

# Financial Statements

Year ending 30 June 2024



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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: **3 / October / 2024**  
**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 2024 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: **3 / October / 2024**  
**GAVAN LINDSAY HOLT, MAYOR**  
**Wedderburn, Victoria, 3518**



Signed: ..... Dated: **3 / October / 2024**  
**NEIL EDWARD BEATTIE, COUNCILLOR**  
**Wedderburn, Victoria, 3518**



Signed: ..... Dated: **3 / October / 2024**  
**LINCOLN WILLIAM FITZGERALD, BA (Nature Tourism), GAICD, CertTAA, CHIEF EXECUTIVE OFFICER**  
**Wedderburn, Victoria 3518**

## Independent Auditor's Report

### To the Councillors of Loddon Shire Council

<b>Opinion</b>	<p>I have audited the financial report of Loddon Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2024</li><li>• comprehensive income statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• statement of cash flows for the year then ended</li><li>• statement of capital works for the year then ended</li><li>• notes to the financial statements, including material accounting policy information</li><li>• certification of the financial statements.</li></ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2024 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the Local Government (Planning and Reporting) Regulations 2020, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE  
4 October 2024



Travis Derricott  
*as delegate for the Auditor-General of Victoria*

## COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
<b>Income / Revenue</b>			
Rates and charges	3.1	12,702,361	12,283,025
Statutory fees and fines	3.2	333,055	329,402
User fees	3.3	845,112	1,313,104
Grants - operating	3.4	5,280,553	21,623,177
Grants - capital	3.4	10,624,812	6,081,169
Contributions - monetary	3.5	30,000	361,400
Reimbursements and subsidies	3.6	1,233,013	1,181,739
Donated assets		-	45,322
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.7	274,838	17,390
Interest received	3.8	2,059,382	1,264,776
Share of net profits of associates and joint ventures	6.3	4,352	1,301
<b>Total income / revenue</b>		<b>33,387,478</b>	<b>44,501,805</b>
<b>Expenses</b>			
Employee costs	4.1	13,782,880	13,464,021
Materials and services	4.2	14,392,629	12,977,497
Depreciation	4.3	11,265,032	10,742,687
Bad and doubtful debts - allowance for impairment losses	4.4	64,408	57,799
Other expenses	4.5	306,014	311,346
<b>Total expenses</b>		<b>39,810,963</b>	<b>37,553,350</b>
<b>Surplus / (deficit) for year</b>		<b>(6,423,485)</b>	<b>6,948,455</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to surplus or deficit in future periods</i>			
Net asset revaluation gain	9.1(a)	28,488,069	39,617,225
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	6.3	(3,505)	(3,673)
<b>Total other comprehensive income</b>		<b>28,484,564</b>	<b>39,613,552</b>
<b>Total comprehensive result</b>		<b>22,061,079</b>	<b>46,562,007</b>

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

## BALANCE SHEET AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1	2,759,134	15,992,321
Other financial assets	5.1	31,197,145	33,188,401
Trade and other receivables	5.1	1,676,962	2,025,564
Other assets	5.2	1,138,803	711,733
Prepayments	5.2	189,065	5,267
Non-current assets classified as held for sale	6.1	491,805	311,958
<b>Total current assets</b>		<b>37,452,913</b>	<b>52,235,244</b>
<b>Non-current assets</b>			
Other assets	5.2	100	100
Investments in associates, joint ventures and subsidiaries	6.3	293,530	292,682
Intangible assets	5.2	2,705,783	2,807,790
Property, infrastructure, plant and equipment	6.2	416,767,788	382,469,773
<b>Total non-current assets</b>		<b>419,767,201</b>	<b>385,570,345</b>
<b>Total assets</b>		<b>457,220,114</b>	<b>437,805,589</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3(a)	1,641,590	2,375,392
Trust funds and deposits	5.3(b)	554,792	367,767
Contract and other liabilities	5.3(c)	1,422,500	3,176,276
Provisions	5.4	2,528,041	2,836,372
<b>Total current liabilities</b>		<b>6,146,923</b>	<b>8,755,807</b>
<b>Non-current liabilities</b>			
Provisions	5.4	1,735,513	1,773,183
<b>Total non-current liabilities</b>		<b>1,735,513</b>	<b>1,773,183</b>
<b>Total liabilities</b>		<b>7,882,436</b>	<b>10,528,990</b>
<b>Net assets</b>		<b>449,337,678</b>	<b>427,276,599</b>
<b>Equity</b>			
Accumulated surplus		100,714,871	91,709,883
Reserves	9	348,622,807	335,566,716
<b>Total equity</b>		<b>449,337,678</b>	<b>427,276,599</b>

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

### 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 / (loss)	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)	-	-
<b>Balance at end of financial year</b>		<b>449,337,678</b>	<b>100,714,871</b>	<b>330,338,083</b>	<b>18,284,724</b>

### 2023

	Note	Total 2023 \$	Accumulated surplus 2023 \$	Revaluation reserve 2023 \$	Other reserves 2023 \$
Balance at beginning of the financial year		380,714,592	91,667,547	262,232,789	26,814,256
Surplus/(deficit) for the year		6,948,455	6,948,455	-	-
Net asset revaluation gain / (loss)	9.1(a)	39,617,225	-	39,617,225	-
Transfer to reserves	9.1(b)	-	(24,971,210)	-	24,971,210
Transfer from reserves	9.1(b)	-	18,068,764	-	(18,068,764)
Share of other comprehensive income		(3,673)	(3,673)	-	-
<b>Balance at end of financial year</b>		<b>427,276,599</b>	<b>91,709,883</b>	<b>301,850,014</b>	<b>33,716,702</b>

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



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 Inflows/ (outflows) \$	2023 Inflows/ (outflows) \$
<b>Cash flows from operating activities</b>			
Rates and charges		12,464,008	12,127,262
Statutory fees and fines		35,046	336,507
User fees		1,606,044	649,596
Grants - operating		5,371,187	21,444,456
Grants - capital		8,871,036	6,181,169
Contributions - monetary		30,000	361,400
Donated assets		-	45,322
Reimbursements and subsidies		1,233,013	1,181,739
Interest received		1,632,312	1,390,151
Net GST refund		245,954	1,268,707
Trust funds and deposits taken		187,025	(15)
Employee costs		(14,487,038)	(13,361,866)
Material and services		(15,535,050)	(12,932,581)
<b>Net cash provided by (used in) operating activities</b>	9.2	<b>1,653,537</b>	<b>18,691,847</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(17,817,828)	(10,224,734)
Proceeds from sale of property, infrastructure, plant and equipment	3.7	939,848	302,050
Payments from / (for) investments		1,991,256	3,496,001
<b>Net cash provided by (used in) investing activities</b>		<b>(14,886,724)</b>	<b>(6,426,683)</b>
Net increase/(decrease) in cash and cash equivalents		(13,233,187)	12,265,164
Cash and cash equivalents at the beginning of the financial year		15,992,321	3,727,157
<b>Cash and cash equivalents at the end of the financial year</b>	5.1	<b>2,759,134</b>	<b>15,992,321</b>

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

## STATEMENT OF CAPITAL WORKS FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
<b>Land and buildings</b>			
Land		108,000	-
Buildings - specialised		10,048,390	1,394,372
Work in progress		(3,056,032)	3,722,102
<b>Total buildings</b>		<b>7,100,357</b>	<b>5,116,474</b>
<b>Plant and fittings</b>			
Plant, machinery and equipment		3,608,973	974,628
Office furniture and equipment		21,472	40,182
<b>Total plant and equipment</b>		<b>3,630,445</b>	<b>1,014,810</b>
<b>Infrastructure</b>			
Roads		6,493,747	2,953,021
Bridges		-	445,562
Footpaths and cycleways		349,487	522,263
Kerb and channel		-	-
Drainage		883,139	172,604
Street furniture		-	-
Work in progress		(577,949)	-
<b>Total infrastructure</b>		<b>7,148,424</b>	<b>4,093,450</b>
<b>Total capital works expenditure</b>	6.2	<b>17,879,226</b>	<b>10,224,734</b>
<b>Represented by:</b>			
New asset expenditure		4,314,461	1,014,810
Asset renewal expenditure		5,194,481	4,762,106
Asset expansion expenditure		3,174,988	4,099,041
Asset upgrade expenditure		5,195,296	348,777
<b>Total capital works expenditure</b>		<b>17,879,226</b>	<b>10,224,734</b>

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 COVID-19**

During 2023/24 the COVID-19 pandemic continued to impact on Council's operations. Council has noted only minor interruptions and no impacts of a material nature on its financial operations.

## 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. Management 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.

The budget figures detailed below are those adopted by Council on 27 June 2023.

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 2024 \$	Actual 2024 \$	Variance \$	Variance %	Ref
<b>Income / revenue</b>					
Rates and charges	12,713,535	12,702,361	(11,174)	-0.1%	
Statutory fees and fines	294,310	333,055	38,745	13.2%	
User fees	1,005,449	845,112	(160,337)	-15.9%	
Grants - operating	23,587,959	5,280,553	(18,307,406)	-77.6%	1
Grants - capital	4,775,452	10,624,812	5,849,360	122.5%	2
Contributions - monetary	-	30,000	30,000	100.0%	
Reimbursements and subsidies	579,225	1,233,013	653,788	112.9%	3
Donated assets	-	-	-	0.0%	
Interest earnings	435,000	2,059,382	1,624,382	373.4%	4
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	274,838	274,838	100.0%	5
Share of net profits/(losses) of associates and joint ventures	-	4,352	4,352	0.0%	
<b>Total income / revenue</b>	<b>43,390,931</b>	<b>33,387,478</b>	<b>(10,003,452)</b>	<b>-23.1%</b>	
<b>Expenses</b>					
Employee costs	14,758,874	13,782,880	975,994	6.6%	
Materials and services	31,976,442	14,392,629	17,583,813	-55.0%	6
Depreciation	10,308,760	11,265,032	(956,272)	9.3%	
Bad and doubtful debts - allowance for impairment losses	-	64,408	(64,408)	100.0%	7
Other expenses	364,176	306,014	58,162	-16.0%	
<b>Total expenses</b>	<b>57,408,253</b>	<b>39,810,963</b>	<b>17,597,289</b>	<b>-30.7%</b>	
<b>Surplus/(deficit) for the year</b>	<b>(14,017,322)</b>	<b>(6,423,485)</b>	<b>7,593,836</b>	<b>-54.2%</b>	

#### (I) Explanation of material variations

- 1 The budget for 2023/24 and had an allocated income and expense of \$20M for the flood program. There is significant approval delays which has reduced the delivery of this program. The timing of the Federal Assistance Grants also has a significant impact on this indicator.
- 2 The capital grants received in 2023/24 includes some carried forward amounts that were not at the relevant milestones in 2022/23 that have been carried forward. This also includes additional funding for the next round of the Local Roads Community Infrastructure program of \$3M.
- 3 The 2023/24 amount includes reimbursement for flood insurance works of approximately \$235K and Civic implementation cost reimbursements of approx. \$224K which were not included in the budget.
- 4 Significant increases in interest rates and available cash has resulted in increased interest income.
- 5 & 7 This is unknown, therefore Council does not budget for share of profit / loss or doubtful debts.
- 6 The budget for 2023/24 and had an allocated income and expense of \$20M for the flood program. There is significant approval delays which has reduced the delivery of this program.

## NOTE 2 ANALYSIS OF OUR RESULTS (CONTINUED)

### 2.1 Performance against budget (continued)

#### 2.1.2 Capital works

	Budget 2024 \$	Actual 2024 \$	Variance \$	Variance %	Ref
<b>Land and buildings</b>					
Land	5,000	228,000	(223,000)	4460.0%	1
Buildings	200,000	935,391	(735,391)	367.7%	2
Recreation, leisure and community facilities	750,000	4,709,727	(3,959,727)	528.0%	3
Parks, open space and streetscapes	1,327,380	1,227,239	100,141	-7.5%	
<b>Total land and buildings</b>	<b>2,282,380</b>	<b>7,100,357</b>	<b>(4,817,977)</b>	<b>211.1%</b>	
<b>Plant and equipment</b>					
Plant, machinery and equipment	2,490,440	3,608,973	(1,118,533)	44.9%	4
Office furniture and equipment	190,700	21,472	169,228	-88.7%	5
<b>Total plant and equipment</b>	<b>2,681,140</b>	<b>3,630,445</b>	<b>(949,305)</b>	<b>35.4%</b>	
<b>Infrastructure</b>					
Roads	5,379,445	6,493,746	(1,114,301)	20.7%	6
Bridges	152,328	247,868	(95,540)	62.7%	7
Footpaths and cycleways	232,061	349,487	(117,426)	50.6%	7
Drainage	-	57,323	(57,323)	100.0%	7
<b>Total infrastructure</b>	<b>5,763,834</b>	<b>7,148,424</b>	<b>(1,384,590)</b>	<b>24.0%</b>	
<b>Total capital works expenditure</b>	<b>10,727,354</b>	<b>17,879,226</b>	<b>(7,151,872)</b>	<b>66.7%</b>	
<b>Represented by:</b>					
New asset expenditure	2,681,140	4,314,461	(1,633,321)	60.9%	
Asset renewal expenditure	5,968,834	5,194,481	774,353	-13.0%	
Asset expansion expenditure	2,077,380	3,174,988	(1,097,608)	52.8%	
Asset upgrade expenditure	-	5,195,296	(5,195,296)	100.0%	
<b>Total capital works expenditure</b>	<b>10,727,354</b>	<b>17,879,226</b>	<b>(7,151,872)</b>	<b>66.7%</b>	

#### (i) Explanation of material variations

- The main variance in this expenditure type is the purchase of an additional property in Bridgewater of \$210K which was not for sale at the time of developing the budget.
- The main variance in this expenditure type relates to the carried forward projects within the caravan parks (\$682K at 30 June) and other minor carried forward building asset management plan projects.
- During 2023/24 the adopted budget of \$750K increased to just under \$8.7M due to carried forward projects and new grants. Of this amount \$4.71M was delivered as at 30 June 2024. The main projects in this area were the Donaldson Park Pavillion (\$3.5M) and the Pyramid Hill Community Centre (\$710K).
- During 2023/24 the adopted budget of \$2.49M increased to just under \$4.0M due to plant items that were on order, but not yet received. Of this amount \$3.61M was delivered as at 30 June 2024. This included 2 graders, 3 mowers and 2 trucks.
- Due to the new costing around computer replacements, many of the items within the program are no longer classified as capital as they are under the \$3K threshold.
- During 2023/24 the adopted budget of \$5.4M increased to \$9.29M due to carried forward projects and new grants. Of this amount \$6.49M was delivered as at 30 June 2024. Some of these carried forward amounts include road construction projects on Pyramid Yarraberb Rd of \$1.23M and Echuca Serpentine Road of \$1.8M.
- Within the other infrastructure cost types the main variances include large bridge and culvert projects on Canary Island Leaghur Rd of \$250K that was carried forward from 2022/23, along with large footpath projects in Bort and Inglewood (\$325K) which were carried forward also.

## 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

##### 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
<b>Total</b>	<b>33,387,478</b>	<b>39,810,963</b>	<b>(6,423,485)</b>	<b>15,905,365</b>	<b>457,220,114</b>

##### 2023 - Council Plan

	Income / revenue \$	Expenses \$	Surplus / (Deficit) \$	Grants included in income / revenue \$	Total assets \$
Sustainable built and natural environment	11,163,154	7,028,256	4,134,898	8,723,022	378,073,554
Growing and vibrant community	3,455,074	2,401,182	1,053,892	2,950,996	-
Diverse and expanding economy	825,819	1,095,862	(270,043)	269,287	311,958
Supported and accessible community	29,057,758	27,028,050	2,029,708	15,761,041	59,420,077
<b>Total</b>	<b>44,501,805</b>	<b>37,553,350</b>	<b>6,948,455</b>	<b>27,704,346</b>	<b>437,805,589</b>

## 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 2023/24 was \$4,745,253,300. The valuation base used in 2022/23 was \$3,497,520,100.

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
General rates	2,402,796	2,688,092
Rural production rates	6,730,196	6,181,689
Municipal charges	1,416,725	1,356,691
Kerbside recycling charges	546,842	527,248
Garbage charges	1,536,425	1,477,925
Interest on rates and charges	69,377	51,380
<b>Total rates and garbage charges</b>	<b>12,702,361</b>	<b>12,283,025</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2023, and the valuation was first applied in the rating year commencing 1 July 2023.

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

### 3.2 Statutory fees and fines

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Statutory fees and fines</b>		
Rates and property	17,987	14,284
Risk management	2,378	3,232
Building regulation	43,548	44,998
Local laws and animal management	74,071	85,016
Public health	61,115	54,702
Strategic and statutory planning	133,956	127,170
<b>Total statutory fees and fines</b>	<b>333,055</b>	<b>329,402</b>

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



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

### 3.3 User fees

	2024 \$	2023 \$
<b>User fees</b>		
Caravan parks	128,198	494,146
Municipal health and wellbeing	52,456	-
Tourism	7,686	17,407
Aged care services	403	418,362
Seniors	7,667	4,516
Emergency management	4,881	4,911
Preschools	9,747	4,896
Corporate governance	1,819	565
Financial services	3,097	2,641
Human resources and development	25,100	49,058
Council engineering and technical services	40,047	63,831
Building regulation	-	2,217
Local laws and animal management	403	-
Building and property management	44,940	61,563
Gravel pits	353,810	16,203
Roads	8,059	16,687
Waste management	44,122	38,013
Other	1,021	2,908
<b>Rent received</b>		
Elderly persons units	70,610	70,202
Economic development	41,046	44,978
<b>Total user fees</b>	<b>845,112</b>	<b>1,313,104</b>
<b>User fees by timing of revenue recognition</b>		
User fees recognised at a point in time	845,112	1,313,104
<b>Total user fees</b>	<b>845,112</b>	<b>1,313,104</b>

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

### 3.4 Funding from other levels of government

	2024 \$	2023 \$
Grants were received in respect of the following:		
<b>Summary of grants</b>		
Commonwealth funded grants	3,288,086	15,513,407
State funded grants	12,617,279	12,190,939
<b>Total grants received</b>	<b>15,905,365</b>	<b>27,704,346</b>

	2024 \$	2023 \$
<b>(a) Operating grants</b>		
<b>Recurrent - Commonwealth Government:</b>		
Financial Assistance Grant - general purpose grant	282,324	7,927,689
Financial Assistance Grant - local roads	205,224	5,610,806
<b>Total operating Commonwealth Government grants</b>	<b>487,548</b>	<b>13,538,495</b>

**NOTE 3 FUNDING FOR THE DELIVERY OF OUR SERVICES (Continued)****3.4 Funding from other levels of government (continued)**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Recurrent - State Government:</b>		
Aged care services	56,265	869,649
Seniors	-	3,700
Maternal and child health	393,684	274,172
Early years	-	186,834
Preschools	751,065	628,052
Rates and property	47,441	46,397
Roads	85,000	75,000
Waste management	21,734	6,635
Other	35,373	43,795
<b>Total recurrent operating grants</b>	<b>1,390,562</b>	<b>2,134,234</b>
<b>Non recurrent - State Government:</b>		
Flood management	2,602,987	5,378,067
Community wellbeing projects	-	20,500
Grants and community planning	194,000	182,000
Early years	-	109,239
Preschools	399,398	-
Project and contract management	-	58,400
Public health	191,445	152,242
Strategic and statutory planning	-	50,000
Other	14,613	-
<b>Total non recurrent operating grants</b>	<b>3,402,443</b>	<b>5,950,448</b>
<b>Total operating grants</b>	<b>5,280,553</b>	<b>21,623,177</b>
<b>(b) Capital grants</b>		
<b>Recurrent - Commonwealth Government:</b>		
Roads to Recovery	2,800,538	1,974,912
<b>Recurrent - State Government:</b>		
Caravan parks	331,633	269,287
<b>Non recurrent - State Government:</b>		
Grants and community planning	4,426,103	1,000,000
Project and contract management	-	111,258
Infrastructure program	3,066,538	2,725,712
<b>Total non recurrent capital grants</b>	<b>7,492,641</b>	<b>3,836,970</b>
<b>Total capital grants</b>	<b>10,624,812</b>	<b>6,081,169</b>

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

### 3.4 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.

	2024 \$	2023 \$
<b>Income recognised under AASB 1058 <i>Income of Not-for-Profit Entities</i></b>		
General purpose	489,744	13,546,014
Specific purpose grants to acquire non-financial assets	14,563,244	13,244,867
Other specific purpose grants	11,750	11,750
<b>Revenue recognised under AASB 15 <i>Revenue from Contracts with Customers</i></b>		
Specific purpose grants	840,627	901,715
<b>Total grants recognised in income statement</b>	<b>15,905,365</b>	<b>27,704,345</b>

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

	2024 \$	2023 \$
<b>Operating</b>		
<b>Balance at start of year</b>	<b>10,516,679</b>	<b>7,137,817</b>
Received during the financial year and remained unspent at balance date	53,963	5,642,536
Received in prior years and spent during the financial year	(8,766,260)	(2,263,674)
<b>Balance at year end</b>	<b>1,804,382</b>	<b>10,516,679</b>
<b>Capital</b>		
<b>Balance at start of year</b>	<b>6,772,257</b>	<b>4,198,618</b>
Received during the financial year and remained unspent at balance date	(153,297)	3,607,969
Received in prior years and spent during the financial year	(4,559,680)	(1,034,330)
<b>Balance at year end</b>	<b>2,059,280</b>	<b>6,772,257</b>
<b>Unspent Grants Reserve at year end (Note 9.1(b))</b>	<b>3,863,662</b>	<b>17,288,936</b>
<b>Unearned income</b>		
<b>Balance at start of year</b>	<b>3,176,276</b>	<b>3,076,276</b>
Received during the financial year and remained unspent at balance date	200,000	100,000
Received in prior years and spent during the financial year	(1,953,776)	-
<b>Unearned income balance at year end</b>	<b>1,422,500</b>	<b>3,176,276</b>

Unspent grants are determined and disclosed on a cash basis.

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

### 3.5 Contributions

	2024 \$	2023 \$
Contributions - operating - monetary	10,000	88,150
Contributions - capital - monetary	20,000	273,250
<b>Total contributions</b>	<b>30,000</b>	<b>361,400</b>

Monetary contributions are recognised as income at their fair value when Council obtains control over the contributed asset.

### 3.6 Reimbursements and subsidies

	2024 \$	2023 \$
Council administration	134,400	119,282
Grants and community planning	5,298	11,770
Risk management	339,240	111,121
Governance	223,734	183,339
Plant and fleet	169,223	109,817
Department of Transport routine maintenance contract	357,882	640,338
Other	3,236	6,072
<b>Total reimbursements and subsidies</b>	<b>1,233,013</b>	<b>1,181,739</b>

Reimbursements and subsidies are recognised as revenue when the service has been provided or Council has otherwise earned the income.

### 3.7 Net gain (or loss) on disposal of property, infrastructure, plant and equipment

	2024 \$	2023 \$
Proceeds from sale	939,848	302,050
Written down value of assets disposed	(665,010)	(284,660)
<b>Total net gain (or loss) on disposal of property, infrastructure, plant and equipment</b>	<b>274,838</b>	<b>17,390</b>

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

### 3.8 Interest received

	2024 \$	2023 \$
Interest on investments	1,990,005	1,213,396
Rates interest	69,377	51,380
<b>Total interest received</b>	<b>2,059,382</b>	<b>1,264,776</b>

Interest is recognised as it is earned.

## NOTE 4 THE COST OF DELIVERING SERVICES

### 4.1 (a) Employee costs

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Salaries and wages	10,546,794	10,747,112
Annual leave and long service leave	1,396,027	1,203,601
Superannuation	1,346,552	1,192,587
Fringe benefits	109,871	109,776
Workcover	383,636	210,945
<b>Total employee costs</b>	<b>13,782,880</b>	<b>13,464,021</b>

### (b) Superannuation

Council made contributions to the following funds:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Defined benefit fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	35,020	44,948
<b>Total defined benefit fund</b>	<b>35,020</b>	<b>44,948</b>

Employer contributions payable at reporting date is NIL.

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	546,613	562,593
Employer contributions - Australian Super	156,923	115,556
Employer contributions - VicSuper	106,394	66,789
Employer contributions - Hesta	46,072	39,794
Employer contributions - Cbus	62,205	55,644
Employer contributions - other funds	393,325	307,263
<b>Total accumulated funds</b>	<b>1,311,532</b>	<b>1,147,639</b>

Employer contributions payable at reporting date is NIL.

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

### 4.2 Materials and services

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Major contracts</b>		
Caravan parks	32,938	221,459
Swimming pools	442,070	416,885
Building and property maintenance	272,531	242,080
Waste management operations	1,385,004	1,160,677
Other contracts	82,259	276,940
Major projects	452,072	-
<b>Other materials and services</b>		
Commercial services	66,415	-
Insurance	746,319	552,532
Administration and management	-	385,461
Economic development	27,700	285,626
Council administration	205,201	162,635

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

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Library services	217,875	205,410
Flood management	3,930,919	1,920,573
Media	92,113	82,582
Caravan parks	43,316	148,674
Tourism	230,830	99,941
Aged care services	68,270	208,433
Elderly persons units	55,059	35,022
Seniors	43,502	30,699
Community wellbeing	-	86,588
Community support	491,618	214,029
Recreation and community planning	178,636	277,805
Emergency management	10,977	25,187
Municipal health and wellbeing	7,171	23,857
Swimming pools	133,535	106,185
Early years	61,526	75,565
Preschools	244,720	41,867
Corporate governance	221,959	88,096
Financial services	392,399	70,145
Customer service	38,617	46,001
Information technology	1,202,634	1,081,202
Human resources and management	312,059	236,957
Risk management	16,082	115,909
Council engineering and technical services	144,593	72,810
Project and contract management	-	100,985
Building regulation	31,604	73,394
Local laws and animal management	31,431	33,704
Public health	174,854	106,072
Building and property maintenance	398,023	359,204
Plant and fleet	(518,664)	406,653
Gravel pits	197,643	244,628
Parks and townships	248,660	258,909
Roads	861,562	517,135
Department of Transport routine maintenance contract	158,264	260,402
Waste management	224,832	900,270
Waterways management	8,600	25,148
Utilities	495,935	513,196
Other	228,966	179,965
<b>Total materials and services</b>	<b>14,392,629</b>	<b>12,977,497</b>

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

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Roads	6,895,265	6,575,366
Buildings	1,732,960	1,583,137
Plant and equipment	993,045	818,814
Bridges	558,400	532,118
Urban drains	565,827	537,282
Furniture and equipment	36,139	206,589
Footpaths	204,823	220,964
Kerb and channel	208,074	199,965
Landfills	12,709	12,706
Street furniture	56,673	54,631
Quarries	1,117	1,115
<b>Total depreciation</b>	<b>11,265,032</b>	<b>10,742,687</b>

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

### 4.4 Bad and doubtful debts - allowance for impairment losses

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Rates debtors	62,848	56,973
Sundry debtors	1,560	826
<b>Total bad and doubtful debts - allowance for impairment losses</b>	<b>64,408</b>	<b>57,799</b>

#### Movement in allowance for impairment losses in respect of debtors

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of the year	205,470	151,188
New provisions recognised during the year	64,408	57,799
Amounts already provided for and written off as uncollectible	(79)	(2,540)
Amounts provided for but recovered during the year	(2,480)	(977)
<b>Balance at end of year</b>	<b>267,319</b>	<b>205,470</b>

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

### 4.5 Other expenses

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Councillors' allowances	226,466	226,466
Auditors' remuneration - Internal Audit	23,412	40,280
Auditors' remuneration - VAGO - Audit of the financial statements, performance statement and grant acquittals	56,136	44,600
<b>Total other expenses</b>	<b>306,014</b>	<b>311,346</b>

## NOTE 5 INVESTING IN AND FINANCING OUR OPERATIONS

### 5.1 Financial assets

#### (a) Cash and cash equivalents

	2024 \$	2023 \$
Cash on hand	1,800	1,800
Cash at bank (CEO's advance account)	4,000	4,000
Cash at bank (general account)	2,753,334	15,986,521
<b>Cash and cash equivalents</b>	<b>2,759,134</b>	<b>15,992,321</b>

#### (b) Other financial assets

	2024 \$	2023 \$
<b>Current</b>		
Term deposits	31,000,000	33,000,000
Cash at bank (trust account)	197,145	188,401
<b>Total current other financial assets</b>	<b>31,197,145</b>	<b>33,188,401</b>
<b>Total other financial assets</b>	<b>31,197,145</b>	<b>33,188,401</b>

<b>Total cash and cash equivalents and other financial assets</b>	<b>33,956,279</b>	<b>49,180,722</b>
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Council's other financial assets are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

	2024 \$	2023 \$
<b>Restricted funds</b>		
Trust funds (Note 5.3)	554,792	367,767
<b>Total restricted funds</b>	<b>554,792</b>	<b>367,767</b>
<b>Total unrestricted funds</b>	<b>30,642,353</b>	<b>32,820,634</b>

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

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

	2024 \$	2023 \$
<b>Current</b>		
<i>Statutory receivables</i>		
Net receivable GST	268,541	359,175
Rates debtors	602,636	364,283
Allowance for expected credit loss	(144,352)	(110,954)
	<b>726,825</b>	<b>612,504</b>
<i>Non statutory receivables</i>		
Sundry debtors	976,996	1,403,023
Other debtors	96,108	104,553
Allowance for expected credit loss	(122,967)	(94,516)
Loans and advances to community organisations	-	-
	<b>950,137</b>	<b>1,413,060</b>
<b>Total current trade and other receivables</b>	<b>1,676,962</b>	<b>2,025,564</b>

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:

	2024 \$	2023 \$
Current (not yet due)	722,175	311,549
Past due by up to 30 days	206,317	774,796
Past due between 31 and 180 days	7,085	276,135
Past due between 181 and 365 days	1,383	13,287
Past due over 365 days	40,036	131,809
<b>Total trade and other receivables</b>	<b>976,996</b>	<b>1,507,576</b>

## NOTE 5 INVESTING IN AND FINANCING OUR OPERATIONS (Continued)

### 5.1 Financial assets (continued)

#### (e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$122,967 (2023: \$94,516) were impaired. The amount of the allowance raised against these debtors was \$122,967 (2023: \$94,516). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

	2024 \$	2023 \$
Current (not yet due)		
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	122,967	94,516
<b>Total trade and other receivables</b>	<b>122,967</b>	<b>94,516</b>

### 5.2 Non-financial assets

#### (a) Other assets

	2024 \$	2023 \$
<b>Current</b>		
Accrued income	1,138,803	711,733
Prepayments	189,065	5,267
<b>Total current</b>	<b>1,327,868</b>	<b>717,000</b>
<b>Non-current</b>		
Procurement Australia Pty Ltd Shares	100	100
<b>Total non-current</b>	<b>100</b>	<b>100</b>
<b>Total other assets</b>	<b>1,327,968</b>	<b>717,100</b>

## NOTE 5 INVESTING IN AND FINANCING OUR OPERATIONS (Continued)

### 5.2 Non-financial assets (continued)

#### (b) Intangible assets

	2024 \$	2023 \$
<b>Non-current</b>		
Water rights	2,705,783	2,807,790
<b>Total intangible assets</b>	<b>2,705,783</b>	<b>2,807,790</b>

#### Reconciliation of movements in intangible assets for the reporting period

	2024 \$	2023 \$
<b>Water rights</b>		
Gross carrying amount at beginning of period	2,807,790	2,713,090
Additional water rights obtained during the period	-	-
Water rights disposed of during the period	-	-
Revaluation increment / (decrement)	(102,007)	94,700
Depreciation and amortisation	-	-
<b>Gross carrying amount at end of period</b>	<b>2,705,783</b>	<b>2,807,790</b>

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

Water rights are revalued at 30 June 2024 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

#### (a) Trade and other payables

	2024 \$	2023 \$
<b>Current</b>		
<i>Non-statutory payables</i>		
Trade payables	182,157	1,853,234
Accrued wages and salaries	-	476,066
Accrued expenses	1,459,433	46,092
<b>Total trade and other payables</b>	<b>1,641,590</b>	<b>2,375,392</b>

#### (b) Trust funds and deposits

	2024 \$	2023 \$
<b>Current</b>		
Contract retentions	207,018	66,698
Fire services property levy	123,221	83,586
Building deposits	27,340	27,340
Unclaimed monies	68	1,742
Other refundable deposits:		
Wedderburn Pre-school investment	197,145	188,401
<b>Total trust funds and deposits</b>	<b>554,792</b>	<b>367,767</b>

#### (c) Other liabilities

	2024 \$	2023 \$
<b>Current</b>		
Deferred capital grants	1,422,500	3,176,276
<b>Total other liabilities</b>	<b>1,422,500</b>	<b>3,176,276</b>

#### *Trust funds and deposits*

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

#### *Other liabilities*

Grant consideration that is received from another relevant authority to support construction projects. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion. As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

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

### **5.3 Payables, trust funds and deposits and contract and other liabilities (continued)**

#### **Purpose and nature of items**

##### ***Contract retentions***

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

##### ***Fire Services Property Levy***

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

##### ***Building deposits***

Under the provisions of the *Building Act 1993*, Council may issue a Building Permit subject to a condition that the applicant must deposit with the Council a bond, for an amount determined in accordance with the regulations, to secure the complete and satisfactory carrying out of the work authorised by the Building Permit.

##### ***Wedderburn Pre-school investment***

Council is holding funds on behalf of the Wedderburn Pre-school. These funds are invested by Council according to the instructions of the pre-school.

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

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)
<b>Balance at the end of the financial year</b>	<b>963,179</b>	<b>1,835,172</b>	<b>76,708</b>	<b>1,307,847</b>	<b>80,648</b>	<b>4,263,554</b>

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

2023	Employee			Landfill rehabilitation	Gravel pit rehabilitation	Total
	Annual leave	Long service leave	RDOs			
Balance at beginning of the financial year	1,042,900	1,999,063	94,218	886,416	65,098	4,087,695
Additional provisions	870,217	295,861	551,432	545,808	9,082	2,272,400
Amounts used	(935,733)	(267,868)	(546,939)	-	-	(1,750,540)
<b>Balance at the end of the financial year</b>	<b>977,384</b>	<b>2,027,056</b>	<b>98,711</b>	<b>1,432,224</b>	<b>74,180</b>	<b>4,609,555</b>

<i>Provisions - current</i>	977,384	1,688,666	98,711	71,611	-	<b>2,836,372</b>
<i>Provisions - non-current</i>	-	338,390	-	1,360,613	74,180	<b>1,773,183</b>

**(a) Employee provisions**

	2024 \$	2023 \$
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	770,543	781,907
Long service leave	184,959	219,527
RDOs	76,708	98,711
<b>Total</b>	<b>1,032,210</b>	<b>1,100,145</b>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	192,636	195,477
Long service leave	1,237,803	1,469,139
<b>Total</b>	<b>1,430,439</b>	<b>1,664,616</b>
<b>Total current employee provisions</b>	<b>2,462,649</b>	<b>2,764,761</b>
<b>Non-current</b>		
Long service leave	412,410	338,390
<b>Total non-current employee provisions</b>	<b>412,410</b>	<b>338,390</b>

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

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Aggregate carrying amount of employee provisions</b>		
Current	2,462,649	2,764,761
Non-current	412,410	338,390
<b>Total aggregate amount of employee provisions</b>	<b>2,875,059</b>	<b>3,103,151</b>

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:

	<b>2024</b>	<b>2023</b>
Discount rate	4.45%	5.76%
Index rate	2.25%	3.94%

**(b) Landfill restoration**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Current	65,392	71,611
Non-current	1,242,455	1,360,613
<b>Total landfill restoration</b>	<b>1,307,847</b>	<b>1,432,224</b>

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:

	<b>2024</b>	<b>2023</b>
Discount rate	3.76%	3.65%
Index rate	3.41%	3.17%

## NOTE 5 INVESTING IN AND FINANCING OUR OPERATIONS (Continued)

### 5.4 Provisions (continued)

#### (c) Gravel pit rehabilitation

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Non-current	80,648	74,180
<b>Total gravel pit rehabilitation</b>	<b>80,648</b>	<b>74,180</b>

Council is obligated to restore gravel pit sites to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for gravel pit restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard and budgeted costs for that work. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Key assumptions:	<b>2024</b>	<b>2023</b>
Discount rate	3.64%	3.57%
Index rate	3.41%	2.52%

#### Summary of provisions

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Current	2,528,041	2,836,372
Non-current	1,735,513	1,773,183
<b>Total provisions</b>	<b>4,263,554</b>	<b>4,609,555</b>

### 5.5 Financing arrangements

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Bank overdraft - Westpac	500,000	500,000
Credit card facilities	100,000	100,000
<b>Total facilities</b>	<b>600,000</b>	<b>600,000</b>
Used facilities	-	-
<b>Unused facilities</b>	<b>600,000</b>	<b>600,000</b>



## 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

##### 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 \$
<b>Operating</b>					
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
<b>Total</b>	<b>2,698,816</b>	<b>972,385</b>	<b>1,944,770</b>	<b>-</b>	<b>5,615,971</b>
<b>Capital</b>					
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
<b>Total</b>	<b>1,641,837</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,641,837</b>
	<b>4,340,653</b>	<b>972,385</b>	<b>1,944,770</b>	<b>-</b>	<b>7,257,808</b>

##### 2023

	Not later than 1 year \$	Later than 1 year and not later than 2 years \$	Later than 2 years and not later than 5 years \$	Later than 5 years \$	Total \$
<b>Operating</b>					
Environmental services	972,385	972,385	2,917,155	-	4,861,925
Insurance services	693,287	-	-	-	693,287
Library corporation	252,910	-	-	-	252,910
Workcover	260,337	-	-	-	260,337
Flood restoration works	2,033,462	-	-	-	2,033,462
Strategy development	60,500	-	-	-	60,500
<b>Total</b>	<b>4,272,881</b>	<b>972,385</b>	<b>2,917,155</b>	<b>-</b>	<b>8,162,421</b>
<b>Capital</b>					
Donaldson Park	1,788,021	-	-	-	1,788,021
Footpath contracted works	375,878	-	-	-	375,878
Bridge and culvert contracted works	140,734	-	-	-	140,734
Major plant and fleet items	3,162,427	-	-	-	3,162,427
Lighting projects	540,628	-	-	-	540,628
<b>Total</b>	<b>6,007,688</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,007,688</b>
	<b>10,280,569</b>	<b>972,385</b>	<b>2,917,155</b>	<b>-</b>	<b>14,170,109</b>

## 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.

	2024 \$	2023 \$
<b>Lease receivable</b>		
No later than one year	61,800	60,000
Later than one year and not later than five years	266,305	191,018
Later than five years	-	-
	<b>328,105</b>	<b>251,018</b>

### 5.7 Leases

At inception of a contract, Council assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- the contract involves the use of an identified asset;
- Council has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- Council has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Council has elected to apply the temporary option available under *AASB 16 Leases* which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Council has concessionary leases covering crown land parcels as outlined below:

- caravan parks at Boort and Pyramid Hill
- office space at Serpentine
- various other community recreation and hall / centre facilities.

There is no cost for the lease of these properties, however Council is responsible for all maintenance, utility and relevant insurance costs associated with the land. No lease term has been determined for the properties outlined.

#### Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of \$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2024 \$	2023 \$
<b>Expenses relating to:</b>		
Short-term leases	-	-
Leases of low value assets	20,533	17,048
<b>Total</b>	<b>20,533</b>	<b>17,048</b>

## NOTE 5 INVESTING IN AND FINANCING OUR OPERATIONS (Continued)

### 5.7 Leases (continued)

#### Non-cancellable lease commitments - Short-term and low-value leases

	2024 \$	2023 \$
Commitments for minimum lease payments for short-term and low-value leases are payable as follows:		
Within one year	3,383	3,359
Later than 1 year but no later than 5 years	17,150	13,689
<b>Total lease commitments</b>	<b>20,533</b>	<b>17,048</b>

## NOTE 6 ASSETS WE MANAGE

### 6.1 Non current assets classified as held for sale

	2024 \$	2023 \$
<b>Non current</b>		
Land at valuation	509,643	323,273
LESS selling costs	(17,838)	(11,315)
<b>Total non current assets held for sale</b>	<b>491,805</b>	<b>311,958</b>

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 2023 \$	Additions / Transfers \$	Revaluations / Impairment \$	Depreciation \$	Disposals \$	Carrying amount 30 June 2024 \$
Land	14,010,670	108,000	6,449,367	-	-	20,388,190
Buildings	52,614,329	10,048,390	8,296,996	(1,732,960)	-	69,165,358
Plant and equipment	6,869,393	3,630,445	-	(1,029,185)	(665,011)	8,805,642
Infrastructure	302,401,724	7,726,373	13,843,712	(8,502,887)	-	315,468,922
Work in progress	6,573,656	(3,633,981)	-	-	-	2,939,675
<b>Total</b>	<b>382,469,773</b>	<b>17,879,226</b>	<b>28,590,075</b>	<b>(11,265,032)</b>	<b>(665,011)</b>	<b>416,767,788</b>
			Revaluation 34,140,763			
			Impairment (5,550,687)			
			<b>28,590,075</b>			

**Summary of work in progress**

	Opening WIP \$	Additions \$	Transfers \$	Write-off \$	Closing WIP \$
Property	5,693,698	1,670,743	(4,726,775)	-	2,637,666
Infrastructure	879,958	302,009	(879,958)	-	302,009
<b>Total</b>	<b>6,573,656</b>	<b>1,972,752</b>	<b>(5,606,733)</b>	<b>-</b>	<b>2,939,675</b>

**(a) Property**

	Land \$	Buildings \$	Work in progress \$	Total land and buildings \$
<b>Land and Buildings</b>				
At fair value 1 July 2023	14,010,670	94,944,470	5,693,698	114,648,838
Accumulated depreciation at 1 July 2023	-	(42,330,141)	-	(42,330,141)
	<b>14,010,670</b>	<b>52,614,329</b>	<b>5,693,698</b>	<b>72,318,697</b>
<b>Movements in fair value</b>				
Additions	108,000	10,048,390	1,670,743	11,827,133
Revaluation	6,449,367	14,465,501	-	20,914,868
Transfers	(179,847)	(10,793)	-	(190,640)
	<b>6,377,520</b>	<b>24,503,098</b>	<b>1,670,743</b>	<b>32,551,361</b>
<b>Movements in accumulated</b>				
Depreciation	-	(1,732,960)	-	(1,732,960)
Revaluation	-	(6,168,505)	-	(6,168,505)
Transfers	-	(50,604)	(4,726,775)	(4,777,379)
	-	<b>(7,952,069)</b>	<b>(4,726,775)</b>	<b>(12,678,844)</b>
At fair value 30 June 2024	20,388,190	119,447,568	2,637,666	147,200,199
Accumulated depreciation at 30 June 2024	-	(50,282,210)	-	(55,008,985)
<b>Carrying amount</b>	<b>20,388,190</b>	<b>69,165,358</b>	<b>2,637,666</b>	<b>92,191,214</b>

## 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
	\$	\$	\$
<b>Plant and equipment</b>			
At fair value 1 July 2023	14,164,930	1,888,758	16,053,688
Accumulated depreciation at 1 July 2023	(7,638,053)	(1,546,242)	(9,184,295)
	<b>6,526,877</b>	<b>342,516</b>	<b>6,869,393</b>
<b>Movements in fair value</b>			
Additions	3,608,973	21,472	3,630,445
Disposal	(2,247,451)	(1,104,100)	(3,351,551)
	<b>1,361,522</b>	<b>(1,082,628)</b>	<b>278,894</b>
<b>Movements in accumulated depreciation</b>			
Depreciation	(993,046)	(36,139)	(1,029,185)
Accumulated depreciation of disposals	1,697,170	989,370	2,686,540
	<b>704,124</b>	<b>953,231</b>	<b>1,657,355</b>
At fair value 30 June 2024	15,526,452	806,130	16,332,582
Accumulated depreciation at 30 June 2024	(6,933,929)	(593,011)	(7,526,940)
<b>Carrying amount</b>	<b>8,592,523</b>	<b>213,119</b>	<b>8,805,642</b>

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

	<b>Roads \$</b>	<b>Bridges \$</b>	<b>Footpaths and cycleways \$</b>	<b>Kerb and channel \$</b>	<b>Drainage \$</b>
<b>Infrastructure</b>					
At fair value 1 July 2023	363,270,548	52,499,835	10,425,971	11,984,940	40,866,724
Accumulated depreciation at 1 July 2023	(126,773,074)	(22,054,265)	(2,929,280)	(4,628,213)	(21,502,346)
	<b>236,497,474</b>	<b>30,445,570</b>	<b>7,496,691</b>	<b>7,356,727</b>	<b>19,364,378</b>
<b>Movements in fair value</b>					
Additions	6,493,747	-	349,487	-	3,181
Revaluation	15,012,707	2,590,385	(1,017,335)	486,083	1,288,092
Transfers	-	-	-	-	879,958
Impairment losses recognised	-	-	-	-	-
	<b>21,506,454</b>	<b>2,590,385</b>	<b>(667,848)</b>	<b>486,083</b>	<b>2,171,231</b>
<b>Movements in accumulated depreciation</b>					
Depreciation	(6,895,264)	(558,400)	(204,823)	(208,074)	(565,827)
Revaluation (increments)/decrements	1,169,082	225,497	66,536	59,402	(576,583)
Impairment losses recognised	(5,422,505)	(128,182)	-	-	-
	<b>(11,148,687)</b>	<b>(461,085)</b>	<b>(138,287)</b>	<b>(148,672)</b>	<b>(1,142,410)</b>
At fair value 30 June 2024	384,777,002	55,090,220	9,758,123	12,471,023	43,037,955
Accumulated depreciation at 30 June 2024	(137,921,761)	(22,515,350)	(3,067,567)	(4,776,885)	(22,644,756)
<b>Carrying amount</b>	<b>246,855,241</b>	<b>32,574,870</b>	<b>6,690,556</b>	<b>7,694,138</b>	<b>20,393,199</b>

	<b>Quarries \$</b>	<b>Street Furniture \$</b>	<b>Landfills \$</b>	<b>Work In Progress \$</b>	<b>Total Infrastructure \$</b>
<b>Infrastructure (continued)</b>					
At fair value 1 July 2023	58,507	1,269,498	1,994,306	879,958	483,250,288
Accumulated depreciation at 1 July 2023	(30,597)	(363,231)	(1,687,600)	-	(179,968,606)
	<b>27,910</b>	<b>906,267</b>	<b>306,706</b>	<b>879,958</b>	<b>303,281,682</b>
<b>Movements in fair value</b>					
Additions	-	-	-	302,009	7,148,424
Revaluation	-	47,431	-	-	18,407,363
Transfers	-	-	-	(879,958)	-
Impairment losses recognised	-	-	-	-	-
	-	<b>47,431</b>	-	<b>(577,949)</b>	<b>25,555,787</b>
<b>Movements in accumulated depreciation</b>					
Depreciation	(1,117)	(56,673)	(12,709)	-	(8,502,887)
Revaluation (increments)/decrements	-	43,102	-	-	987,036
Impairment losses recognised	-	-	-	-	(5,550,687)
Transfers	-	-	-	-	-
	<b>(1,117)</b>	<b>(13,571)</b>	<b>(12,709)</b>	-	<b>(13,066,538)</b>
At fair value 30 June 2024	58,507	1,316,929	1,994,306	302,009	508,806,074
Accumulated depreciation at 30 June 2024	(31,714)	(376,802)	(1,700,309)	-	(193,035,144)
<b>Carrying amount</b>	<b>26,793</b>	<b>940,127</b>	<b>293,997</b>	<b>302,009</b>	<b>315,770,930</b>

## 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	2.5 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 and amortisation**

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.



## 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. The latest full revaluation was 30 June 2024. 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	-	3,561,440	16,826,750	30/6/2024	External
Buildings	-	1,592,204	67,573,154	30/6/2024	External
<b>TOTAL</b>	-	<b>5,153,644</b>	<b>84,399,904</b>		

#### 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 2024.

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 indicies 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 2022/23. 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 2024 are as follows:

	Level 1	Level 2	Level 3	Date of valuation	Type of valuation
Unsealed roads formation	-	-	19,964,337	30/6/2024	Section
Unsealed roads pavement	-	-	38,876,942	30/6/2024	Section
Road seal	-	-	14,591,388	30/6/2024	Section
Sealed roads pavement	-	-	132,445,474	30/6/2024	Section
Sealed road formation	-	-	13,029,820	30/6/2024	Section
Footpaths	-	-	6,690,556	30/6/2024	Index
Culverts	-	-	27,947,280	30/6/2024	Index
Bridges	-	-	32,574,870	30/6/2024	Index
Kerb and channel	-	-	7,694,138	30/6/2024	Index
Urban drains	-	-	20,393,199	30/6/2024	Index
Street furniture	-	-	940,127	30/6/2024	Index
Landfills	-	-	293,997	30/6/2024	Index
Quarries	-	-	26,793	30/6/2024	Index
<b>TOTAL</b>	-	-	<b>315,468,921</b>		

## 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 subsidiaries****(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 2024 Council's equity was \$293,530. At 30 June 2023 Council's equity in the corporation was \$292,682.

Loddon has a 4.70 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 2023 Council's share of the net assets was 4.76 per cent. Any adjustments required due to the reduction in the share of net assets from 2023 to 2024 is reflected as Variation Account - Change in Equity in the following schedules.

**Fair value of Council's share in its ownership**

	<b>293,530</b>	<b>292,682</b>
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus/(deficit) at start of year	121,650	121,866
Reported surplus/(deficit) for year	4,352	1,301
Variation account - change in equity	(4,285)	(1,517)
<b>Council's share of accumulated surplus/(deficit) at end of year</b>	<b>121,717</b>	<b>121,650</b>
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	171,033	173,189
Variation account - change in equity	780	(2,156)
<b>Council's share of reserves at end of year</b>	<b>171,813</b>	<b>171,033</b>
<b>Movement in carrying value of share in library</b>		
Carrying value of investment at start of year	292,682	295,054
Share of surplus/(deficit) for the year	4,352	1,301
Variation account - change in equity	(3,505)	(3,673)
<b>Carrying value of investment at end of year</b>	<b>293,530</b>	<b>292,682</b>
<b>Council's share of expenditure commitments</b>		
Operating commitments	11,148	11,588
Capital commitments	-	-
<b>Council's share of expenditure commitments</b>	<b>11,148</b>	<b>11,588</b>

**Adjustment to the carrying value of North Central Goldfields Regional Library**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Adjustment to the carrying value of North Central Goldfields Regional Library Corporation	848	(2,372)
<b>Total adjustment to the carrying value of North Central Goldfields Regional Library Corporation</b>	<b>848</b>	<b>(2,372)</b>

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 subsidiaries (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

Loddon Shire Council is the parent entity. There are no further interests in subsidiaries and associates.

#### (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:

<b>Councillors:</b>	<b>2024 No.</b>	<b>2023 No.</b>
	1	1
Cr Neil Beattie (Councillor from July 2022 to June 2024)		
Cr Gavan Holt (Councillor from July 2022 to October 2023) (Mayor from November 2023 to June 2024)	1	1
Cr Dan Straub (Councillor from November 2023 to June 2024) (Mayor from June 2022 to October 2023)	1	1
Cr Wendy Murphy (Councillor from July 2022 to June 2024)	1	1
Cr Linda Jungwirth (Councillor from July 2022 to June 2024))	1	1
<b>Key Management Personnel:</b>		
Mrs Wendy Gladman (Director Community and Wellbeing July 2022 to June 2024)	1	1
Mr Steven Phillips (Director Operations July 2022 to June 2024)	1	1
Mr Lincoln Fitzgerald (Chief Executive Officer July 2022 to June 2024)	1	1
Mrs Amanda Wilson (Director Corporate March 2022 to November 2023)	1	1
Mrs Michelle Stedman (Director Corporate February 2024 to June 2024)	1	-
<b>Total number of Councillors</b>	<b>5</b>	<b>5</b>
<b>Total of Chief Executive Officer and other Key Management Personnel</b>	<b>5</b>	<b>4</b>
<b>Total number of Key Management Personnel</b>	<b>10</b>	<b>9</b>

#### (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:

	2024	2023
	\$	\$
Short-term employee benefits	1,036,758	1,012,832
Long-term employee benefits	55,311	26,244
Post employment employee benefits	82,373	79,866
<b>TOTAL</b>	<b>1,174,442</b>	<b>1,118,942</b>

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

Income range	2024	2023
	number	number
\$10,000 - \$19,999	-	-
\$20,000 - \$29,999	1	1
\$30,000 - \$39,999	1	3
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	1	-
\$70,000 - \$79,999	1	1
\$80,000 - \$89,999	1	-
\$110,000 - \$119,999	1	-
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	1	-
\$190,000 - \$199,999	-	1
\$200,000 - \$209,999	-	1
\$230,000 - \$239,999	1	-
\$310,000 - \$319,999	-	1
\$320,000 - \$329,999	1	-
	<b>10</b>	<b>9</b>

#### (d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, who exceeds \$170,000 (\$160,000 for 2022/23) and who report directly to a member of the KMP.

Total remuneration of other senior staff was as follows:

	2024	2023
	\$	\$
Short-term employee benefits	979,598	1,130,424
Long-term employee benefits	26,285	16,842
Post employment employee benefits	103,567	101,922
<b>TOTAL</b>	<b>1,109,450</b>	<b>1,249,188</b>

## 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	2024 number	2023 number
\$160,000 - \$169,999	-	2
\$170,000 - \$179,999	3	2
\$180,000 - \$189,999	2	1
\$190,000 - \$199,999	-	2
\$210,000 - \$219,999	1	-
	<b>6</b>	<b>7</b>

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

<b>\$ 1,109,450</b>	<b>\$ 1,249,188</b>
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### 7.2 Related party disclosure

#### (a) Transactions with related parties

During the reporting period payments totalling \$217,875 were paid to the North Central Goldfields Regional Library Corporation for the provision of library services (\$205,410 in 2022/23). 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 2022/23).

#### (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 2022/23).

#### (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 2022/23).

#### (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 2022/23).

## 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 2024 reporting period. Council assesses the impact of these new standards.

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

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

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

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

### 8.3 Financial instruments

#### (a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables). 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.

## NOTE 8 MANAGING UNCERTAINTIES (Continued)

### 8.3 Financial instruments (continued)

#### (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.

#### (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 2024.

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

## NOTE 8 MANAGING UNCERTAINTIES (Continued)

### 8.3 Financial instruments (continued)

#### (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.

#### (e) Sensitivity disclosure analysis

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

- A parallel shift of +1.5% and -1.5% in market interest rates (AUD) from year-end rates of 4.95%.

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.

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

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

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

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

## NOTE 8 MANAGING UNCERTAINTIES (Continued)

### 8.4 Fair value measurement (continued)

#### Fair value hierarchy (continued)

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	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

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.

## **NOTE 8 MANAGING UNCERTAINTIES (Continued)**

### **8.4 Fair value measurement (continued)**

#### **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**

A letter of demand was received on 2 October 2024. Council will be disputing this matter.

## NOTE 9 OTHER MATTERS

### 9.1 Reserves

#### (a) Asset revaluation reserve

2024

	Balance at beginning of reporting period \$	Increase / (decrease) \$	Impairment increase / (decrease) \$	Net movement for the reporting period \$	Balance at end of the reporting period \$
<b>Property</b>					
Land and land improvements	13,376,323	6,449,367	-	6,449,367	19,825,690
Buildings	39,041,473	8,296,996	-	8,296,996	47,338,469
	<b>52,417,796</b>	<b>14,746,363</b>	<b>-</b>	<b>14,746,363</b>	<b>67,164,159</b>
<b>Infrastructure assets</b>					
Sealed roads	136,497,865	10,188,274	3,592,777	13,781,051	150,278,916
Unsealed roads	70,136,160	5,993,515	(9,015,282)	(3,021,767)	67,114,393
Footpaths	2,449,483	(950,799)	-	(950,799)	1,498,684
Street furniture	610,318	90,533	-	90,533	700,851
Kerbs	4,923,514	545,485	-	545,485	5,468,999
Bridges	20,279,276	2,815,882	(128,182)	2,687,700	22,966,976
Drains	12,665,509	711,510	-	711,510	13,377,019
<b>Other infrastructure</b>	<b>247,562,125</b>	<b>19,394,400</b>	<b>(5,550,687)</b>	<b>13,843,713</b>	<b>261,405,838</b>
<b>Total tangible assets</b>	<b>299,979,921</b>	<b>34,140,763</b>	<b>(5,550,687)</b>	<b>28,590,076</b>	<b>328,569,997</b>
<b>Intangible assets</b>					
Water rights	1,870,094	(102,007)	-	(102,007)	1,768,087
<b>Total</b>	<b>301,850,014</b>	<b>34,038,756</b>	<b>(5,550,687)</b>	<b>28,488,069</b>	<b>330,338,083</b>

2023

	Balance at beginning of reporting period \$	Increase / (decrease) \$	Impairment increase / (decrease) \$	Net movement for the reporting period \$	Balance at end of the reporting period \$
<b>Property</b>					
Land and land improvements	13,376,323	-	-	-	13,376,323
Buildings	39,159,663	-	(118,190)	(118,190)	39,041,473
	<b>52,535,986</b>	<b>-</b>	<b>(118,190)</b>	<b>(118,190)</b>	<b>52,417,796</b>
<b>Infrastructure assets</b>					
Sealed roads	117,068,685	26,757,655	(7,328,475)	19,429,180	136,497,865
Unsealed roads	73,417,620	6,483,397	(9,764,857)	(3,281,460)	70,136,160
Footpaths	809,198	1,640,285	-	1,640,285	2,449,483
Street furniture	171,446	438,872	-	438,872	610,318
Kerbs	1,335,648	3,587,866	-	3,587,866	4,923,514
Bridges	14,135,684	6,893,592	(750,000)	6,143,592	20,279,276
Drains	983,129	11,682,380	-	11,682,380	12,665,509
<b>Other infrastructure</b>	<b>207,921,410</b>	<b>57,484,047</b>	<b>(17,843,332)</b>	<b>39,640,715</b>	<b>247,562,125</b>
<b>Total tangible assets</b>	<b>260,457,396</b>	<b>57,484,047</b>	<b>(17,961,522)</b>	<b>39,522,525</b>	<b>299,979,921</b>
<b>Intangible assets</b>					
Water rights	1,775,394	94,700	-	94,700	1,870,094
<b>Total</b>	<b>262,232,789</b>	<b>57,578,747</b>	<b>(17,961,522)</b>	<b>39,617,225</b>	<b>301,850,014</b>

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

## NOTE 9 OTHER MATTERS (Continued)

### 9.1 Reserves (continued)

#### (b) General reserves

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
Boundary and township signage reserve	-	-	-	-
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
Economic development reserve	-	-	-	-
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
Units reserve	-	-	-	-
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
<b>Total</b>	<b>33,716,702</b>	<b>11,103,692</b>	<b>(26,535,670)</b>	<b>18,284,724</b>

**NOTE 9 OTHER MATTERS (Continued)****9.1 Reserves (continued)****(b) General reserves (continued)****2023**

	<b>Balance at beginning of reporting period</b>	<b>Transfer from accumulated surplus</b>	<b>Transfer to accumulated surplus</b>	<b>Balance at end of reporting period</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land and buildings reserve	734,010	513,582	-	1,247,592
Boundary and township signage reserve	100,000	-	(100,000)	-
Capital expenditure reserve	3,746,399	3,776,304	(3,746,399)	3,776,304
Caravan park development reserve	330,220	34,530	(6,000)	358,750
Community planning reserve	3,031,608	1,623,115	(1,062,578)	3,592,145
Economic development reserve	513,582	-	(513,582)	-
Fleet replacement reserve	810,006	150,000	(62,253)	897,753
Flood recovery reserve	-	-	-	-
Gravel and sand pit restoration reserve	400,000	16,203	(244,628)	171,575
Heritage loan scheme reserve	100,000	-	-	100,000
Information technology reserve	688,838	150,000	(197,081)	641,757
Little Lake Boort water reserve	17,604	-	-	17,604
Waste management reserve	300,000	34,540	(23,410)	311,130
Major projects reserve	318,485	80,000	-	398,485
Plant replacement reserve	1,979,398	950,000	(565,003)	2,364,395
Professional development reserve	16,256	4,000	(8,042)	12,214
Recreation facilities improvement reserve	100,000	-	-	100,000
Swimming pool major projects reserve	200,000	-	-	200,000
Unfunded superannuation liability reserve	1,000,000	-	-	1,000,000
Units reserve	30,750	-	(30,750)	-
Unightly premises enforcement provision reserve	100,000	-	-	100,000
Unspent grants reserve	11,336,434	17,288,936	(11,336,434)	17,288,936
Urban drainage reserve	960,666	350,000	(172,604)	1,138,062
<b>Total</b>	<b>26,814,256</b>	<b>24,971,210</b>	<b>(18,068,764)</b>	<b>33,716,702</b>



## **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.

###### ***Boundary and township signage reserve***

The boundary and township signage reserve is used to fund replacement of Council's boundary and township signage. Council transfers to the reserve annually an amount determined during the budget process as sufficient to fund the boundary and township signage replacement program, to a maximum reserve level of \$100K. The net cost of boundary and township signage purchases and installation for the year is transferred from the reserve. CLOSED IN 2021/22.

###### ***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.

###### ***Economic development reserve***

The economic development reserve is used to assist with economic development initiatives that council wishes to financially support. Council transfers to the reserve annually an amount determined during the budget process as sufficient to fund economic development initiatives, and proceeds from the sale of industrial land along with the cost of economic development initiatives during the financial year are transferred from the reserve. CLOSED IN 2021/22.

###### ***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.

###### ***Flood restoration reserve***

The Flood Recovery Reserve is used to assist with the delivery of unfunded flood restoration projects. Council transfers to the reserve amounts determined during the budget process. Council transfers from the reserve the net cost of unfunded flood restoration projects.

## NOTE 9 OTHER MATTERS (Continued)

### 9.1 Reserves (continued)

#### (b) General reserves (continued)

##### Purpose of general reserves (continued)

###### **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.

###### **Major projects reserve**

The major projects reserve is used to assist with the funding of major projects identified by Council. An annual allocation determined during the budget process as sufficient to fund major projects is transferred to the reserve. When a major project is identified and approved, an amount will be transferred from the reserve to assist with funding the project.

###### **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.

## **NOTE 9 OTHER MATTERS (Continued)**

### **9.1 Reserves (continued)**

#### **(b) General reserves (continued)**

##### **Purpose of general reserves (continued)**

###### ***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.

###### ***Units reserve***

The units reserve is used to fund the purchase or improvement of Council owned elderly persons' units. The net surplus generated from rental income is transferred to the reserve annually. Funds are transferred out of the reserve to cover the cost of capital works undertaken at elderly persons' units. CLOSED IN 2021/22.

###### ***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)

	2024 \$	2023 \$
Surplus / (deficit) for the period	(6,423,485)	6,948,455
<b>Non-cash adjustments</b>		
Depreciation	11,265,032	10,742,687
(Profit) / loss on disposal of assets	(274,838)	(17,390)
Bad debts expense	6,609	17,321
Share of other comprehensive income of associates	(3,505)	(3,673)
<b>Change in assets and liabilities</b>		
(Increase) / decrease in trade and other receivables	348,602	(961,575)
(Increase) / decrease in other assets	(427,070)	(581,091)
(Increase) / decrease in prepayments	(183,798)	257,576
Increase / (decrease) in other liabilities	(1,753,776)	100,000
Increase / (decrease) in trust funds and deposits	187,025	(15)
Increase / (decrease) in payables	(740,411)	1,665,321
Increase / (decrease) in employee benefits	(228,092)	(33,030)
Increase / (decrease) in other provisions	(117,909)	554,890
(Increase) / decrease in library equity	(847)	2,372
<b>Net cash provided by / used by operating activities</b>	<b>1,653,537</b>	<b>18,691,847</b>

### 9.3 Superannuation

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

#### Accumulation

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

#### Defined benefit

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

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB119.

## NOTE 9 OTHER MATTERS (Continued)

### 9.3 Superannuation (continued)

#### Defined benefit (continued)

##### **Funding arrangements**

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

Net investment returns	5.7% pa
Salary information	3.5% pa
Price inflation (CPI)	2.8% pa

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

##### **Employer contributions**

###### *(a) Regular contributions*

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

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

###### *(b) Funding calls*

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 98% from 26 July 2024 (previously 97%).

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

###### *(b) Funding calls (continued)*

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

## NOTE 9 OTHER MATTERS (Continued)

### 9.3 Superannuation (continued)

#### The 2023 triennial actuarial investigation surplus amounts

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

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

	<b>2023 (Triennial)</b>	<b>2022 (Interim)</b>
	<b>\$M</b>	<b>\$M</b>
- A VBI surplus	84.70	44.60
- A total service liability surplus	123.60	105.80
- A discounted accrued benefits surplus	141.90	111.90

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

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2023.

#### The 2024 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2024 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2024. The VBI of the Defined Benefit category was 105.4% as at 30 June 2024. The financial assumptions used to calculate the 30 June 2024 VBI were:

Net investment returns	5.6% pa
Salary information	3.5% pa
Price inflation (CPI)	2.7% pa

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

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

#### The 2020 triennial investigation

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

	<b>2020 (Triennial)</b>	<b>2023 (Triennial)</b>
	<b>\$M</b>	<b>\$M</b>
Net investment return	5.6% pa	5.7% pa
Salary information	2.5% pa for two years and 2.75% pa thereafter	3.5% pa
Price inflation (CPI)	2.0% pa	2.8% pa

## NOTE 9 OTHER MATTERS (Continued)

### 9.3 Superannuation (continued)

#### Superannuation contributions

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

<b>Scheme - Type of Scheme - Rate</b>	<b>2024</b> <b>\$</b>	<b>2023</b> <b>\$</b>
Vision super - Defined Benefit - 11.0% (2023: 10.5%)	35,020	44,948
Vision super - Accumulation fund - 11.0% (2023: 10.5%)	546,613	562,593
Other super funds - 11.0% (2023: 10.5%)	764,919	585,046

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

## **NOTE 10 CHANGE IN ACCOUNTING POLICY**

There have been no changes to accounting policies for the 2023/24 year.





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