



Notice is given that a Special Meeting of Council will be held on:

Date: Monday, 6 October 2025

Time: 3.00pm

Location: Loddon Shire Council Chambers, Wedderburn

AGENDA

Council Meeting

Order Of Business

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 5.1 2024/25 FINANCIAL AND PERFORMANCE STATEMENTS - ADOPTION IN
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1 OPENING AFFIRMATION

"We, the Councillors of the Loddon Shire, declare that we will carry out our duties in the best interests of the community, and through collective leadership will maintain the highest standards of good governance."

2 ACKNOWLEDGEMENT OF COUNTRY

"The Loddon Shire Council acknowledges the Traditional Custodians of the land on which we are gathered and pays its respects to their Elders both past and present."

3 APOLOGIES**4 DECLARATION OF CONFLICT OF INTEREST**

5 DECISION REPORTS**5.1 2024/25 FINANCIAL AND PERFORMANCE STATEMENTS - ADOPTION IN PRINCIPLE REPORT**

File Number: FOL/23/1595

Author: Ange Marshall, Acting Manager Financial Services

Authoriser: Michelle Stedman, Director Corporate

Attachments: 1. 2024/25 Financial Statements
2. 2024/25 Performance Statement

RECOMMENDATION

That Council:

1. Adopts the Financial Statements and Performance Statement for the year ended 30 June 2024/25 as presented “in principle”;
2. Authorises the Principal Accounting Officer to make any amendments to the Financial Statements and Performance Statements for the year ended 30 June 2025 that may be requested by RSD Audit or the Victorian Auditor-General; and
3. Authorises Mayor Cr Dan Straub, Cr Miki Wilson, the Chief Executive Officer, and the Principal Accounting Officer to certify the audited Financial Statements and Performance Statements for the year ended 30 June 2025.

CONFLICT OF INTEREST

There is no conflict of interest for any Council staff member involved in the preparation of this report or involved in the subject matter of the report.

PREVIOUS COUNCIL DISCUSSION

Council was provided an overview of the Financial Statements and Performance Statements for the year ended 30 June 2025 at Council Briefing on 23 September 2025.

BACKGROUND

Council’s external auditors, RSD Audit, acting on behalf of the Victorian Auditor-General, have worked remotely to finalise the audit of Council’s Financial Statements and Performance Statement for the year ended 30 June 2025.

As stated in Section 99 (2) of the *Local Government Act 2020* (the Act), after passing a resolution giving its approval in principle to the performance statement and financial statements, Council must submit the statements to the Victorian Auditor-General for provision of its report on the audit.

Under Section 99 (3) of the Act Council must also ensure that the final form performance statement and financial statements, after any changes recommended or agreed by the auditor have been made, are certified in accordance with the *Local Government (Planning and Reporting) Regulations 2020* (the Regulations) by two Councillors authorised by the Council.

ISSUES/DISCUSSION

The annual Financial Statements are presented in accordance with all relevant Australian Accounting Standards and as per the model statements provided by Local Government Victoria (LGV). They consist of five statement elements (described in Table 1) which are expanded upon within accompanying Notes to the Financial Statements.

The Performance Statement is also in line with the Regulations and LGV's model reporting. It includes Sustainable Capacity Indicators (financial and non-financial), Service Performance Indicators (non-financial), and Financial Performance Indicators (financial).

Table 1 – Description of Financial Statement Elements

Statement Element	Description
Comprehensive Income Statement	The Income Statement provides a summary of the total income and total expenditure relating to Council's annual operations for the financial year. Capital grant income is included in this statement, but any related expenditure is not reflected here, as this is reported as increased assets on the Balance Sheet.
Balance Sheet	The Balance Sheet summarises the value of Assets (what Council owns) and our Liabilities (what Council owes). The difference between assets and liabilities (Net Assets or Equity) reflects Council's net worth at the end of the Financial Year.
Statement of Changes in Equity	The Statement of Changes in Equity reflect how the net worth of Council has changed over the financial year, showing movements in areas such as accumulated surplus, reserves, and revaluations.
Statement of Cash Flows	The Statement of Cash Flows reflects actual results for the financial year in line with statutory financial reporting.
Statement of Capital Works	The Capital Works Statement provides information on Council's investment in capital projects during the year and breaks this expenditure down into asset categories. It provides insight into Council's focus on maintaining and improving physical assets,

Key Results

As per the Income Statement, Loddon's **operating result** for the 2024/25 financial year was a **\$8.62M surplus**. This compares to a \$6.42M deficit in 2023/24. A principal cause of this variance is due to the timing of and required accounting treatment of Federal Financial Assistance Grants, in addition to other grant funds received in advance.

Council's Balance Sheet demonstrates a **current asset base of \$489M** (with strong liquidity in unrestricted financial assets) against **low liabilities of \$5.77M**. This remains a good foundation for Loddon to continue building careful financial management and strategic planning practices to ensure long-term sustainability. Cash and term deposits on hand totalled just under \$45M, and total rates and debtors outstanding was \$1.68M. During 2024/25, Council recorded an impairment to its Roads and Bridges asset classes of just over \$22M, which is related to previous years' flood events.

Within our Statement of Cash Flows, cash flows from **operating activities show a positive result of \$21.86M** but do underscore Loddon's dependency on external funding (operating and capital grants totalling \$30.85M) and how critical this funding is to Council's financial stability. This reliance is displayed by the swing in Loddon's operating result when external funding timing is misaligned with expenditure.

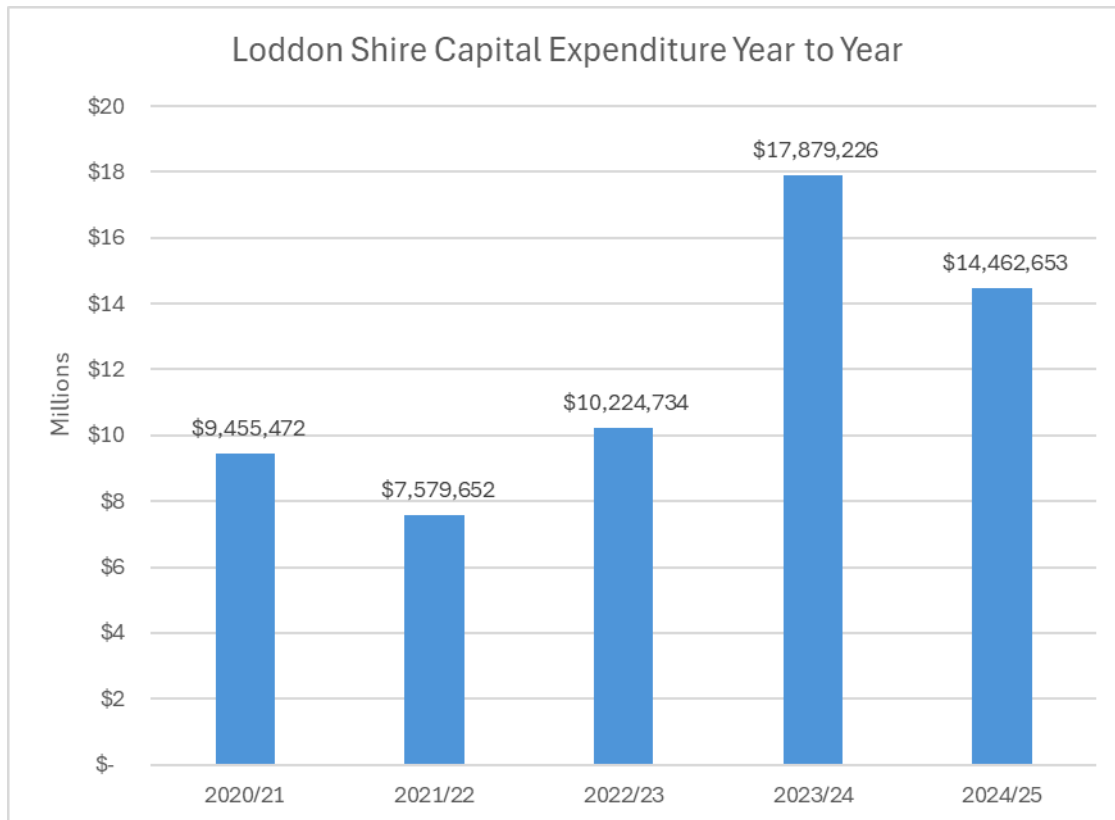
Cash outflow from investing activities as per the Statement of Cash Flows show ongoing key investment in long-term assets. This is linked with our Statement of Capital Works where Loddon's **capital works delivery totalled \$14.46M in 2024/25**, compared to \$17.87M in 2023/24 (see Graph 1 for prior year comparisons, over page). Movements to and from the unspent grants reserve saw general **reserve balances** increase by \$8.34M to a **total balance of \$26.63M** as at 30 June 2025.

RISK ANALYSIS

Preparation and auditing of Financial Statements and the Performance Statement are legislated functions of Council. Council must complete and publish these documents along with the Report of

Operations by 31 October each year, or in the year of a general election, on a day not later than the day before Election Day. By having a structured project plan for delivery of the statements to the Victorian Auditor-General's representative, the risk of not meeting the legislative timeline is mitigated.

Graph 1 – Loddon Shire Capital Expenditure prior year comparisons



CONSULTATION AND ENGAGEMENT

The Audit and Risk Committee has been provided with an overview of the Financial Statements and Performance Statement at the Audit and Risk Committee Meeting held on 29 September 2025. Feedback from the Audit and Risk Committee included minor disclosure changes which have been included in the attached statements, as well as addition of further commentary regarding material variations within the performance statement indicators which have also been amended ahead of consideration by Council.

LODDON SHIRE COUNCIL

FINANCIAL STATEMENTS YEAR ENDING 30 JUNE 2025



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CERTIFICATION OF FINANCIAL STATEMENTS

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.

Signed: Dated: XX / XXXX / 2025
MICHELLE KAYE STEDMAN, BBus, PRINCIPAL ACCOUNTING OFFICER
Wedderburn, Victoria 3518

In our opinion the accompanying financial statements present fairly the financial transactions of the Loddon Shire Council for the year ended 30 June 2025 and the financial position of the Council as at that date.

At the date of signing, we are not aware of any circumstances that 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.

Signed: Dated: XX / XXXX / 2025
CR DAN STRAUB, MAYOR
Wedderburn, Victoria, 3518

Signed: Dated: XX / XXXX / 2025
CR MIKI WILSON, COUNCILLOR
Wedderburn, Victoria, 3518

Signed: Dated: XX / XXXX / 2025
LINCOLN WILLIAM FITZGERALD, BA (Nature Tourism), GAICD, CertTAA, CHIEF EXECUTIVE OFFICER
Wedderburn, Victoria 3518

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COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
Income / Revenue			
Rates and charges	3.1	13,185,587	12,702,361
Statutory fees and fines		371,008	333,055
User fees		912,270	845,112
Grants - operating	3.2	23,963,925	5,280,553
Grants - capital	3.2	9,148,053	10,624,812
Contributions - monetary		18,153	30,000
Reimbursements and subsidies		1,110,952	1,233,013
Net gain (or loss) on disposal of property, infrastructure, plant and equipment		(204,954)	274,838
Interest received	3.3	2,031,927	2,059,382
Share of net profits of associates and joint ventures	6.3	17,251	4,352
Total income / revenue		50,554,172	33,387,478
Expenses			
Employee costs	4.1	13,789,402	13,782,880
Materials and services	4.2	13,129,467	14,392,629
Depreciation	4.3	14,620,934	11,265,032
Bad and doubtful debts - allowance for impairment losses		69,517	64,408
Other expenses	4.4	319,657	306,014
Total expenses		41,928,977	39,810,963
Surplus / (deficit) for year		8,625,195	(6,423,485)
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain	9.1(a)	25,524,249	28,488,069
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	6.3	(3,495)	(3,505)
Total other comprehensive income		25,520,754	28,484,564
Total comprehensive result		34,145,949	22,061,079

The above Comprehensive Income Statement should be read with the accompanying notes.

**BALANCE SHEET
AS AT 30 JUNE 2025**

	Note	2025 \$	2024 \$
<u>Assets</u>			
Current assets			
Cash and cash equivalents	5.1	13,248,735	2,759,134
Other financial assets	5.1	31,207,007	31,197,145
Trade and other receivables	5.1	1,686,602	1,676,962
Other assets		746,399	1,138,803
Prepayments		30,263	189,065
Non-current assets classified as held for sale	6.1	787,193	491,805
Total current assets		47,706,199	37,452,913
Non-current assets			
Other assets		100	100
Investments in associates, joint ventures and subsidiaries	6.3	307,286	293,530
Intangible assets	5.2	2,592,725	2,705,783
Property, infrastructure, plant and equipment	6.2	438,651,478	416,767,788
Total non-current assets		441,551,589	419,767,201
Total assets		489,257,788	457,220,114
<u>Liabilities</u>			
Current liabilities			
Trade and other payables	5.3	1,101,875	1,641,590
Trust funds and deposits		682,032	554,792
Contract and other liabilities		-	1,422,500
Provisions	5.4	2,486,460	2,528,041
Total current liabilities		4,270,367	6,146,923
Non-current liabilities			
Provisions	5.4	1,503,794	1,735,513
Total non-current liabilities		1,503,794	1,735,513
Total liabilities		5,774,161	7,882,436
Net assets		483,483,627	449,337,678
<u>Equity</u>			
Accumulated surplus		100,989,758	100,714,871
Reserves	9	382,493,869	348,622,807
Total equity		483,483,627	449,337,678

The above Balance Sheet should be read with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025**

2025

	Note	Total 2025 \$	Accumulated surplus 2025 \$	Revaluation reserve 2025 \$	Other reserves 2025 \$
Balance at beginning of the financial year		449,337,678	100,714,871	330,338,083	18,284,724
Surplus/(deficit) for the year		8,625,195	8,625,195	-	-
Net asset revaluation gain	9.1(a)	25,524,249	-	25,524,249	-
Transfer to reserves	9.1(b)	-	(16,505,963)	-	16,505,963
Transfer from reserves	9.1(b)	-	8,159,150	-	(8,159,150)
Share of other comprehensive income		(3,495)	(3,495)	-	-
Balance at end of financial year		483,483,627	100,989,758	355,862,332	26,631,537

2024

	Note	Total 2024 \$	Accumulated surplus 2024 \$	Revaluation reserve 2024 \$	Other reserves 2024 \$
Balance at beginning of the financial year		427,276,599	91,709,883	301,850,014	33,716,702
Surplus/(deficit) for the year		(6,423,485)	(6,423,485)	-	-
Net asset revaluation gain	9.1(a)	28,488,069	-	28,488,069	-
Transfer to reserves	9.1(b)	-	(11,103,692)	-	11,103,692
Transfer from reserves	9.1(b)	-	26,535,670	-	(26,535,670)
Share of other comprehensive income		(3,505)	(3,505)	-	-
Balance at end of financial year		449,337,678	100,714,871	330,338,083	18,284,724

The above Statement of Changes in Equity should be read with the accompanying notes.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 Inflows/ (outflows) \$	2024 Inflows/ (outflows) \$
Cash flows from operating activities			
Rates and charges		13,143,812	12,464,008
Statutory fees and fines		767,716	35,046
User fees		1,349,709	1,606,044
Grants - operating		23,127,802	5,371,187
Grants - capital		7,725,553	8,871,036
Contributions - monetary		18,153	30,000
Donated assets		-	-
Reimbursements and subsidies		1,110,952	1,233,013
Interest received		2,424,331	1,632,312
Net GST refund		99,294	245,954
Trust funds and deposits taken		127,240	187,025
Employee costs		(13,936,365)	(14,487,038)
Material and services		(14,091,073)	(15,535,050)
Net cash provided by operating activities	9.2	21,867,124	1,653,537
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(11,991,041)	(17,817,828)
Proceeds from sale of property, infrastructure, plant and equipment		623,380	939,848
Payments from / (for) investments		(9,862)	1,991,256
Net cash used in investing activities		(11,377,523)	(14,886,724)
Net increase/(decrease) in cash and cash equivalents		10,489,601	(13,233,187)
Cash and cash equivalents at the beginning of the financial year		2,759,134	15,992,321
Cash and cash equivalents at the end of the financial year	5.1	13,248,735	2,759,134

The above Statement of Cash Flows should be read with the accompanying notes.

**STATEMENT OF CAPITAL WORKS
FOR THE YEAR ENDED 30 JUNE 2025**

		2025 \$	2024 \$
Land and buildings			
Land		-	108,000
Buildings - specialised		6,244,005	10,048,390
Work in progress		1,248,198	(3,056,032)
Total buildings		7,492,203	7,100,357
Plant and fittings			
Plant, machinery and equipment		1,439,867	3,608,973
Office furniture and equipment		-	21,472
Total plant and equipment		1,439,867	3,630,445
Infrastructure			
Roads		3,279,522	6,493,747
Bridges		795,345	-
Footpaths and cycleways		876,487	349,487
Kerb and channel		-	-
Drainage		147,036	883,139
Street furniture		-	-
Work in progress		432,193	(577,949)
Total infrastructure		5,530,583	7,148,424
Total capital works expenditure		14,462,653	17,879,226
Represented by:			
New asset expenditure		1,758,767	4,314,461
Asset renewal expenditure		5,974,434	5,194,481
Asset expansion expenditure		2,859,299	3,174,988
Asset upgrade expenditure		3,870,153	5,195,296
Total capital works expenditure		14,462,653	17,879,226

The above Statement of Capital Works should be read with the accompanying notes.

NOTE 1 OVERVIEW

Introduction

The Loddon Shire Council was established by an Order of the Governor in Council on 19 January 1995 and is a body corporate. The Council's main office is located at 41 High Street, Wedderburn.

Statement of compliance

These financial statements are a general purpose financial report that consist 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 Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards (AAS), the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

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, except for the cash flow information, 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.

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.

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 dollar unless otherwise specified. Minor discrepancies in tables between totals and the sum of components due to rounding.

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 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.4)
- the determination of landfill provisions (refer to Note 5.4)
- the determination of whether performance obligations are sufficiently specific as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income for Not-for-Profit Entities* (refer to Note 3)
- whether or not *AASB 1059 Service Concession Agreements: Grantors* is applicable
- other areas requiring judgements.

NOTE 1 OVERVIEW (CONTINUED)**Significant accounting policies (continued)*****(1.1) Basis of accounting (continued)***

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 associated with 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.

(1.2) Impact of emergencies and natural disasters

During 2024-25, the ongoing effects of prior year emergencies or natural disasters impacted Council's operations. Council has noted the following significant impacts on its financial operations:

- Additional revenue – \$4.9M grant funding received
- Revenue reductions – no material impact
- Revenue foregone – no material impact
- Additional costs – no material impact
- Asset valuations – \$22.5M of impairment to assets was recorded in previous years.

NOTE 2 ANALYSIS OF OUR RESULTS

2.1 Performance against budget

The performance against budget notes compare 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 20 percent and \$50,000 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 2025 \$	Actual 2025 \$	Variance \$	Variance %	Ref
Income / revenue					
Rates and charges	13,115,030	13,185,587	70,557	0.5%	
Statutory fees and fines	300,412	371,008	70,596	23.5%	1
User fees	610,970	912,270	301,300	49.3%	2
Grants - operating	32,962,484	23,963,925	(8,998,559)	(27.3%)	3
Grants - capital	2,507,112	9,148,053	6,640,941	264.9%	4
Contributions - monetary	-	18,153	18,153	100.0%	
Reimbursements and subsidies	357,532	1,110,952	753,420	210.7%	5
Interest earnings	435,000	2,031,927	1,596,927	367.1%	6
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	(204,954)	(204,954)	100.0%	7
Share of net profits/(losses) of associates and joint ventures	-	17,251	17,251	100.0%	
Total income / revenue	50,288,540	50,554,172	265,632		
Expenses					
Employee costs	15,826,019	13,789,402	2,036,617	12.9%	
Materials and services	32,160,468	13,129,467	19,031,001	59.2%	8
Depreciation	10,514,936	14,620,934	(4,105,998)	(39.0%)	9
Bad and doubtful debts - allowance for impairment losses	-	69,517	(69,517)	100.0%	10
Other expenses	376,584	319,657	56,927	15.1%	
Total expenses	58,878,008	41,928,977	16,949,030		
Surplus/(deficit) for the year	(8,589,468)	8,625,195	17,214,662		

(I) Explanation of material variations

- 1 Higher than expected revenue across local laws, public health, and strategic & statutory planning.
- 2 Higher than expected revenue from caravan parks.
- 3 Advance funding received for Victorian Grants Commission offset by lower than expected Flood Management funding.
- 4 Capital grants received for Pyramid Hill Community Centre, Donaldson Park Pavilion, and Local Roads and Community Infrastructure funding.
- 5 Higher than expected insurance claim monies received for disaster recovery.
- 6 Higher than expected interest rates and available cash has resulted in increased interest income.
- 7 Net gain/(loss) on sale of assets is unknown, therefore Council does not budget for this.
- 8 Significantly lower than expected spending on flood management as the income was also not received.

- 9 Prior year's correction of depreciation method resulting in \$2.03m additional depreciation on plant and equipment. Depreciation was also under-budgeted.
- 10 Bad & doubtful debts are unknown, therefore Council does not budget for this.

NOTE 2 ANALYSIS OF OUR RESULTS (CONTINUED)

2.1 Performance against budget (continued)

2.1.2 Capital works

	Budget 2025 \$	Actual 2025 \$	Variance \$	Variance %	Ref
Land and buildings					
Land	5,000	-	5,000	100.0%	
Buildings	300,000	7,492,203	(7,192,203)	(2397.4%)	1
Recreation, leisure and community facilities	500,000	-	500,000	100.0%	2
Parks, open space and streetscapes	100,000	-	100,000	100.0%	3
Total land and buildings	905,000	7,492,203	(6,587,203)		
Plant and equipment					
Plant, machinery and equipment	1,318,296	1,439,867	(121,571)	(9.2%)	
Office furniture and equipment	157,200	-	157,200	100.0%	4
Total plant and equipment	1,475,496	1,439,867	35,629		
Infrastructure					
Roads	3,199,776	3,711,715	(511,939)	(16.0%)	
Bridges	310,446	795,345	(484,899)	(156.2%)	5
Footpaths and cycleways	716,343	876,487	(160,144)	(22.4%)	6
Drainage	350,000	147,036	202,964	58.0%	7
Total infrastructure	4,576,565	5,530,583	(954,018)		
Total capital works expenditure	6,957,061	14,462,653	(7,505,592)		
Represented by:					
New asset expenditure	1,475,496	1,758,767	(283,271)	(19.2%)	
Asset renewal expenditure	4,981,565	5,974,434	(992,869)	(19.9%)	
Asset expansion expenditure	-	2,859,298	(2,859,298)	100.0%	
Asset upgrade expenditure	500,000	3,870,154	(3,370,154)	(674.0%)	
Total capital works expenditure	6,957,061	14,462,653	(7,505,592)		

(i) Explanation of material variations

- 1 Mainly due to the Pyramid Hill Community Centre completion.
- 2 Recreation, leisure, and community facilities are included in the Buildings spend.
- 3 No new additions.
- 4 No new additions.
- 5 Additional bridges completed at Ottreys Bridge Rd and Sidney Watsons Road.
- 6 Additional footpaths completed.
- 7 Less than expected drainage works completed.

NOTE 2 ANALYSIS OF OUR RESULTS (CONTINUED)**2.2 Analysis of Council results by program**

Council delivers its functions and activities through the following programs:

2.2.1 Programs**A sustainable built and natural environment**

Infrastructure: We will implement financially and environmentally sustainable infrastructure that supports our social and economic needs.

Environment: We will work with our partners to preserve and protect our local environment. We will support our community to respond to the impacts of climate change.

A growing and vibrant community

Population: We will promote population growth to support a growing and diverse community.

Community: We will support a connected and inclusive community that provides opportunities for current and new community members at all ages, abilities, and stages of their life.

Youth: We will support our youth to access pathways for education and employment and the ability to connect and actively engage with their community.

A diverse and expanding economy

Tourism: We will promote our unique tourism opportunities and support our local tourism industry to increase visitation to our area.

Economy: We will support established businesses and seek to attract new businesses to grow our local economy.

A supported and accessible community

Services: We will deliver our core services and advocate for access to other services for our community that support the health, wellbeing and liveability of our community.

Communication: We will listen to our community about how they wish to communicate with us and implement effective communication methods to achieve this. We will provide our community with opportunities to engage with us.

2.2.2 Summary of income / revenue, expenses, assets and capital expenses by program**2025 - Council Plan**

	Income / revenue \$	Expenses \$	Surplus / (Deficit) \$	Grants included in income / revenue \$	Total assets \$
Sustainable built and natural environment	14,969,314	1,937,036	13,032,278	14,325,146	434,208,679
Growing and vibrant community	665,224	2,781,342	(2,116,118)	172,886	-
Diverse and expanding economy	713,111	1,072,840	(359,729)	-	787,193
Supported and accessible community	34,206,523	36,137,759	(1,931,236)	18,613,946	54,261,916
Total	50,554,172	41,928,977	8,625,195	33,111,978	489,257,788

2024 - Council Plan

	Income / revenue \$	Expenses \$	Surplus / (Deficit) \$	Grants included in income / revenue \$	Total assets \$
Sustainable built and natural environment	15,812,094	27,035,868	(11,223,774)	13,022,750	407,407,463
Growing and vibrant community	764,355	2,364,214	(1,599,859)	215,067	-
Diverse and expanding economy	508,563	827,132	(318,569)	331,633	491,806
Supported and accessible community	16,302,466	9,583,749	6,718,717	2,335,915	49,320,845
Total	33,387,478	39,810,963	(6,423,485)	15,905,365	457,220,114

NOTE 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

3.1 Rates and charges

Council uses Capital Improved Value (C.I.V.) as the basis of valuation of all properties within the municipal district. The C.I.V. of a property includes the value of the land and all improvements on the land.

The valuation base used to calculate general rates for 2024/25 was \$5,391,189,500. The valuation base used in 2023/24 was \$4,745,253,300.

	2025 \$	2024 \$
General rates	2,417,298	2,402,796
Rural production rates	7,080,149	6,730,196
Municipal charges	1,460,484	1,416,725
Kerbside recycling charges	556,850	546,842
Garbage charges	1,606,034	1,536,425
Interest on rates and charges	64,772	69,377
Total rates and garbage charges	13,185,587	12,702,361

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2024, and the valuation was first applied in the rating year commencing 1 July 2024.

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 Funding from other levels of government

	2025 \$	2024 \$
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	20,240,294	3,288,086
State funded grants	12,871,684	12,617,279
Total grants received	33,111,978	15,905,365

	2025 \$	2024 \$
(a) Operating grants		
Recurrent - Commonwealth Government:		
Financial Assistance Grant - general purpose grant	10,000,577	282,324
Financial Assistance Grant - local roads	7,211,081	205,224
Total operating Commonwealth Government grants	17,211,658	487,548

NOTE 3 FUNDING FOR THE DELIVERY OF OUR SERVICES (Continued)

	2025	2024
	\$	\$
Recurrent - State Government:		
Aged care services	-	56,265
Seniors	-	-
Maternal and child health	315,837	393,684
Early years	-	-
Preschools	721,082	751,065
Public health	-	-
Rates and property	48,627	47,441
Roads	85,000	85,000
Waste management	4,700	21,734
Other	35,082	35,373
Total recurrent operating grants	1,210,328	1,390,562
Non recurrent - State Government:		
Flood management	4,902,713	2,602,987
Community wellbeing projects	-	-
Grants and community planning	22,479	194,000
Early years	-	-
Preschools	306,744	399,398
Project and contract management	-	-
Public health	-	191,445
Strategic and statutory planning	150,000	-
Other	160,003	14,613
Total non recurrent operating grants	5,541,939	3,402,443
Total operating grants	23,963,925	5,280,553
(b) Capital grants		
Recurrent - Commonwealth Government:		
Roads to Recovery	3,028,636	2,800,538
Recurrent - State Government:		
Caravan parks	-	331,633
Non recurrent - State Government:		
Grants and community planning	2,864,541	4,426,103
Infrastructure program	3,254,876	3,066,538
Total non recurrent capital grants	6,119,417	7,492,641
Total capital grants	9,148,053	10,624,812

NOTE 3 FUNDING FOR THE DELIVERY OF OUR SERVICES (Continued)**3.2 Funding from other levels of government (continued)****(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, 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.

	2025 \$	2024 \$
Income recognised under AASB 1058 <i>Income for Not-for-Profit Entities</i>		
General purpose	22,114,371	489,744
Specific purpose grants to acquire non-financial assets	9,148,053	14,563,244
Other specific purpose grants	184,680	11,750
Revenue recognised under AASB 15 <i>Revenue from Contracts with Customers</i>		
Specific purpose grants	1,664,874	840,627
Total grants recognised in income statement	33,111,978	15,905,365

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

	2025 \$	2024 \$
Operating		
Balance at start of year	1,804,382	10,516,679
Received during the financial year and remained unspent at balance date	8,486,352	53,963
Received in prior years and spent during the financial year	(1,876,289)	(8,766,260)
Balance at year end	8,414,445	1,804,382
Capital		
Balance at start of year	2,059,280	6,772,257
Received during the financial year and remained unspent at balance date	3,407,748	(153,297)
Received in prior years and spent during the financial year	(1,102,256)	(4,559,680)
Balance at year end	4,364,772	2,059,280
Unspent Grants Reserve at year end (Note 9.1(b))	12,779,217	3,863,662
Unearned income		
Balance at start of year	1,422,500	3,176,276
Received during the financial year and remained unspent at balance date	-	200,000
Received in prior years and spent during the financial year	(1,422,500)	(1,953,776)
Unearned income balance at year end	-	1,422,500

Unspent grants are determined and disclosed on a cash basis.

3.3 Interest received

	2025 \$	2024 \$
Interest on investments	1,967,155	1,990,005
Rates interest	64,772	69,377
Total interest received	2,031,927	2,059,382

Interest is recognised as it is earned.

NOTE 4 THE COST OF DELIVERING SERVICES**4.1 (a) Employee costs**

	2025 \$	2024 \$
Salaries and wages	10,994,778	10,546,794
Annual leave and long service leave	944,826	1,396,027
Superannuation	1,372,944	1,346,552
Fringe benefits	167,336	109,871
Workcover	309,518	383,636
Total employee costs	13,789,402	13,782,880

(b) Superannuation

Council made contributions to the following funds:

	2025 \$	2024 \$
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	46,511	35,020
Total defined benefit fund	46,511	35,020

Employer contributions payable at reporting date is NIL.

	2025 \$	2024 \$
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	714,081	546,613
Employer contributions - Australian Super	174,982	156,923
Employer contributions - VicSuper	109,845	106,394
Employer contributions - Hesta	57,057	46,072
Employer contributions - Cbus	73,373	62,205
Employer contributions - other funds	197,095	393,325
Total accumulated funds	1,326,433	1,311,532

Employer contributions payable at reporting date is NIL.

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.

Defined benefit fund

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. As of 30 June 2025, there were 3 employees in the defined benefit fund.

On the basis of the results of the 2024 interim 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 2025, this rate was 11.5% of members' salaries (2024: 11.0%). 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.

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2025 as the Fund provides lifetime pensions in the Defined Benefit category. Vision Super has advised that the VBI at 30 June 2025 was 110.5%. Loddon Shire Council was notified of the 30 June 2025 VBI during August 2025 (2024: August 2024). It is anticipated that this actuarial investigation will be completed by 31 October 2025.

Accumulation funds

Employer contributions to accumulation funds are normally based on a fixed percentage of employee earnings; for the year ended 30 June 2025, this was 11.5% as required under Superannuation Guarantee (SG) legislation (2024: 11.0%).

NOTE 4 THE COST OF DELIVERING SERVICES (Continued)**4.2 Materials and services**

	2025 \$	2024 \$
Major contracts		
Caravan parks - major contracts	120,738	32,938
Swimming pools - major contracts	603,558	442,070
Building and property maintenance	377,604	272,531
Waste management operations	1,309,221	1,385,004
Other contracts	147,513	82,259
Major projects	273,466	452,072
Other materials and services		
Commercial services	34,780	66,415
Insurance	318,306	746,319
Economic development	69,996	27,700
Council administration	108,237	205,201
Library services	216,454	217,875
Flood management	3,041,156	3,930,919
Media	64,831	92,113
Other - Caravan parks	53,362	43,316
Tourism	215,886	230,830
Aged care services	70,327	68,270
Elderly persons units	43,425	55,059
Seniors	42,357	43,502
Community wellbeing	2,860	-
Community support	380,641	491,618
Recreation and community planning	248,670	178,636
Emergency management	11,519	10,977
Municipal health and wellbeing	143,013	7,171
Swimming pools	60,636	133,535
Early years	72,904	61,526
Preschools	164,501	244,720
Corporate governance	35,439	221,959
Financial services	639,723	392,399
Customer service	51,697	38,617
Information technology	1,393,718	1,202,634
Human resources and management	337,676	312,059
Risk management	17,888	16,082
Council engineering and technical services	216,295	144,593
Building regulation	72,475	31,604
Local laws and animal management	48,034	31,431
Public health	5,633	174,854
Building and property maintenance - other	452,915	398,023
Plant and fleet	(581,749)	(518,664)
Gravel pits	198,666	197,643
Parks and townships	303,315	248,660
Roads	719,132	861,562
Department of Transport routine maintenance contract	-	158,264
Waste management	258,922	224,832
Waterways management	66,396	8,600
Utilities	590,333	495,935
Other	106,998	228,966
Total materials and services	13,129,467	14,392,629

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

NOTE 4 THE COST OF DELIVERING SERVICES (Continued)**4.3 Depreciation**

	2025	2024
	\$	\$
Roads	7,839,313	6,895,265
Buildings	2,011,681	1,732,960
Plant and equipment	3,133,372	993,045
Bridges	349,019	558,400
Urban drains	637,117	565,827
Furniture and equipment	191,804	36,139
Footpaths	173,598	204,823
Kerb and channel	211,339	208,074
Landfills	15,040	12,709
Street furniture	57,593	56,673
Quarries	1,058	1,117
Total depreciation	14,620,934	11,265,032

Refer to Note 6.2 for a more detailed breakdown of depreciation charges and accounting policy.

4.4 Other expenses

	2025	2024
	\$	\$
Councillors' allowances	222,198	226,466
Auditors' remuneration - Internal Audit	36,626	23,412
Auditors' remuneration - VAGO - Audit of the financial statements, performance statement and grant acquittals	60,833	56,136
Total other expenses	319,657	306,014

NOTE 5 INVESTING IN AND FINANCING OUR OPERATIONS**5.1 Financial assets****(a) Cash and cash equivalents**

	2025	2024
	\$	\$
Cash on hand	1,700	1,800
Cash at bank (CEO's advance account)	4,000	4,000
Cash at bank (general account)	13,243,035	2,753,334
Cash and cash equivalents	13,248,735	2,759,134

(b) Other financial assets

	2025	2024
	\$	\$
Current		
Term deposits	31,000,000	31,000,000
Cash at bank (trust account)	207,007	197,145
Total current other financial assets	31,207,007	31,197,145
Total other financial assets	31,207,007	31,197,145
Total cash and cash equivalents and other financial assets	44,455,742	33,956,279

Cash and cash equivalents include cash on hand and cash at bank.

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 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.

NOTE 5 INVESTING IN AND FINANCING OUR OPERATIONS (Continued)**5.1 Financial assets (continued)****(c) Trade and other receivables**

	2025	2024
	\$	\$
Current		
<i>Statutory receivables</i>		
Net receivable GST	134,530	268,541
Rates debtors	644,411	602,636
Allowance for expected credit loss	(178,463)	(144,352)
	600,478	726,825
<i>Non statutory receivables</i>		
Sundry debtors	1,142,040	976,996
Other debtors	96,108	96,108
Allowance for expected credit loss	(152,024)	(122,967)
	1,086,124	950,137
Total current trade and other receivables	1,686,602	1,676,962

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:

	2025	2024
	\$	\$
Current (not yet due)	625,757	722,175
Past due by up to 30 days	23,976	206,317
Past due between 31 and 180 days	4,091	7,085
Past due between 181 and 365 days	2,580	1,383
Past due over 365 days	485,636	40,036
Total trade and other receivables	1,142,040	976,996

NOTE 5 INVESTING IN AND FINANCING OUR OPERATIONS (Continued)**5.2 Non-financial assets****Intangible assets**

	2025	2024
	\$	\$
Non-current		
Water rights	2,592,725	2,705,783
Total intangible assets	2,592,725	2,705,783

Reconciliation of movements in intangible assets for the reporting period

	2025	2024
	\$	\$
Water rights		
Gross carrying amount at beginning of period	2,705,783	2,807,790
Revaluation increment / (decrement)	(113,058)	(102,007)
Gross carrying amount at end of period	2,592,725	2,705,783

Water rights are revalued annually and are deemed to have an infinite life.

Water rights are revalued at 30 June 2025 to the published water trade market rate applying at that date.

NOTE 5 INVESTING IN AND FINANCING OUR OPERATIONS (Continued)**5.3 Payables, trust funds and deposits and contract and other liabilities****Trade and other payables**

	2025	2024
	\$	\$
Current		
<i>Non-statutory payables</i>		
Trade payables	185,521	182,157
Accrued wages and salaries	-	-
Accrued expenses	916,354	1,459,433
Total trade and other payables	1,101,875	1,641,590

NOTE 5 INVESTING IN AND FINANCING OUR OPERATIONS (Continued)**5.4 Provisions**

2025	Employee			Landfill rehabilitation	Gravel pit rehabilitation	Total
	Annual leave	Long service leave	RDOs			
	\$	\$	\$	\$	\$	\$
Balance at beginning of the financial year	963,179	1,835,172	76,708	1,307,847	80,648	4,263,554
Additional provisions	919,246	(27,911)	82,459	(118,942)	(7,395)	847,457
Amounts used	(943,100)	(145,977)	(31,680)	-	-	(1,120,757)
Balance at the end of the financial year	939,325	1,661,284	127,487	1,188,905	73,253	3,990,254

<i>Provisions - current</i>	939,325	1,360,203	127,487	59,445	-	2,486,460
<i>Provisions - non-current</i>	-	301,081	-	1,129,460	73,253	1,503,794

2024	Employee			Landfill rehabilitation	Gravel pit rehabilitation	Total
	Annual leave	Long service leave	RDOs			
	\$	\$	\$	\$	\$	\$
Balance at beginning of the financial year	977,384	2,027,056	98,711	1,432,224	74,180	4,609,555
Additional provisions	918,469	131,730	399,308	(124,377)	6,468	1,331,598
Amounts used	(932,674)	(323,614)	(421,311)	-	-	(1,677,599)
Balance at the end of the financial year	963,179	1,835,172	76,708	1,307,847	80,648	4,263,554

<i>Provisions - current</i>	963,179	1,422,762	76,708	65,392	-	2,528,041
<i>Provisions - non-current</i>	-	412,410	-	1,242,455	80,648	1,735,513

(a) Employee provisions

	2025 \$	2024 \$
Current provisions expected to be wholly settled within 12 months		
Annual leave	783,545	770,543
Long service leave	157,245	184,959
RDOs	127,487	76,708
Total	1,068,277	1,032,210
Current provisions expected to be wholly settled after 12 months		
Annual leave	155,780	192,636
Long service leave	1,202,958	1,237,803
Total	1,358,738	1,430,439
Total current employee provisions	2,427,015	2,462,649
Non-current		
Long service leave	301,081	412,410
Total non-current employee provisions	301,081	412,410

NOTE 5 INVESTING IN AND FINANCING OUR OPERATIONS (Continued)**5.4 Provisions (continued)****(a) Employee provisions (continued)**

	2025	2024
	\$	\$
Aggregate carrying amount of employee provisions		
Current	2,427,015	2,462,649
Non-current	301,081	412,410
Total aggregate amount of employee provisions	2,728,096	2,875,059

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 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 expected 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 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 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:

	2025	2024
Discount rate	4.20%	4.45%
Index rate	2.40%	2.25%

(b) Landfill restoration

	2025	2024
	\$	\$
Current	59,445	65,392
Non-current	1,129,460	1,242,455
Total landfill restoration	1,188,905	1,307,847

Council is obligated to restore landfill 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 landfill restoration has been calculated based on the present value of the expected costs of works to be undertaken. The expected cost of works have been estimated based on the current understanding of work required to reinstate the site to a suitable standard and budgeted costs for that work. Accordingly, the estimation of a 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:

	2025	2024
Discount rate	4.21%	3.76%
Index rate	3.45%	3.41%

NOTE 5 INVESTING IN AND FINANCING OUR OPERATIONS (Continued)**5.4 Provisions (continued)****Summary of provisions**

	2025	2024
	\$	\$
Current	2,486,460	2,528,041
Non-current	1,503,794	1,735,513
Total provisions	3,990,254	4,263,554

5.5 Financing arrangements

	2025	2024
	\$	\$
Bank overdraft - Westpac	500,000	500,000
Credit card facilities	100,000	100,000
Total facilities	600,000	600,000
Used facilities	-	-
Unused facilities	600,000	600,000

NOTE 5 INVESTING IN AND FINANCING OUR OPERATIONS (Continued)**5.6 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**2025**

	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 \$
Operating					
Environmental services	999,218	999,218	749,414	-	2,747,850
Insurance services	770,569	-	-	-	770,569
Library corporation	244,146	-	-	-	244,146
Workcover	375,367	-	-	-	375,367
Flood restoration works	1,713,179	-	-	-	1,713,179
Strategy development	48,848	57,112	-	-	105,960
Total	4,151,327	1,056,330	749,414	-	5,957,071
Capital					
Building works	123,577	-	-	-	123,577
Footpath works	37,467	-	-	-	37,467
Road construction works	42,673	-	-	-	42,673
Major plant and fleet items	568,564	-	-	-	568,564
Mitigation works	93,628	178,995	-	-	272,623
Major project planning	410,496	-	-	-	410,496
Total	1,276,405	178,995	-	-	1,455,400
	5,427,732	1,235,325	749,414	-	7,412,471

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 \$
Operating					
Environmental services	972,385	972,385	1,944,770	-	3,889,540
Insurance services	700,520	-	-	-	700,520
Library corporation	238,425	-	-	-	238,425
Workcover	406,563	-	-	-	406,563
Valuation services	73,326	-	-	-	73,326
Software upgrades	28,460	-	-	-	28,460
Flood restoration works	175,292	-	-	-	175,292
Strategy development	103,845	-	-	-	103,845
Total	2,698,816	972,385	1,944,770	-	5,615,971
Capital					
Building works	110,880	-	-	-	110,880
Footpath works	757,878	-	-	-	757,878
Road construction works	105,039	-	-	-	105,039
Major plant and fleet items	79,931	-	-	-	79,931
Mitigation works	463,563	-	-	-	463,563
Major project planning	124,546	-	-	-	124,546
Total	1,641,837	-	-	-	1,641,837
	4,340,653	972,385	1,944,770	-	7,257,808

NOTE 5 INVESTING IN AND FINANCING OUR OPERATIONS (Continued)**5.6 Commitments (continued)****(b) Operating lease receivables**

Council had commercial property leases on its caravan parks. These properties held under operating leases have remaining non-cancellation lease terms between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

	2025	2024
	\$	\$
Lease receivable		
No later than one year	279,239	61,800
Later than one year and not later than five years	416,993	266,305
Later than five years	-	-
	696,232	328,105

NOTE 6 ASSETS WE MANAGE**6.1 Non current assets classified as held for sale**

	2025	2024
	\$	\$
Non current		
Land at valuation	815,744	509,643
LESS selling costs	(28,551)	(17,838)
Total non current assets held for sale	787,193	491,805

Capitalisation rate used in the allocation of borrowing costs

N/A

N/A

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs to disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

NOTE 6 ASSETS WE MANAGE (Continued)**6.2 Property, infrastructure, plant and equipment****Summary of property, infrastructure, plant and equipment**

	Carrying amount 30 June 2024 \$	Additions / Transfers \$	Revaluations \$	Depreciation \$	Disposals \$	Carrying amount 30 June 2025 \$
Land	20,388,190	(363,888)	-	-	(306,721)	19,717,581
Buildings	69,165,358	6,235,405	-	(2,011,681)	(277,514)	73,111,568
Plant and equipment	8,805,642	1,428,078	-	(3,325,176)	(177,712)	6,730,832
Infrastructure	315,468,922	5,098,391	25,648,019	(9,284,077)	-	336,931,256
Work in progress	2,939,675	(779,436)	-	-	-	2,160,239
Total	416,767,788	11,618,550	25,648,019	(14,620,934)	(761,947)	438,651,477

Summary of work in progress

	Opening WIP \$	Additions \$	Transfers \$	Write-off \$	Closing WIP \$
Property	2,637,666	1,248,198	(2,211,959)	-	1,673,905
Infrastructure	302,009	432,193	(247,868)	-	486,334
Total	2,939,675	1,680,391	(2,459,827)	-	2,160,239

(a) Property

	Land \$	Buildings \$	Work in progress \$	Total land and buildings \$
Land and Buildings				
At fair value 1 July 2024	20,388,190	119,447,568	2,637,666	142,473,424
Accumulated depreciation at 1 July 2024	-	(50,282,210)	-	(50,282,210)
	20,388,190	69,165,358	2,637,666	92,191,214
Movements in fair value				
Additions	252,990	4,032,046	1,248,198	5,533,234
Revaluation	-	-	-	-
Disposals	(306,721)	(1,165,940)	-	(1,472,661)
Transfers	(616,878)	2,203,359	(2,157,818)	(571,337)
	(670,609)	5,069,465	(909,620)	3,489,236
Movements in accumulated depreciation				
Depreciation	-	(2,011,681)	-	(2,011,681)
Revaluation	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-
Impairment losses recognised	-	-	-	-
Transfers	-	4,420	-	4,420
Disposals	-	884,006	-	884,006
	-	(1,123,255)	-	(1,123,255)
At fair value 30 June 2025	19,717,581	124,517,033	1,728,046	145,962,660
Accumulated depreciation at 30 June 2025	-	(51,405,465)	-	(51,405,465)
Carrying amount	19,717,581	73,111,568	1,728,046	94,557,195

NOTE 6 ASSETS WE MANAGE (Continued)**6.2 Property, infrastructure, plant and equipment (continued)****(b) Plant and equipment**

	Plant machinery and equipment \$	Fixtures fittings and furniture \$	Total plant and equipment \$
Plant and equipment			
At fair value 1 July 2024	15,526,452	806,130	16,332,582
Accumulated depreciation at 1 July 2024	(6,933,929)	(593,011)	(7,526,940)
	8,592,523	213,119	8,805,642
Movements in fair value			
Additions	1,428,078	-	1,428,078
Disposal	(1,009,627)	(33,713)	(1,043,340)
	418,451	(33,713)	384,738
Movements in accumulated depreciation			
Depreciation	(3,133,372)	(191,804)	(3,325,176)
Accumulated depreciation of disposals	835,009	30,619	865,628
	(2,298,363)	(161,185)	(2,459,548)
At fair value 30 June 2025	15,944,903	772,417	16,717,320
Accumulated depreciation at 30 June 2025	(9,232,292)	(754,196)	(9,986,488)
Carrying amount	6,712,611	18,221	6,730,832

NOTE 6 ASSETS WE MANAGE (Continued)**6.2 Property, infrastructure, plant and equipment (continued)****(c) Infrastructure**

	Roads \$	Bridges \$	Footpaths and cycleways \$	Kerb and channel \$	Drainage \$
Infrastructure					
At fair value 1 July 2024	384,777,002	55,090,220	9,758,123	12,471,023	43,037,955
Accumulated depreciation at 1 July 2024	(137,921,761)	(22,515,350)	(3,067,567)	(4,776,885)	(22,644,756)
	246,855,241	32,574,870	6,690,556	7,694,138	20,393,199
Movements in fair value					
Additions	3,279,523	795,345	876,487	-	147,036
Revaluation	44,288,305	(2,685,161)	(2,105,491)	195,675	5,556,141
	47,567,828	(1,889,816)	(1,229,004)	195,675	5,703,177
Movements in accumulated depreciation					
Depreciation	(7,839,313)	(349,019)	(173,598)	(211,339)	(637,117)
Revaluation (increments)/decrements	(7,086,105)	(11,011,469)	650,777	136,063	(2,363,579)
	(14,925,418)	(11,360,488)	477,179	(75,276)	(3,000,696)
At fair value 30 June 2025	432,344,830	53,200,404	8,529,119	12,666,698	48,741,132
Accumulated depreciation at 30 June 2025	(152,847,179)	(33,875,838)	(2,590,388)	(4,852,161)	(25,645,452)
Carrying amount	279,497,651	19,324,566	5,938,731	7,814,537	23,095,680

	Quarries \$	Street Furniture \$	Landfills \$	Work In Progress \$	Total Infrastructure \$
Infrastructure (continued)					
At fair value 1 July 2024	58,507	1,316,929	1,994,306	302,009	508,806,074
Accumulated depreciation at 1 July 2024	(31,714)	(376,802)	(1,700,309)	-	(193,035,144)
	26,793	940,127	293,997	302,009	315,770,930
Movements in fair value					
Additions	-	-	-	432,193	5,530,584
Revaluation	-	21,391	-	-	45,270,860
Transfers	-	-	-	(302,009)	(302,009)
	-	21,391	-	130,184	50,499,435
Movements in accumulated depreciation					
Depreciation	(1,058)	(57,593)	(15,040)	-	(9,284,077)
Revaluation (increments)/decrements	-	51,472	-	-	(19,622,841)
	(1,058)	(6,121)	(15,040)	-	(28,906,918)
At fair value 30 June 2025	58,507	1,338,320	1,994,306	432,193	559,305,509
Accumulated depreciation at 30 June 2025	(32,772)	(382,923)	(1,715,349)	-	(221,942,062)
Carrying amount	25,735	955,397	278,957	432,193	337,363,447

NOTE 6 ASSETS WE MANAGE (Continued)**6.2 Property, infrastructure, plant and equipment (continued)****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 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.

Asset recognition thresholds and depreciation periods

	Depreciation period Years	Threshold limit \$
Property land	-	3,000
Buildings buildings	33 to 100	3,000
Plant and equipment plant, machinery, minor plant and equipment	3 to 20	3,000
motor vehicles	5 to 10	3,000
fixtures fittings and furniture	5 to 50	3,000
computers and telecommunications	3	3,000
Infrastructure road seals	5 to 50	3,000
road pavements - sealed	80	3,000
road pavements - unsealed	20 to 100	3,000
road kerb, channel and minor culverts	60 to 80	3,000
bridges deck and substructure	80 to 100	3,000
footpaths and cycle ways	15 to 50	3,000
drainage	50 to 80	3,000
waste management assets	16 to 33	3,000
quarries	4 to 28	3,000
street furniture	10 to 80	3,000

Land under roads

Council recognises land under roads it controls at fair value.

NOTE 6 ASSETS WE MANAGE (Continued)**6.2 Property, infrastructure, plant and equipment (continued)****Depreciation**

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and methods are reviewed 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

The valuation of land and buildings was undertaken by LG Valuation Services a qualified independent valuation firm. The valuation of land 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 englobe (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.

The date and type of the current valuation is detailed in the following table. A full revaluation of these was conducted in 2023/24, this valuation was based on land values and market sales. The valuations were undertaken by Marcus Hann, Certified Practising Valuer, from LG Valuations.

NOTE 6 ASSETS WE MANAGE (Continued)**6.2 Property, infrastructure, plant and equipment (continued)****Valuation of land and buildings (continued)**

Council values all land and building assets every two years. 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	Date of valuation	Type of valuation
Land	-	3,144,549	16,573,033	30/6/2024	External
Buildings	-	1,594,655	71,516,913	30/6/2024	External
TOTAL	-	4,739,204	88,089,946		

Valuation of infrastructure

A valuation of Council's, infrastructure assets was performed by David Southcombe, Manager Assets and Infrastructure of the Loddon Shire Council, as at 30 June 2025.

The date and type of the current valuation is detailed in the following table. An indexed based revaluation was conducted in the current year. This valuation was based on current unit rates based on ABS indices and sample analysis of condition ratings. Full revaluation of all assets are coordinated on a cyclic timeframe. The last full valuation of sealed roads, footpaths, kerb and channel were completed in 2023/24. The last full valuation of drainage and bridges was completed in 2023/24.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2025 are as follows:

	Level 1	Level 2	Level 3	Date of valuation	Type of valuation
Unsealed roads formation	-	-	19,991,282	30/6/2025	Section
Unsealed roads pavement	-	-	58,014,600	30/6/2025	Section
Road seal	-	-	12,620,946	30/6/2025	Section
Sealed roads pavement	-	-	155,017,247	30/6/2025	Section
Sealed road formation	-	-	13,006,239	30/6/2025	Section
Footpaths	-	-	5,938,731	30/6/2025	Index
Culverts	-	-	20,847,342	30/6/2025	Index
Bridges	-	-	19,324,566	30/6/2025	Index
Kerb and channel	-	-	7,814,537	30/6/2025	Index
Urban drains	-	-	23,095,680	30/6/2025	Index
Street furniture	-	-	955,397	30/6/2025	Index
Landfills	-	-	278,957	30/6/2025	Index
Quarries	-	-	25,735	30/6/2025	Index
TOTAL	-	-	336,931,259		

NOTE 6 ASSETS WE MANAGE (Continued)**6.2 Property, infrastructure, plant and equipment (continued)****Description of significant unobservable inputs into level 3 valuations**

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 \$0 and \$11,925 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 cost is calculated on a square metre basis and ranges from \$55 to \$7,500 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings 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 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 2 years 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.

NOTE 6 ASSETS WE MANAGE (Continued)**6.3 Investments in associates, joint arrangements and subsidies****(a) Investments in associates****North Central Goldfields Regional Library Corporation**

The Council is a member of the North Central Goldfields Regional Library Corporation. At 30 June 2025 Council's equity was \$307,286. At 30 June 2024 Council's equity in the corporation was \$293,530.

Loddon has a 4.86 per cent share of the net assets, and this is calculated on the same ratio as Council contributes to the operating costs of the service. At 30 June 2024 Council's share of the net assets was 4.70 per cent. Any adjustments required due to the reduction in the share of net assets from 2024 to 2025 is reflected as Variation Account - Change in Equity in the following schedules.

Fair value of Council's share in its ownership	307,286	293,530
	2025 \$	2024 \$
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	121,717	121,650
Reported surplus/(deficit) for year	17,251	4,352
Variation account - change in equity	(11,272)	(4,285)
Council's share of accumulated surplus/(deficit) at end of year	127,696	121,717
Council's share of reserves		
Council's share of reserves at start of year	171,813	171,033
Variation account - change in equity	7,777	780
Council's share of reserves at end of year	179,590	171,813
Movement in carrying value of share in library		
Carrying value of investment at start of year	293,530	292,682
Share of surplus/(deficit) for the year	17,251	4,352
Variation account - change in equity	(3,495)	(3,505)
Carrying value of investment at end of year	307,286	293,530
Council's share of expenditure commitments		
Operating commitments	23,921	11,148
Capital commitments	-	-
Council's share of expenditure commitments	23,921	11,148

Adjustment to the carrying value of North Central Goldfields Regional Library

	2025 \$	2024 \$
Adjustment to the carrying value of North Central Goldfields Regional Library Corporation	13,756	848
Total adjustment to the carrying value of North Central Goldfields Regional Library Corporation	13,756	848

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

NOTE 6 ASSETS WE MANAGE (Continued)**6.3 Investments in associates, joint arrangements and subsidies (continued)**

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

For joint operations, Council recognises the right to its share of jointly held assets, liabilities, revenues and expenses of joint operations. Council has no joint arrangements at reporting date.

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

Community Asset Committee

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as community asset committees, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

NOTE 7 PEOPLE AND RELATIONSHIPS

7.1 Council and key management remuneration

(a) Related parties

Parent Entity

Loddon Shire Council is the parent entity.

Associates

Investments in Associates are detailed in Note 6.3.

(b) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Council. The Councillors, Chief Executive Officer and other members of the Management Executive Group are deemed KMP.

Details of persons holding the position of Councillor or other members of Key Management Personnel at any time during the year were:

Councillors:	2025 No.	2024 No.
Cr Neil Beattie (Councillor from July 2022 to October 2024)	1	1
Cr Gavan Holt (Mayor from November 2023 to October 2024) (Councillor from November 2024 to June 2025)	1	1
Cr Dan Straub (Councillor from November 2023 to October 2024) (Mayor from November 2024 to June 2025)	1	1
Cr Wendy Murphy (Councillor from July 2022 to to October 2024)	1	1
Cr Linda Jungwirth (Councillor from July 2022 to to October 2024)	1	1
Cr David Weaver (Councillor from November 2024 to June 2025)	1	-
Cr Miki Wilson (Councillor from November 2024 to June 2025)	1	-
Cr Nick Angelo (Councillor from November 2024 to June 2025)	1	-
Key Management Personnel:		
Mrs Wendy Gladman (Director Community and Wellbeing July 2022 to June 2025)	1	1
Mr Steven Phillips (Director Operations July 2022 to June 2025)	1	1
Mr Lincoln Fitzgerald (Chief Executive Officer July 2022 to June 2025)	1	1
Mrs Amanda Wilson (Director Corporate March 2022 to November 2023)	-	1
Mrs Michelle Stedman (Director Corporate February 2024 to June 2025)	1	1
Mr Steve Van Orsouw (Director Operations April 2025 to June 2025)	1	-
Total number of Councillors	8	5
Total of Chief Executive Officer and other Key Management Personnel	5	5
Total number of Key Management Personnel	13	10

(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.

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.

NOTE 7 PEOPLE AND RELATIONSHIPS (Continued)**7.1 Council and key management remuneration (continued)****(c) Remuneration of Key Management Personnel (continued)**

Total remuneration of Key Management Personnel was as follows:

	2025	2024
	\$	\$
Short-term employee benefits	1,099,742	1,036,758
Long-term employee benefits	4,297	55,311
Post employment employee benefits	124,230	82,373
TOTAL	1,228,269	1,174,442

The numbers of Key Management Personnel whose total remuneration from Council and any related entities, fall within the following bands:

Income range	2025	2024
	No.	No.
\$00,001 - \$9,999	3	-
\$10,000 - \$19,999	3	-
\$20,000 - \$29,999	-	1
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	1	1
\$50,000 - \$59,999	1	1
\$70,000 - \$79,999	-	1
\$80,000 - \$89,999	-	1
\$90,000 - \$99,999	1	-
\$110,000 - \$119,999	-	1
\$180,000 - \$189,999	-	1
\$200,000 - \$209,999	1	-
\$220,000 - \$229,999	2	-
\$230,000 - \$239,999	-	1
\$300,000 - \$309,999	1	-
\$320,000 - \$329,999	-	1
	13	10

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, who exceeds \$170,000 (\$170,000 for 2023/24) and who report directly to a member of the KMP.

Total remuneration of other senior staff was as follows:

	2025	2024
	\$	\$
Short-term employee benefits	672,205	979,598
Long-term employee benefits	15,041	26,285
Post employment employee benefits	83,862	103,567
TOTAL	771,108	1,109,450

NOTE 7 PEOPLE AND RELATIONSHIPS (Continued)**7.1 Council and key management remuneration (continued)****(d) Remuneration of other senior staff (continued)**

The number of Senior Officers are shown below in their relevant income bands:

Income range	2025 No.	2024 No.
\$170,000 - \$179,999	-	3
\$180,000 - \$189,999	2	2
\$190,000 - \$199,999	1	-
\$200,000 - \$209,999	1	-
\$210,000 - \$219,999	-	1
	<u>4</u>	<u>6</u>

Total Remuneration for the reporting year for Senior Officers included above, amounted to:

\$771,108	\$1,109,450
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7.2 Related party disclosure**(a) Transactions with related parties**

During the reporting period payments totalling \$260,088 were paid to the North Central Goldfields Regional Library Corporation for the provision of library services (\$217,875 in 2023/24). No further transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with responsible persons or related parties of such responsible persons during the reporting year (Nil in 2023/24).

(b) Outstanding balanced with related parties

There are no outstanding balances outstanding at the end of the reporting period in relation to transactions with related parties (Nil in 2023/24).

(c) Loans to/from related parties

No loans have been made, guaranteed or secured by the Council to a responsible person of the Council during the reporting year (Nil in 2023/24).

(d) Commitments to/from related parties

No commitments have been made, guaranteed or secured by Council to a responsible person of the Council during the reporting year (Nil in 2023/24).

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 and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

(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 Council.

Council has no contingent assets.

(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 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.

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 below. As a result of the volatility in financial markets, the likelihood of making such contributions in future periods exists.

Landfill

Council operates landfills. Council will have to carry out site rehabilitation works in the future. At balance date Council assesses the financial implications of such works using the estimates provided by relevant Council staff.

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each year the participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of the participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

NOTE 8 MANAGING UNCERTAINTIES (Continued)

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2025 reporting period. Council assesses the impact of these new standards. As at 30 June 2025 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2025 that are expected to impact Council.

In September 2024 the Australian Accounting Standards Board (AASB) issued two Australian Sustainability Reporting Standards (ASRS). This followed Commonwealth legislation establishing Australia's sustainability reporting framework. Relevant entities will be required to undertake mandatory reporting of climate-related disclosures in future financial years. Public sector application issues remain under consideration and Council will continue to monitor developments and potential implications for future financial years.

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). Details of the material accounting policies 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 to the financial statements. Risk management is carried out by senior management under policies approved by 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 levels of cash and deposits that are at a floating rate.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*.

Council manages interest rate risk by adopting an investment policy that ensures:

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

There has been no significant change in 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.

NOTE 8 MANAGING UNCERTAINTIES (Continued)**8.3 Financial instruments (continued)****(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 has exposure to credit risk on some financial assets included in our 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:

- Council has a policy for establishing credit limits for the entities council deals with;
- Council may require bank guarantees or security deposits for contracts where appropriate; and
- Council will only invest surplus funds with financial institutions which have a recognised credit rating specified in Council's 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.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Council has no such guarantees in place at 30 June 2025.

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.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements it will not have sufficient funds to settle a transaction when required or 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:

- has historically minimised borrowings in the short to medium term
- reduced its reliance on borrowings with repayment of all borrowings occurring in 2015/16
- has readily accessible standby facilities and other funding arrangements in place
- ensures that surplus funds are invested within various bands of liquid investments
- monitors budget to actual performance on a regular basis; and
- sets limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

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 or agreed terms.

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

NOTE 8 MANAGING UNCERTAINTIES (Continued)**8.3 Financial instruments (continued)****(e) Sensitivity disclosure analysis**

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and
- A parallel shift of +1.5% and -1.5% in market interest rates (AUD) from year-end rates of 5.05%.

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.

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.

Council has considered the amendments to AASB 13 *Fair Value Measurement* that apply for the 2024-25 financial year as a result of AASB 2022-10 Amendments to Australian Accounting Standards - *Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*. For assets, where the Council adopts a current replacement cost approach to determine fair value, the Council now considers the inclusion of site preparation costs, disruption costs and costs to restore another entity's assets in the underlying valuation. The AASB 13 amendments apply prospectively, comparative figures have not been restated.

The AASB 13 amendments have not resulted in any material impacts to Council's financial statements.

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
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
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.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment and furniture 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 be 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 on 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 10 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	2 years
Buildings	2 years
Roads	1 to 4 years
Bridges	1 to 4 years
Footpaths and cycleways	1 to 4 years
Drainage	1 to 4 years
Recreational, leisure and community facilities	2 years
Waste management	2 years
Parks, open space and streetscapes	2 years
Aerodromes	2 years
Other infrastructure	1 to 10 years

Revaluation (continued)

Where the assets are revalued, the revaluation increases are credited directly to the asset revaluation reserve except to the extent that an increment 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 fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's 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**9.1 Reserves****(a) Asset revaluation reserve****2025**

	Balance at beginning of reporting period \$	Net movement for the reporting period \$	Balance at end of the reporting period \$
Property			
Land and land improvements	19,825,690	(10,714)	19,814,976
Buildings	47,338,469	-	47,338,469
	67,164,159	(10,714)	67,153,445
Infrastructure assets			
Sealed roads	150,278,916	20,811,591	171,090,507
Unsealed roads	67,114,393	16,390,611	83,505,004
Footpaths	1,498,684	(1,454,714)	43,970
Street furniture	700,851	72,863	773,714
Kerbs	5,468,999	331,737	5,800,736
Bridges	22,966,976	(13,696,629)	9,270,347
Drains	13,377,019	3,192,562	16,569,581
Other infrastructure	261,405,838	25,648,021	287,053,859
Total tangible assets	328,569,997	25,637,307	354,207,304
Intangible assets			
Water rights	1,768,087	(113,058)	1,655,029
Total	330,338,083	25,524,249	355,862,333

2024

	Balance at beginning of reporting period \$	Net movement for the reporting period \$	Balance at end of the reporting period \$
Property			
Land and land improvements	13,376,323	6,449,367	19,825,690
Buildings	39,041,473	8,296,996	47,338,469
	52,417,796	14,746,363	67,164,159
Infrastructure assets			
Sealed roads	136,497,865	13,781,051	150,278,916
Unsealed roads	70,136,160	(3,021,767)	67,114,393
Footpaths	2,449,483	(950,799)	1,498,684
Street furniture	610,318	90,533	700,851
Kerbs	4,923,514	545,485	5,468,999
Bridges	20,279,276	2,687,700	22,966,976
Drains	12,665,509	711,510	13,377,019
Other infrastructure	247,562,125	13,843,713	261,405,838
Total tangible assets	299,979,921	28,590,076	328,569,997
Intangible assets			
Water rights	1,870,094	(102,007)	1,768,087
Total	301,850,014	28,488,069	330,338,083

The asset revaluation reserve is used to records the increased (net) value of Co

NOTE 9 OTHER MATTERS (Continued)**9.1 Reserves (continued)****(b) General reserves****2025**

	Balance at beginning of reporting period \$	Transfer from accumulated surplus \$	Transfer to accumulated surplus \$	Balance at end of reporting period \$
Land and buildings reserve	1,222,592	336,227	-	1,558,819
Capital expenditure reserve	3,475,113	2,298,792	(3,466,329)	2,307,576
Caravan park development reserve	398,838	259,544	(9,350)	649,032
Community loan scheme	100,000	-	-	100,000
Community planning reserve	2,668,173	-	(130,152)	2,538,021
Fleet replacement reserve	857,087	150,000	(360,742)	646,345
Gravel and sand pit restoration reserve	318,161	80,589	(503)	398,247
Heritage loan scheme reserve	100,000	-	-	100,000
Information technology reserve	678,100	150,000	-	828,100
Little Lake Boort water reserve	17,604	-	-	17,604
Waste management reserve	345,320	34,710	(36,700)	343,330
Major projects reserve	378,485	-	-	378,485
Plant replacement reserve	632,936	950,000	(780,183)	802,753
Professional development reserve	14,993	2,000	(451)	16,542
Swimming pool major projects reserve	280,000	-	-	280,000
Unfunded superannuation liability reserve	1,000,000	-	-	1,000,000
Unsuitably premises enforcement provision reserve	100,000	-	-	100,000
Unspent grants reserve	3,863,662	11,894,101	(2,978,546)	12,779,217
Urban drainage reserve	1,833,660	350,000	(396,194)	1,787,466
Total	18,284,724	16,505,963	(8,159,150)	26,631,537

NOTE 9 OTHER MATTERS (Continued)**9.1 Reserves (continued)****(b) General reserves (continued)****2024**

	Balance at beginning of reporting period \$	Transfer from accumulated surplus \$	Transfer to accumulated surplus \$	Balance at end of reporting period \$
Land and buildings reserve	1,247,592	203,000	(228,000)	1,222,592
Capital expenditure reserve	3,776,304	3,466,329	(3,767,520)	3,475,113
Caravan park development reserve	358,750	42,788	(2,700)	398,838
Community planning reserve	3,592,145	1,699,143	(2,623,115)	2,668,173
Fleet replacement reserve	897,753	150,000	(190,666)	857,087
Flood recovery reserve	-	-	-	-
Gravel and sand pit restoration reserve	171,575	353,810	(207,224)	318,161
Heritage loan scheme reserve	100,000	-	-	100,000
Information technology reserve	641,757	150,000	(113,657)	678,100
Little Lake Boort water reserve	17,604	-	-	17,604
Waste management reserve	311,130	34,190	-	345,320
Major projects reserve	398,485	80,000	(100,000)	378,485
Plant replacement reserve	2,364,395	950,000	(2,681,459)	632,936
Professional development reserve	12,214	16,264	(13,485)	14,993
Recreation facilities improvement reserve	100,000	-	-	100,000
Swimming pool major projects reserve	200,000	280,000	(200,000)	280,000
Unfunded superannuation liability reserve	1,000,000	-	-	1,000,000
Unightly premises enforcement provision reserve	100,000	-	-	100,000
Unspent grants reserve	17,288,936	2,978,546	(16,403,820)	3,863,662
Urban drainage reserve	1,138,062	699,622	(4,024)	1,833,660
Total	33,716,702	11,103,692	(26,535,670)	18,284,724

NOTE 9 OTHER MATTERS (Continued)**9.1 Reserves (continued)****(b) General reserves (continued)****Purpose of general reserves*****Land and buildings reserve***

The land and buildings reserve is used to fund the purchase and improvement of land and buildings which includes residential, commercial and industrial. Proceeds received from the sale of Council owned land and buildings are transferred to the reserve, and the cost of purchase and development of Council land and buildings is transferred from the reserve.

Capital expenditure reserve

The capital expenditure reserve is used to set aside funds that have been budgeted for capital works projects in one financial year but will not be expended by the end of that year. Council transfers to the reserve annually the unexpended budget amounts for capital works and other projects that will be undertaken in the following financial year.

Caravan park development reserve

The caravan park development reserve is used to set aside surpluses made from the operations of Council's caravan parks to assist with financing major works carried out at those caravan parks. The annual surplus made on the operations of Council's caravan parks is transferred to the reserve annually, and the funds required to finance major works undertaken at Council's caravan parks are transferred from the reserve.

Community planning reserve

The community planning reserve is used to set aside unspent funds for community planning projects. Council transfers to the reserve annually cumulative unspent funds for each ward's community planning projects. Council transfers from the reserve the amount placed into the reserve at the end of the previous financial year.

Fleet replacement reserve

The fleet replacement reserve is used to fund the replacement of passenger vehicles. Council transfers to the reserve \$150K annually to fund the fleet replacement program, and transfers from the reserve the net cost of fleet purchases for the year.

Gravel and sand pit (GSP) restoration reserve

The gravel and sand pit (GSP) restoration reserve is used to fund land purchase, development and restoration of gravel and sand pits used by council for the extraction of road building materials. Council transfers from the reserve the cost of purchasing new sites and development and restoration of gravel and sand pits, and transfers to the reserve annual surplus on operations of gravel and sand pits to a maximum of \$500K.

Heritage loan scheme reserve

The heritage loan scheme reserve is used to provide loans to owners of properties located in significant heritage precincts, heritage registered buildings or structures of local heritage significance, to enable repair and maintenance of those buildings with the aims of quality appearance and public safety.

Information technology reserve

The information technology reserve is used to assist with the purchase of information technology assets. Council transfers to the reserve \$150K annually to a maximum level of \$800K, and transfers from the reserve the net cost of information technology assets.

Little Lake Boort water

The Little Lake Boort water reserve is used to secure the proceeds from sale of temporary water rights relating to Little Lake Boort. Council transfers to the reserve the proceeds from the sale of temporary water rights and unexpended amounts from annual expenditure budget, and transfers from the reserve the amounts required to purchase water rights or for any other expenditure relating to Little Lake Boort.

Waste management reserve

The waste management reserve is used to assist with the cost of strategic projects, compliance and long term planning for Council's landfills and transfer stations. Council transfers to the reserve annually \$10 per kerbside collection levy (or a pro-rated amount for a pro-rated collection). Council transfers from the reserve the cost of strategic projects, compliance and long term planning within Council landfills and transfer stations.

NOTE 9 OTHER MATTERS (Continued)**9.1 Reserves (continued)****(b) General reserves (continued)****Purpose of general reserves (continued)*****Plant replacement reserve***

The plant replacement reserve is used to fund plant purchases. Council transfers to the reserve \$950K annually. Council transfers from the reserve the net cost of plant purchases for the year.

Professional development reserve

The professional development reserve is used to fund the professional development undertaken by executive officers of Council. An annual allocation is provided to each executive officer in accordance with their contract of employment, while the cost of the professional development undertaken during the year is transferred from the reserve.

Community loans scheme reserve

The community loans scheme reserve is an allocation of funds used to provide interest free loans to community groups for improvements at council reserves.

Swimming pool major projects reserve

The swimming pool major projects reserve is used to fund unplanned major repairs and capital works on the various swimming pool sites across the Shire. Council transfers to the reserve annually an amount determined during the budget process, to a maximum reserve level of \$200K. Council transfers from the reserve the net cost of unplanned major repairs and capital works.

Unfunded superannuation liability reserve

The unfunded superannuation liability reserve is used to assist with funding any call that may be made on Council as a result of shortfall in the Local Authorities' Superannuation Defined Benefits Plan. Council transfers to the reserve annually an amount determined during the budget process as sufficient to fund potential future calls by the superannuation authority in relation to an unfunded superannuation liability. Council transfers from the reserve any funds required to finance a call made upon Council by the superannuation authority.

Unightly premises enforcement provision reserve

The unightly premises enforcement provision reserve is used to provide funds to assist with the enforcement and rectification works on identified unightly premises with costs recouped via legal or other action.

Unspent grants reserve

The unspent grants reserve is used to set aside grants received in one financial year that will not be expended until a later financial year. Council transfers to the reserve grants received during the financial year that have not been expended, and transfers from the reserve the amount placed into the reserve at the end of the previous financial year.

Urban drainage reserve

The urban drainage reserve is used to fund urban drainage works in the towns within the Shire. Council transfers to the reserve annually an amount determined during the budget process sufficient to fund the urban drainage program, and transfers from the reserve the annual cost of urban drainage work.

NOTE 9 OTHER MATTERS (Continued)**9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)**

	2025 \$	2024 \$
Surplus / (deficit) for the period	8,625,195	(6,423,485)
Non-cash adjustments		
Depreciation	14,620,934	11,265,032
(Profit) / loss on disposal of assets	204,954	(274,838)
Bad debts expense	5,109	6,609
Share of other comprehensive income of associates	(3,495)	(3,505)
Change in assets and liabilities		
(Increase) / decrease in trade and other receivables	(9,640)	348,602
(Increase) / decrease in other assets	392,404	(427,070)
(Increase) / decrease in prepayments	158,804	(183,798)
Increase / (decrease) in other liabilities	(1,422,500)	(1,753,776)
Increase / (decrease) in trust funds and deposits	127,240	187,025
Increase / (decrease) in payables	(544,824)	(740,411)
Increase / (decrease) in employee benefits	(146,963)	(228,092)
Increase / (decrease) in other provisions	(126,337)	(117,909)
(Increase) / decrease in library equity	(13,756)	(847)
Net cash provided by / used by operating activities	21,867,125	1,653,537

NOTE 10 CHANGE IN ACCOUNTING POLICY

There have been no changes to accounting policies for the 2024/25 year.

LODDON SHIRE COUNCIL

PERFORMANCE
STATEMENT YEAR
ENDING 30 JUNE 2025



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CERTIFICATION OF 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*.

Signed: Dated: XX / XXXX / 2025
MICHELLE KAYE STEDMAN, BBus, PRINCIPAL ACCOUNTING OFFICER
Wedderburn, Victoria 3518

In our opinion, the accompanying Performance Statement of the Loddon Shire Council for the year ended 30 June 2025 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 sustainability capacity.

As 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 the *Local Government (Planning and Reporting) Regulations 2020* to certify this Performance Statement in its final form.

Signed: Dated: XX / XXXX / 2025
CR DAN STRAUB, MAYOR
Wedderburn, Victoria, 3518

Signed: Dated: XX / XXXX / 2025
CR MIKI WILSON, COUNCILLOR
Wedderburn, Victoria, 3518

Signed: Dated: XX / XXXX / 2025
LINCOLN WILLIAM FITZGERALD, BA (Nature Tourism), GAICD, CertTAA, CHIEF EXECUTIVE OFFICER
Wedderburn, Victoria 3518

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SECTION 1: DESCRIPTION OF MUNICIPALITY

Loddon Shire Council is located in central Victoria, about 175 kilometres north-west of Melbourne. It is bounded by the Gannawarra Shire in the north, Shire of Campaspe and City of Greater Bendigo in the east, Mount Alexander Shire and Central Goldfields Shire in the south, and Northern Grampians Shire and Buloke Shire in the west.

Loddon Shire Council is a predominantly rural area, with many small towns and communities. The largest towns are Boort, Bridgewater on Loddon, Inglewood, Pyramid Hill, and Wedderburn.

The Shire encompasses a total land area of about 6,700 square kilometres. Land is used mainly for agriculture and horticulture, particularly grain, sheep, wool, beef cattle, dairy, pigs and poultry. In recent years, there has also been an increase in viticulture, olives, and fodder crops.

The primary source of employment in the Shire is agriculture, forestry and fishing with 37 per cent of employed residents working in those fields, while 10 per cent work in health care and social assistance, seven per cent in retail trade, and five per cent in public administration and safety.

SECTION 2: SERVICE PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2025

	2022	2023	2024	2025 Target as per budget	2025
Aquatic facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	2	2	2	NA	2.26
Comments: An increase in visitation to aquatic facilities can be attributed to favourable weather conditions, fewer facility closures, and an incentivised membership offering for the 2024/25 season.					
Animal management					
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal prosecutions] x 100	0%	0%	0%	NA	0%
Comments: There has been no animal management prosecutions in the 2024/25 financial year.					
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 outcome notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises] x 100	67%	100%	100%	NA	100%
Comments:					
Governance					
Satisfaction					
<i>Satisfaction with community consultation and engagement</i> Satisfaction with community consultation and engagement (community satisfaction rating out of 100 with the consultation and engagement efforts of Council)	56	52	50	56	51
Comments:					
Libraries					
Participation					
<i>Library membership</i> [Percentage of the population that are registered library members] x 100	NA	NA	NA	NA	12.46%
Comments: Membership remains within the expected range.					
Maternal and Child Health (MCH)					
Participation					
<i>Participation in MCH service</i> (in the year) / Number of children enrolled in the MCH service] x 100	87%	90%	87%	NA	93.11%
Comments:					
Maternal and Child Health (MCH)					
Participation					
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	78%	94%	92%	NA	93.10%
Comments:					

SECTION 2: SERVICE PERFORMANCE INDICATORS (Continued)

Service / indicator / measure	2022	2023	2024	2025 Target as per budget	2025
Roads					
Indicator: Condition					
<i>Sealed local roads below the intervention levels</i>					
Percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal	100%	99%	99%	99.99%	99.58%
Comments:					
Statutory planning					
Service standard					
<i>Planning applications decided within the relevant required time</i>					
Percentage of planning application decisions made within the relevant required time	85%	97%	96%	95%	94.05%
Comments: The statistic reflects that 94% of all applications were assessed within prescribed times.					
Waste management					
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i>					
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100	28%	28%	23%	28.50%	25.23%
Comments: The measure refers to the percentage of garbage and recyclables collected from kerbside bins that is diverted from landfill. There is only a slight variation on the amount of waste diverted from landfill compared to the same time in 2023/24.					

**SECTION 3: FINANCIAL PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2025**

Dimension / indicator / measure						Forecasts			
	2022	2023	2024	2025 Target as per budget	2025	2026	2027	2028	2029
Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,938.48	\$4,687.72	\$4,962.72	\$7,324.00	\$5,202.79	\$4,999.97	\$4,898.88	\$4,978.28	\$5,101.30
Comments:									
Efficiency Revenue level <i>Average rate per property assessment</i> [Sum of all general rates and municipal charges / Number of property assessments]	\$1,256.83	\$1,276.55	\$1,315.10	N/A	\$1,353.00	\$1,407.02	\$1,445.34	\$1,474.53	\$1,504.27
Comments:									
Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x 100	604.47%	596.58%	609.30%	492.17%	1117.14%	681.10%	576.72%	455.62%	305.31%
Comments: Council has significantly higher levels of cash at year end due to the advance receipt of Victorian Grants Commission grant funds.									
Liquidity Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x 100	-111.49%	-42.16%	-136.85%	N/A	15.97%	15.57%	15.36%	15.08%	14.76%
Comments: Council has significantly higher levels of cash at year end due to the advance receipt of Victorian Grants Commission grant funds.									
Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x 100	0.00%	0.00%	0.00%	N/A	0.00%	0.00%	0.00%	0.00%	0.00%
Comments:									
Obligations Loans and borrowings <i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x 100	0.00%	0.00%	0.00%	N/A	0.00%	0.00%	0.00%	0.00%	0.00%
Comments:									

SECTION 3: FINANCIAL PERFORMANCE INDICATORS (Continued)

Dimension / indicator / measure						Forecasts			
	2022	2023	2024	2025 Target as per budget	2025	2026	2027	2028	2029
Obligations Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x 100	8.32%	10.79%	9.94%	N/A	8.53%	15.41%	17.13%	18.73%	20.29%
Comments: Council has less liabilities than last year.									
Obligations Asset renewal and upgrade <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and upgrade expenses / Asset depreciation] x 100	60.11%	47.58%	92.23%	52.13%	67.33%	63.11%	73.64%	75.82%	73.68%
Comments: Council's 2024/25 capital program has been focused on new asset investment whereas the 2023/24 program was more renewal focused.									
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x 100	3.94%	-37.44%	-53.86%	N/A	5.61%	-21.54%	-17.44%	-17.04%	-18.44%
Comments: Council's underlying surplus position has improved on last year due to advance grant funding received during the year.									
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> Computation: [Rate revenue / Adjusted underlying revenue] x 100	36.34%	30.41%	49.09%	27.45%	29.54%	41.25%	41.74%	41.75%	42.06%
Comments: Council's underlying surplus position has improved on last year due to advance grant funding received during the year.									
Stability Rates effort <i>Rates compared to property</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x 100	0.44%	0.35%	0.27%	N/A	0.24%	0.24%	0.24%	0.25%	0.25%
Comments:									

SECTION 4: SUSTAINABLE CAPACITY INDICATORS FOR THE YEAR ENDED 30 JUNE 2025

Indicator / measure	2022	2023	2024	2025
Population				
<i>Expenses per head of municipal population</i>	\$4,193	\$4,859	\$5,138	\$5,433.58
Total expenses / Municipal population				
Comments:				
Population				
<i>Infrastructure per head of municipal population</i>	\$43,983	\$47,672	\$51,159	\$54,021.13
[Value of infrastructure / Municipal population]				
Comments:				
Population				
<i>Population density per length of road</i>	1.59	1.64	1.64	1.64
[Municipal population / Kilometres of local roads]				
Comments:				
Own-source revenue				
<i>Own source revenue per head of municipal population</i>	\$1,999	\$2,127	\$2,252	\$2,273.24
[Own-source revenue / Municipal population]				
Comments:				
Recurrent grants				
<i>Recurrent grants per head of municipal population</i>	\$2,245	\$2,318	\$647	\$2,766
[Recurrent grants / Municipal population]				
Comments:	Council received advance grant funding during the year.			
Disadvantage				
<i>Relative socio-economic disadvantage</i>	2	2	2	2
[Index of relative socio-economic disadvantage by decile]				
Comments:				
Efficiency				
Workforce turnover				
<i>Percentage of staff turnover</i>	21.33%	17.81%	23.48%	22.20%
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100				
Comments:				

SECTION 5: NOTES TO THE ACCOUNTS

5.1 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, service performance, financial performance and sustainable capacity indicators and measures together with a description of the municipal district, an explanation of material variations in the results and notes to the accounts. 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 or the Council's satisfaction survey provider).

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by the *Local Government (Planning and Reporting) Regulations 2020*. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2025-26 to 2028-29 by the council's financial 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.

SECTION 5: NOTES TO THE ACCOUNTS (Continued)

5.2 Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: <ul style="list-style-type: none"> · non-recurrent grants used to fund capital expenditure; and · non-monetary asset contributions; and · 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
annual report	means an annual report prepared by a council under section 98 of the Act
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
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
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 authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the Food Act 1984
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
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
non-current liabilities	means all liabilities other than current liabilities
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
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, 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
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

SECTION 5: NOTES TO THE ACCOUNTS (Continued)

5.3 Other matters

Nothing further to report.

NEXT MEETING

The next Ordinary Meeting of Council will be held on 28 October 2025 at Wedderburn commencing at 3.00pm.

There being no further business the meeting was closed at .

Confirmed this.....day of..... 2025