6%pa	5.7%pa
Salary information	2.5%pa for the first two years and 2.75%pa thereafter	3.5%pa
Price inflation	2.0%pa	2.8%pa

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2024 are detailed below:

Scheme	Type of Scheme	Rate	2024	2023
			\$,000	\$,000
Vision super	Defined benefit	11.0% (2023:10.5%)	39	42
Vision super	Accumulation fund	11.0% (2023:10.5%)	815	887

There were \$52,237 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2024. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2025 are \$48,506.

Note 10 Change in accounting policy

There have been no changes to accounting policies in the 2023/2024 year.