

**Golden Plains Shire Council
ANNUAL FINANCIAL REPORT**

For the Year Ended 30 June 2024

Golden Plains Shire Council

Financial Report

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Certification of the 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.

Lynnere Gray
Principal Accounting Officer

Dated :
Bannockburn

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

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

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

Cr Brett Cunningham
Mayor

Dated :
Bannockburn

Cr Owen Sharkey

Dated :
Bannockburn

Shane Walden
Chief Executive Officer

Dated :
Bannockburn

Independent Auditor's Report

To the Councillors of Golden Plains Shire Council

| | |
|---------------------------------|--|
| <p>Opinion</p> | <p>I have audited the financial report of Golden Plains Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2024 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including material accounting policy information • certification of the financial statements. <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> |
| <p>Basis for Opinion</p> | <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 APES 110 <i>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> |
| <p>Other information</p> | <p>The Councillors of the council are responsible for the Other Information, which comprises the information in the council's annual report for the period ended 30 June 2024, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p> |

Councillors' responsibilities for the financial report

The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 2020* 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.

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.

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.
-

**Auditor's
responsibilities
for the audit of
the financial
report
(continued)**

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
23 October 2024

Travis Derricott
as delegate for the Auditor-General of Victoria

DRAFT

Comprehensive Income Statement For the Year Ended 30 June 2024

| | Note | 2024 \$'000 | 2023 \$'000 |
|--|------|----------------|----------------|
| Income / Revenue | | | |
| Rates and charges | 3.1 | 28,989 | 27,245 |
| Statutory fees and fines | 3.2 | 660 | 750 |
| User fees | 3.3 | 2,092 | 1,660 |
| Grants - operating | 3.4 | 4,750 | 14,287 |
| Grants - capital | 3.4 | 7,193 | 3,887 |
| Contributions - monetary | 3.5 | 2,481 | 2,278 |
| Contributions - non monetary | 3.5 | 4,980 | 4,496 |
| Net gain on disposal of property, infrastructure, plant and equipment | 3.6 | 1,155 | 378 |
| Other income | 3.7 | 748 | 673 |
| Share of net profits of associates | 6.3 | 44 | - |
| Total income / revenue | | 53,092 | 55,655 |
| Expenses | | | |
| Employee costs | 4.1 | 20,953 | 19,116 |
| Materials and services | 4.2 | 19,657 | 21,834 |
| Depreciation | 4.3 | 10,021 | 9,566 |
| Allowance for impairment losses | 4.4 | 60 | 47 |
| Borrowing costs | 4.5 | 200 | 225 |
| Other expenses | 4.6 | 2,094 | 1,776 |
| Total expenses | | 52,984 | 52,564 |
| Surplus for the year | | 108 | 3,091 |
| Other comprehensive income | | | |
| Items that will not be reclassified to surplus or deficit in future periods | | | |
| Net asset revaluation gain | 9.1 | 26,497 | 38,349 |
| Total other comprehensive income | | 26,497 | 38,349 |
| Total comprehensive result | | 26,605 | 41,440 |

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

Balance Sheet As at 30 June 2024

| | Note | 2024 \$'000 | 2023 \$'000 |
|--|------|----------------|----------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 5.1 | 12,815 | 24,480 |
| Trade and other receivables | 5.1 | 5,898 | 4,110 |
| Inventories | | 31 | 12 |
| Prepayments | 5.2 | 167 | 665 |
| Non-current assets classified as held for sale | 6.1 | 1,092 | 1,424 |
| Other assets | 5.2 | 957 | 884 |
| Total current assets | | 20,960 | 31,574 |
| Non-current assets | | | |
| Investments in associates | 6.3 | 671 | 627 |
| Property, infrastructure, plant and equipment | 6.2 | 615,262 | 581,591 |
| Total non-current assets | | 615,933 | 582,217 |
| Total assets | | 636,893 | 613,792 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 5.3 | 4,329 | 4,202 |
| Trust funds and deposits | 5.3 | 2,269 | 2,206 |
| Contract and other liabilities | 5.3 | 6,706 | 9,266 |
| Provisions | 5.5 | 3,639 | 3,277 |
| Interest-bearing liabilities | 5.4 | 1,632 | 1,649 |
| Total current liabilities | | 18,575 | 20,600 |
| Non-current liabilities | | | |
| Provisions | 5.5 | 3,254 | 3,100 |
| Interest-bearing liabilities | 5.4 | 6,701 | 8,333 |
| Total non-current liabilities | | 9,955 | 11,432 |
| Total liabilities | | 28,530 | 32,032 |
| Net assets | | 608,363 | 581,759 |
| Equity | | | |
| Accumulated surplus | | 203,276 | 200,601 |
| Reserves | 9.1 | 405,087 | 381,158 |
| Total Equity | | 608,363 | 581,759 |

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

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

| 2024 | Note | Total \$'000 | Accumulated Surplus \$'000 | Revaluation Reserve \$'000 | Other Reserves \$'000 |
|---|--------|-----------------|----------------------------------|----------------------------------|-----------------------------|
| Balance at beginning of the financial year | | 581,759 | 200,601 | 364,029 | 17,129 |
| Surplus for the year | | 108 | 108 | - | - |
| Net asset revaluation gain/(loss) | 9.1(a) | 26,497 | - | 26,497 | - |
| Transfers from other reserves | 9.1(b) | - | (10,694) | - | 10,694 |
| Transfers to other reserves | 9.1(b) | - | 13,262 | - | (13,262) |
| Balance at end of the financial year | | 608,363 | 203,276 | 390,525 | 14,562 |

| 2023 | | Total \$'000 | Accumulated Surplus \$'000 | Revaluation Reserve \$'000 | Other Reserves \$'000 |
|---|--------|-----------------|----------------------------------|----------------------------------|-----------------------------|
| Balance at beginning of the financial year | | 540,318 | 203,088 | 325,680 | 11,550 |
| Surplus for the year | | 3,092 | 3,092 | - | - |
| Net asset revaluation gain/(loss) | 9.1(a) | 38,349 | - | 38,349 | - |
| Transfers from other reserves | 9.1(b) | - | 8,367 | - | (8,367) |
| Transfers to other reserves | 9.1(b) | - | (13,947) | - | 13,947 |
| Balance at end of the financial year | | 581,759 | 200,601 | 364,029 | 17,129 |

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows For the Year Ended 30 June 2024

| | Note | 2024 Inflows/ (Outflows) \$'000 | 2023 Inflows/ (Outflows) \$'000 |
|---|------|--|--|
| Cash flows from operating activities | | | |
| Rates and charges | | 27,970 | 26,531 |
| Statutory fees and fines | | 660 | 750 |
| User fees | | 2,119 | 1,629 |
| Grants - operating | | 7,941 | 17,377 |
| Grants - capital | | 845 | 3,887 |
| Contributions - monetary | | 2,481 | 2,227 |
| Interest received | | 747 | 664 |
| Trust funds and deposits taken | | 64 | 808 |
| Other receipts | | 1 | - |
| Net GST refund | | 1,559 | 1,773 |
| Employee costs | | (21,011) | (18,531) |
| Materials and services | | (21,396) | (25,863) |
| Net cash provided by/(used in) operating activities | | 1,979 | 11,252 |
| Cash flows from investing activities | | | |
| Payments for property, infrastructure, plant and equipment | 6.2 | (13,605) | (12,955) |
| Proceeds from sale of property, infrastructure, plant and equipment | | 1,809 | 1,781 |
| Net cash provided by/(used in) investing activities | | (11,796) | (11,174) |
| Cash flows from financing activities | | | |
| Finance costs | | (198) | (225) |
| Repayment of borrowings | | (1,649) | (1,629) |
| Net cash provided by/(used in) financing activities | | (1,847) | (1,854) |
| Net (decrease) in cash and cash equivalents | | (11,665) | (1,776) |
| Cash and cash equivalents at the beginning of the financial year | | 24,480 | 26,257 |
| Cash and cash equivalents at the end of the financial year | | 12,815 | 24,480 |
| Financing arrangements | 5.6 | | |

The above statement of cash flow should be read in conjunction with the accompanying notes.

Statement of Capital Works For the Year Ended 30 June 2024

| | 2024 | 2023 |
|--|----------------------|----------------------|
| | \$'000 | \$'000 |
| Property | | |
| Land | - | 231 |
| Total land | <u>-</u> | <u>231</u> |
| Buildings - Specialised | 92 | 284 |
| Buildings - Non Specialised | 17 | 450 |
| Total buildings | <u>109</u> | <u>733</u> |
| Total property | <u>109</u> | <u>964</u> |
| Plant and equipment | | |
| Plant, machinery and equipment | 832 | 1,409 |
| Fixtures, fittings and furniture | 4 | 288 |
| Computers and telecommunications | 238 | - |
| Total plant and equipment | <u>1,074</u> | <u>1,698</u> |
| Infrastructure | | |
| Roads | 5,025 | 4,663 |
| Bridges | 1,211 | 1,512 |
| Footpaths and cycleways | 263 | 704 |
| Drainage | 582 | 477 |
| Recreational, leisure and community facilities | 4,091 | 1,467 |
| Waste management | - | 32 |
| Parks, open space and streetscapes | 1,191 | 614 |
| Off street car parks | 12 | 309 |
| Other infrastructure | - | 398 |
| Total infrastructure | <u>12,375</u> | <u>10,176</u> |
| Total capital works expenditure | <u>13,558</u> | <u>12,838</u> |
| Represented by: | | |
| New asset expenditure | 991 | 2,535 |
| Asset renewal expenditure | 8,945 | 6,343 |
| Asset upgrade expenditure | 3,622 | 3,960 |
| Total capital works expenditure | <u>13,558</u> | <u>12,838</u> |

The above statement of capital works should be read in conjunction with the accompanying notes.

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

Note 1 OVERVIEW

Introduction

The Golden Plains Shire Council was established by an Order of the Governor in Council on 6 May 1994 and is a body corporate. The Council's main office is located at 2 Pope Street, Bannockburn.

Statement of compliance

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

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

Accounting policy information

(a) 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.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- other areas requiring judgements

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

Goods and Services Tax (GST)

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

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

Note 2 ANALYSIS OF OUR RESULTS

Note 2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of \$500,000 and 10 percent where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 27 June 2023. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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 \$'000 | Actual 2024 \$'000 | Variance 2024 \$'000 | Variance 2024 % | Ref |
|---|--------------------------|--------------------------|----------------------------|-----------------------|-----|
| Income / Revenue | | | | | |
| Rates and charges | 29,202 | 28,989 | (213) | -1% | |
| Statutory fees and fines | 827 | 660 | (167) | -20% | |
| User fees | 2,382 | 2,092 | (290) | -12% | |
| Grants - operating | 10,349 | 4,750 | (5,599) | -54% | 1 |
| Grants - capital | 12,174 | 7,193 | (4,981) | -41% | 2 |
| Contributions - monetary | 1,695 | 2,481 | 786 | 46% | 3 |
| Contributions - non monetary | 2,000 | 4,980 | 2,980 | 149% | 4 |
| Net gain on disposal of property, infrastructure, plant and equipment | 1,690 | 1,155 | (535) | -32% | 5 |
| Other income | 973 | 748 | (225) | -23% | |
| Share of net profits of associates | - | 44 | 44 | | |
| Total income / revenue | 61,292 | 53,092 | (8,200) | | |
| Expenses | | | | | |
| Employee costs | 20,236 | 20,953 | (717) | -4% | |
| Materials and services | 18,965 | 19,657 | (692) | -4% | |
| Allowance for impairment losses | 101 | 60 | 41 | 41% | |
| Depreciation | 8,987 | 10,021 | (1,034) | -12% | 6 |
| Borrowing costs | 198 | 200 | (2) | -1% | |
| Other expenses | 406 | 2,094 | (1,688) | -416% | 7 |
| Total expenses | 48,894 | 52,984 | (4,091) | | |
| Surplus for the year | 12,398 | 108 | (12,290) | | |

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

(i) Explanation of material variations

| Ref | Item | Explanation |
|----------|---|---|
| 1 | Grants - Operating | Lower than budget due to Financial Assistant Grant payments for 2023/24 being received in 2022/23 and was not an early payment received in advance for 2024/25 \$7.7M. This has been offset by favourable grant income being received for Kindergarten programs \$300K, Flood damage reimbursements \$282K, Crime Prevention Innovation Fund \$132K and Environmental Initiatives \$153K. New grants in the community health area for Gambling Harm Minimisation \$45K and Vic Health funding \$25K were approved after the budget was adopted. Funding received in previous years included in this year to comply specific performance obligations are Rokewood Community Hub and Pavilion \$162K, Rapid Antigen Test Program \$60K and the Mobile Library \$112K. |
| 2 | Grants - capital | Lower than budget due to recognition of some grants that were received in 2023/24 being delayed until 2024/25. These projects include Teesdale Don Wallace Rec Reserve \$1.4M, Bannockburn Vic Park Netball Pavilion \$1.4M, LRCI Phase 4 \$1.2M, Bannockburn Skate Park Upgrade \$0.8M, Inverleigh Active Youth Space \$0.6M, Bridge Replacement Program \$0.5M, Maude Community Hall \$0.5M, Woody Yalaok Lighting \$0.4M and Bannockburn Family Services Extension \$0.5M. This has been offset by the receipt of grants greater than budgeted for Roads to Recovery \$1.4M, Linton Oval Reconstruction \$0.4M, Lethbridge Playground \$0.2M, Smart Shires Network \$0.2M. |
| 3 | Contributions - monetary | Higher than budgeted public open space contributions \$300K, reimbursement of Fire Services Property Levy administration fee \$224K, higher than budgeted Developer Contributions \$98K and increased windfarm income \$75K. |
| 4 | Contributions - non monetary | Higher than budgeted due to higher development activity than budgeted resulting in \$3M higher subdivision assets handed to Council. |
| 5 | Net gain/(loss) on disposal of property, infrastructure, plant and equipment | Reduced land sales for Lomandra Drive (Bakers Lane Stage 4 land development for re-sale) \$425K and reduced proceeds on sale of plant & equipment of \$100K. |
| 6 | Depreciation | Greater than budget due to increased capital program and revaluations processed for a number of asset categories in the 2022/23 financial year after the budget was adopted. |
| 7 | Other Expenses | Higher costs greater than budgeted by \$1.7M due to landfill rehabilitation provision increase \$604K, Impairment losses \$456K and writing off of Work In Progress \$611K. |

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

Note 2.1 Performance against budget (cont'd)

2.1.2 Capital works

| | Budget 2024 \$'000 | Actual 2024 \$'000 | Variance 2024 \$'000 | Variance 2024 % | Ref |
|--|--------------------------|--------------------------|----------------------------|-----------------------|-----|
| Property | | | | | |
| Buildings - specialised | 2,615 | 92 | (2,523) | -96% | 1 |
| Buildings - unspecialised | 525 | 17 | (508) | -97% | 2 |
| Total Buildings | 3,140 | 109 | (3,031) | | |
| Total Property | 3,140 | 109 | (3,031) | | |
| Plant and Equipment | | | | | |
| Plant, machinery and equipment | 2,210 | 832 | (1,378) | -62% | 3 |
| Fixtures, fittings and furniture | - | 4 | 4 | 100% | |
| Computers and telecommunications | 246 | 238 | (8) | -3% | |
| Total Plant and Equipment | 2,456 | 1,074 | (1,382) | | |
| Infrastructure | | | | | |
| Roads | 6,536 | 5,025 | (1,511) | -23% | 4 |
| Bridges | 2,000 | 1,211 | (789) | -39% | 5 |
| Footpaths and cycleways | 325 | 263 | (62) | -19% | |
| Drainage | 1,000 | 582 | (418) | -42% | |
| Recreational, leisure and community facilities | 5,892 | 4,091 | (1,801) | -31% | 6 |
| Parks, open space and streetscapes | 1,025 | 1,191 | 166 | 16% | |
| Off street car parks | - | 12 | 12 | 100% | |
| Other infrastructure | 255 | 0 | (255) | -100% | |
| Total Infrastructure | 17,033 | 12,375 | (4,658) | | |
| Total Capital Works Expenditure | 22,629 | 13,558 | (9,071) | | |
| Represented by: | | | | | |
| New asset expenditure | 1,030 | 991 | (39) | | |
| Asset renewal expenditure | 7,756 | 8,945 | 1,189 | | |
| Asset expansion expenditure | 1,169 | - | (1,169) | | |
| Asset upgrade expenditure | 12,674 | 3,622 | (9,052) | | |
| Total Capital Works Expenditure | 22,628 | 13,558 | (9,071) | | |

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

| (i) Explanation of material variations | | |
|--|---|--|
| Variance Ref | Item | Explanation |
| 1 | Buildings - specialised | Lower than budgeted expenditure due to delays in the delivery of the Bannockburn Family Services Centre extension \$450K, Bannockburn Vic Park Netball Pavilion \$1.8M and Kindergarten extensions at Teesdale and Haddon \$200K. |
| 2 | Buildings - Unspecialised | The Maude Community Hall project did not commence \$350K and minimal work completed on Facility renewal \$155K. |
| 3 | Plant, machinery and equipment | Lower than budgeted expenditure due to delays with delivery on fleet vehicles \$344K. Delayed purchase of Jetpatcher Truck \$450K, Bobcat Skid Steer \$90K and delivery delay of the Gravel Flocon Truck \$600K. |
| 4 | Roads | Lower than budgeted due to Local Roads improvements (Roads to Recovery) \$229K, Kerb and Channel \$150K, Gravel Resheeting \$330K and Road Resealing \$1.1M being carried forward into 20224/25. LRCI Phase 4 \$1.3M is scheduled for 2024/25 and LRCI Phase 3 \$437K was funding carried forward from 2022/23. Kopkes Road Haddon \$1.0M was scheduled for 2022/23 but has been delivered in 2023/24. |
| 5 | Bridges | Lower than budgeted due to Bridge renewal program being delayed \$364K and Bridge replacement Program being behind schedule \$423K. |
| 6 | Recreational, leisure and community facilities | Lower than budgeted expenditure due to Bannockburn Skate Park Upgrade \$760K, Woody Yaloak Lighting \$370K, Works at Teesdale Rec Reserve \$1.8M, and Inverleigh Active Youth Space \$586K being carried forward. This is offset by Linton Oval Reconstruction Works \$940K and Leighdale Equestrian Upgrade \$425K being carry forward from 2022/23. |

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

Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1 Office of the CEO

The Chief Executive Office (CEO) provides strategic direction across council to establish the efficient, effective delivery of policy commitments, council vision and mission.

It also incorporates Economic Development, Tourism, Communications and Engagement, Marketing, Events and Publications.

Corporate Services

Corporate Services provides efficient, effective and proactive support services across council to enable the delivery of all council services.

The provision of these services includes Corporate Governance and Risk, Finance, ICT and Digital Transformation, People and Performance and Customer Experience.

Infrastructure and Environment

To maintain and enhance the road and bridge network at a level that adequately satisfies transportation needs and provide community infrastructure including drainage, street lighting, bus shelters and paths and trails including the effective management of Council's assets.

Provide satisfactory garbage bin and recycling bin collection disposal service. Construction and maintenance of recreation infrastructure and provision of township and tree maintenance while ensuring environmental sustainability is maintained.

Community Planning and Growth

To provide an opportunity for community members of all ages to connect with council and deliver services including but not limited to ; kindergartens, childcare, maternal and child health, municipal health and wellbeing, grants and youth programs.

We support the growth of our community including but not limited to; strategic and statutory planning, regulatory services and community safety.

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

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

| | Income / Revenue | Expenses | Surplus/(Deficit) | Grants included in income / revenue | Total assets |
|--------------------------------|---------------------|----------|-------------------|---|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2024 | | | | | |
| Community Planning and Growth | 7,155 | (10,514) | (3,359) | 3,931 | 94,564 |
| Corporate Services | 27,064 | (9,733) | 17,331 | 587 | 15,553 |
| Infrastructure and Environment | 17,699 | (30,251) | (12,552) | 7,426 | 505,146 |
| Office of the CEO | 1,174 | (2,486) | (1,312) | - | - |
| Unattributed | - | - | - | - | 21,630 |
| | 53,092 | (52,984) | 108 | 11,944 | 636,893 |

| | Income / Revenue | Expenses | Surplus/(Deficit) | Grants included in income / revenue | Total assets |
|--------------------------------|---------------------|----------|-------------------|---|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2023 | | | | | |
| Community Planning and Growth | 8,102 | (14,337) | (6,235) | 3,971 | 94,383 |
| Corporate Services | 33,145 | (9,120) | 24,025 | 9,219 | 15,555 |
| Infrastructure and Environment | 13,086 | (26,069) | (12,983) | 4,724 | 471,653 |
| Office of the CEO | 1,322 | (3,038) | (1,717) | 261 | - |
| Unattributed | - | - | - | - | 32,201 |
| | 55,655 | (52,564) | 3,091 | 18,175 | 613,792 |

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

| | | |
|--|---------------|---------------|
| Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES | 2024 | 2023 |
| 3.1 Rates and charges | \$'000 | \$'000 |

Council uses Capital Improved Valuation (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its total market value including land and improvements.

The valuation base used to calculate general rates for 2023/24 was \$10.614 billion (2022/23 \$8.885 billion).

| | | |
|--|---------------|---------------|
| General Rates | 21,268 | 20,099 |
| Municipal charge | 2,888 | 2,851 |
| Waste management charge | 4,218 | 3,755 |
| Supplementary rates and rate adjustments | 309 | 340 |
| Interest on rates and charges | 305 | 199 |
| Total rates and charges | 28,989 | 27,245 |

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

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

3.2 Statutory fees and fines

| | | |
|--|------------|------------|
| Planning and building fees | 65 | 120 |
| Infringements and costs | 120 | 61 |
| Property information fees | 20 | 31 |
| Town planning fees | 391 | 463 |
| Land information certificates | 30 | 30 |
| Drainage information fees | 22 | 42 |
| Pool Registration and Permit Information | 11 | 4 |
| Total statutory fees and fines | 660 | 750 |

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

3.3 User fees

| | | |
|---|--------------|--------------|
| Home and Community Care Fees | - | 9 |
| Animal Registration Charges | 382 | 383 |
| Early Childhood Education | 322 | 103 |
| Subdivision Supervision Fees | 302 | 237 |
| Gravel Cartage Levy | 210 | 35 |
| Septic Tank Fees | 176 | 199 |
| Food Premises Registration Fees | 93 | 84 |
| Fire Hazard Eradication Fees and Fines | 36 | 59 |
| Bannockburn Cultural Centre Charges | 54 | 50 |
| Smythesdale Business Hub Centre Charges | 21 | 33 |
| Farmers Market Fees | 29 | 25 |
| Lease of Land | 34 | 42 |
| Lease of Building | 239 | 196 |
| Town Planning | 64 | 98 |
| Transfer Station Income | 38 | 34 |
| Permit Fee - Community Protection | 31 | 37 |
| Other | 59 | 37 |
| Total user fees | 2,092 | 1,660 |
| User fees by timing of revenue recognition | | |
| User fees recognised over time | 1,818 | 1,423 |
| User fees recognised at a point in time | 273 | 238 |
| Total user fees | 2,092 | 1,660 |

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.

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

| | 2024 \$'000 | 2023 \$'000 |
|--|----------------|----------------|
| 3.4 Funding from other levels of government | | |
| Grants were received in respect of the following : | | |
| Summary of grants | | |
| Commonwealth funded grants | 5,017 | 12,388 |
| State funded grants | 6,927 | 5,787 |
| Total grants received | 11,944 | 18,175 |
| (a) Operating Grants | | |
| Recurrent - Commonwealth Government | | |
| Financial Assistance Grants - General | 211 | 6,702 |
| Financial Assistance Grants - Local Roads | 120 | 2,411 |
| Children's Services | 85 | 98 |
| General home care | - | 161 |
| Recurrent - State Government | | |
| Children's Services | 1,822 | 1,265 |
| Community Health | 614 | 603 |
| Home Care | - | 11 |
| Maternal and Child Health | 538 | 582 |
| Emergency Management | - | 120 |
| Youth projects | 80 | 85 |
| Other | - | 304 |
| Environment Projects | 49 | 58 |
| Total recurrent operating grants | 3,520 | 12,401 |
| Non-recurrent - Commonwealth Government | | |
| Other | - | 1 |
| Non-recurrent - State Government | | |
| Community Facilities | 182 | - |
| Economic Development | - | 197 |
| Environment Projects | 104 | 55 |
| Youth projects | 135 | - |
| Other | 35 | 30 |
| Emergency Management | 401 | 549 |
| Children's Services | 38 | 82 |
| Community Health | 130 | 76 |
| Homecare | - | 8 |
| Recreational Leisure & Community | 205 | 887 |
| Total non-recurrent operating grants | 1,231 | 1,886 |
| Total operating grants | 4,750 | 14,287 |

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

| | 2024 \$'000 | 2023 \$'000 |
|--|---------------------|---------------------|
| (b) Capital Grants | | |
| Recurrent - Commonwealth Government | | |
| Roads to recovery | 2,740 | - |
| Total recurrent capital grants | <u>2,740</u> | <u>-</u> |
| Non-recurrent - Commonwealth Government | | |
| Roads | 1,038 | 2,565 |
| Bridges | 330 | - |
| Recreational Leisure & Community | 492 | 450 |
| Non-recurrent - State Government | | |
| Recreational Leisure & Community | 2,355 | 873 |
| Other | 238 | - |
| Total non-recurrent capital grants | <u>4,453</u> | <u>3,887</u> |
| Total capital grants | <u><u>7,193</u></u> | <u><u>3,887</u></u> |

(c) Recognition of grant income

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

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

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies *AASB 1058 Income of 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.

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

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Income recognised under AASB 1058 <i>Income of Not-for-Profit Entities</i> | | |
| General purpose | 3,072 | 9,114 |
| Specific purpose grants to acquire non-financial assets | 4,453 | 3,888 |
| Other specific purpose grants | 3,285 | 2,610 |
| Revenue recognised under AASB 15 <i>Revenue from Contracts with Customers</i> | | |
| Specific purpose grants | 1,134 | 2,564 |
| | <u>11,944</u> | <u>18,175</u> |
| | | |
| (d) Unspent grants received on condition that they be spent in a specific manner | | |
| Operating | | |
| Balance at start of year | 4,398 | 5,471 |
| Received during the financial year and remained unspent at balance date | 210 | 716 |
| Received in prior years and spent during the financial year | (605) | (1,790) |
| Balance at year end | <u>4,003</u> | <u>4,398</u> |
| | | |
| Capital | | |
| Balance at start of year | 4,865 | 2,916 |
| Received during the financial year and remained unspent at balance date | 455 | 4,637 |
| Received in prior years and spent during the financial year | (2,796) | (2,688) |
| Balance at year end | <u>2,524</u> | <u>4,865</u> |

Unspent grants are determined and disclosed on a cash basis.

3.5 Contributions

| | | |
|----------------------------|--------------|--------------|
| Monetary | 2,481 | 2,278 |
| Non-monetary | 4,980 | 4,496 |
| Total contributions | <u>7,461</u> | <u>6,773</u> |

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

| | | |
|---|--------------|--------------|
| Land | 17 | - |
| Infrastructure | 4,963 | 4,496 |
| Total non-monetary contributions | <u>4,980</u> | <u>4,496</u> |

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

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

| | | |
|---|--------------|------------|
| Proceeds of sale | 1,809 | 1,781 |
| Written down value of assets disposed | (654) | (1,403) |
| Total net gain/(loss) on disposal of property, infrastructure, plant and equipment | <u>1,155</u> | <u>378</u> |

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

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

| | \$'000 | \$'000 |
|---------------------------|------------|------------|
| 3.7 Other income | | |
| Interest on Investment | 747 | 644 |
| Warranty Claims | - | 23 |
| Other | 1 | 5 |
| Total other income | 748 | 673 |

Interest is recognised as it is earned.

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

Note 4 THE COST OF DELIVERING SERVICES

4.1 Employee costs

| | | |
|-----------------------------|---------------|---------------|
| Wages and salaries | 18,261 | 16,994 |
| WorkCover | 521 | 288 |
| Superannuation | 2,032 | 1,725 |
| Fringe benefits tax | 138 | 104 |
| Other | - | 5 |
| Total employee costs | 20,953 | 19,116 |

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

| | | |
|--|------------|-----------|
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 129 | 84 |
| Employer contributions - other funds | - | - |
| | 129 | 84 |
| Employer contributions payable at reporting date. | Nil | Nil |

Accumulation funds

| | | |
|--|--------------|--------------|
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 771 | 571 |
| Employer contributions - other funds | 1,106 | 978 |
| | 1,878 | 1,549 |
| Employer contributions payable at reporting date. | 204 | 185 |

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

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

| | 2024 \$'000 | 2023 \$'000 |
|-------------------------------------|----------------|----------------|
| 4.2 Materials and services | | |
| Delivery of projects and Services | 3,734 | 4,814 |
| General maintenance | 3,724 | 5,608 |
| Garbage Operations | 3,335 | 3,282 |
| Contractors and Consultants | 2,529 | 2,104 |
| Vehicle and Machinery Operations | 1,074 | 947 |
| Building maintenance | 535 | 679 |
| Information technology | 1,368 | 1,267 |
| Utilities | 390 | 428 |
| Printing, Stationery and Postage | 192 | 243 |
| Telecommunication | 246 | 262 |
| Debt Collection and Legal Fee | 166 | 167 |
| Cleaning | 497 | 515 |
| Insurance | 673 | 541 |
| Training | 331 | 287 |
| Advertising | 128 | 122 |
| Memberships & Subscriptions | 374 | 235 |
| Other Expenses | 363 | 332 |
| Total materials and services | 19,657 | 21,834 |

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

4.3 Depreciation

| | | |
|---------------------------|---------------|--------------|
| Infrastructure | 7,567 | 7,173 |
| Plant and Machinery | 729 | 667 |
| Buildings | 1,399 | 1,388 |
| Furniture and Equipment | 326 | 338 |
| Total depreciation | 10,021 | 9,566 |

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

4.4 Allowance for impairment losses

| | | |
|--|-----------|-----------|
| Community Protection | 62 | 44 |
| Waste Management | - | 3 |
| Home Care | (1) | 2 |
| Other | - | (2) |
| Total allowance for impairment losses | 60 | 47 |

Movement in allowance for impairment losses in respect of debtors

| | | |
|---|------------|------------|
| Balance at the beginning of the year | 129 | 274 |
| New allowances recognised during the year | 62 | - |
| Amounts allowed for but recovered during the year | (1) | (145) |
| Balance at end of year | 189 | 129 |

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.

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

| | 2024 | 2023 |
|------------------------------|------------|------------|
| | \$'000 | \$'000 |
| 4.5 Borrowing costs | | |
| Interest - Borrowings | 200 | 225 |
| Total borrowing costs | <u>200</u> | <u>225</u> |

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

4.6 Other expenses

| | | |
|---|--------------|--------------|
| Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals | 93 | 72 |
| Internal Auditors' remuneration | 17 | 49 |
| Councillors' allowances | 313 | 302 |
| De-recognition of Non-current Assets | 611 | 387 |
| Landfill rehabilitation Provision | 604 | 492 |
| Impairment losses | 456 | 474 |
| Total other expenses | <u>2,094</u> | <u>1,776</u> |

Note 5 Investing in and financing our operations

5.1 Financial assets

(a) Cash and cash equivalents

| | | |
|--|---------------|---------------|
| Cash on hand | 2 | 2 |
| Cash at bank | 4,672 | 7,119 |
| Short Term Deposit | 7,002 | 4,078 |
| At call deposits | 1,139 | 1,530 |
| Total cash and cash equivalents | <u>12,815</u> | <u>12,730</u> |

(b) Other financial assets

Current

| | | |
|--------------------------------------|---------------|---------------|
| Term deposits - current | - | 11,751 |
| Total current other financial assets | - | 11,751 |
| Total financial assets | <u>12,815</u> | <u>24,480</u> |

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

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

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

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

| | 2024 | 2023 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| (c) Trade and other receivables | | |
| Current | | |
| <i>Statutory receivables</i> | | |
| Rates debtors | 4,125 | 3,107 |
| Infringement debtors | 273 | 169 |
| Allowance for expected credit loss - infringements | (158) | (96) |
| Net GST receivable | 344 | - |
| Other Statutory receivable | 461 | 321 |
| Other debtors | 883 | 642 |
| Allowance for expected credit loss - other debtors | (31) | (33) |
| Total current trade and other receivables | 5,898 | 4,110 |

Short term receivables are carried at invoice amount. An allowance for expected credit loss 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 & other receivables (excluding statutory receivables) that are not impaired was:

| | | |
|--|------------|------------|
| Current (not yet due) | 768 | 354 |
| Past due by up to 30 days | 7 | 37 |
| Past due between 31 and 180 days | 20 | 26 |
| Past due between 181 and 365 days | 25 | 118 |
| Past due by more than 1 year | 63 | 108 |
| Total trade & other receivables | 883 | 642 |

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$23,453 (2023: \$23,453) were impaired. The amount of the allowance raised against these debtors was \$23,453 (2023: \$23,453). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

| | | |
|--|-----------|-----------|
| Past due by more than 1 year | 23 | 23 |
| Total trade & other receivables | 23 | 23 |

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

| 5.2 Non-financial assets | 2024 | 2023 |
|--|--------------|--------------|
| (a) Other current assets | | |
| Prepayments | 167 | 665 |
| Accrued interest income | 957 | 884 |
| Total other assets | 1,125 | 1,549 |
| | | |
| Payables, trust funds and deposits and contract | | |
| 5.3 and other liabilities | | |
| (a) Trade and other payables | | |
| Current | | |
| <i>Non-statutory payables</i> | | |
| Trade payables | 3,374 | 3,081 |
| Accrued expenses | 955 | 1,121 |
| Total current trade and other payables | 4,329 | 4,202 |
| | | |
| (b) Trust funds and deposits current | | |
| Current | | |
| Refundable deposits | 2,117 | 2,081 |
| Retention amounts | 152 | 125 |
| Total current trust funds and deposits | 2,269 | 2,206 |
| | | |
| (c) Contract and other Liabilities | | |
| Contract liabilities | | |
| Current | | |
| Grants received in advance - operating | 4,003 | 898 |
| Grants received in advance - capital | 2,524 | 8,365 |
| Other | 178 | 4 |
| Total contract liabilities | 6,706 | 9,266 |

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.

Contract Liabilities

Contract liabilities reflect consideration received in advance from customers in respect of grants, service level agreements and user fees for construction of assets and operational service delivery. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Purpose and nature of items

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

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

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

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

5.4 Interest-bearing liabilities

| | 2024 | 2023 |
|---|---------------------|---------------------|
| | \$'000 | \$'000 |
| Current | | |
| Bank Borrowings - secured | 1,632 | 1,649 |
| | <u>1,632</u> | <u>1,649</u> |
| Non-current | | |
| Bank Borrowings - secured | 6,701 | 8,333 |
| | <u>6,701</u> | <u>8,333</u> |
| Total | <u><u>8,333</u></u> | <u><u>9,982</u></u> |
| Borrowings are secured by Council rates and charges | 8,333 | 9,982 |

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

| | | |
|---|--------------|--------------|
| Not later than one year | 1,632 | 1,649 |
| Later than one year and not later than five years | 5,509 | 5,636 |
| Later than five years | 1,191 | 2,697 |
| | <u>8,333</u> | <u>9,982</u> |

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

5.5 Provisions

| | Employee | Landfill | Gravel Pit | Total |
|---|--------------|------------------------|------------------------|--------------|
| | \$ '000 | restoration \$ '000 | restoration \$ '000 | \$ '000 |
| 2024 | | | | |
| Balance at beginning of the financial year | 3,481 | 2,075 | 820 | 6,376 |
| Additional provisions | 1,883 | 547 | - | 2,430 |
| Amounts used | (2,013) | - | - | (2,013) |
| Change in the discounted amount arising because of time and the effect of any change in the discount rate | - | 57 | 44 | 101 |
| Balance at the end of the financial year | <u>3,350</u> | <u>2,680</u> | <u>864</u> | <u>6,894</u> |
| <i>Provisions - current</i> | 3,113 | 454 | 72 | 3,639 |
| <i>Provisions - non-current</i> | 237 | 2,226 | 792 | 3,254 |
| 2023 | | | | |
| Balance at beginning of the financial year | 3,237 | 1,583 | 820 | 5,640 |
| Additional provisions | 1,833 | 492 | - | 2,325 |
| Amounts used | (1,590) | - | - | (1,590) |
| Balance at the end of the financial year | <u>3,481</u> | <u>2,075</u> | <u>820</u> | <u>6,376</u> |
| <i>Provisions - current</i> | 3,210 | 0 | 67 | 3,277 |
| <i>Provisions - non-current</i> | 271 | 2,075 | 753 | 3,100 |

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

| | 2024 | 2023 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| (a) Employee provisions | | |
| Current provisions expected to be wholly settled within 12 months | | |
| Rostered days off | 83 | 101 |
| Annual leave | 1,177 | 1,180 |
| Long service leave | 96 | 184 |
| | 1,356 | 1,465 |
| Current provisions expected to be wholly settled after 12 months | | |
| Annual leave | 223 | 251 |
| Long service leave | 1,534 | 1,494 |
| | 1,757 | 1,745 |
| Total current employee provisions | 3,113 | 3,210 |
| Non-current | | |
| Long service leave | 237 | 271 |
| Total non-current employee provisions | 237 | 271 |
| Aggregate carrying amount of employee provisions: | | |
| Current | 3,113 | 3,210 |
| Non-current | 237 | 271 |
| Total aggregate carrying amount of employee provisions | 3,350 | 3,481 |

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

Annual leave

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

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

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

Long service leave

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

| | | |
|---------------------------------|---------------|---------------|
| Key assumptions: | 2024 | 2023 |
| - discount rate | 4.5% | 4.1% |
| - inflation rate | 4.4% | 4.4% |
| | 2024 | 2023 |
| (b) Landfill restoration | \$'000 | \$'000 |
| Current | 454 | - |
| Non-current | 2,226 | 2,075 |
| | 2,680 | 2,075 |

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

Council is obligated to restore two closed landfill sites to a particular standard. The provision for landfill restoration has been calculated based on updated costings of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below:

Key assumptions:

| | | |
|-----------------|------|------|
| - discount rate | 3.5% | 2.5% |
| - index rate | 3.0% | 3.0% |

| | 2024 | 2023 |
|-----------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| (c) Gravel Pit restoration | | |
| Current | 72 | 67 |
| Non-current | 792 | 753 |
| | <u>864</u> | <u>820</u> |

Council operate Sagohill gravel pit to supply gravel for its roads and maintenance projects. The gravel pit has a further 28 years of expected life. Provision has been made to rehabilitate the excavated area at the end of the expected life of the quarry. The expected cost of works has been estimated to reinstate the site to a suitable standard, with the estimated rehabilitation costs to be reviewed annually. The provision has been calculated based on the present value of the expected cost of works to be undertaken.

5.6 Financing arrangements

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| The Council has the following funding arrangements in place as at 30 June 2024. | | |
| Credit card facilities | 150 | 150 |
| Total facilities | <u>150</u> | <u>150</u> |
| Used facilities | (37) | (45) |
| Unused facilities | <u>113</u> | <u>105</u> |

The above financing arrangements exclude loan facilities which have been fully drawn down.

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

5.7 Commitments

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

| 2024 | Not later than | Later than 1 | Later than 2 | Later than 5 | Total |
|--|----------------|---------------------------------|----------------------------------|--------------------|--------|
| | 1 year | year and not later than 2 years | years and not later than 5 years | Later than 5 years | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Operating | | | | | |
| Waste Management | 2,781 | 2,496 | 7,868 | 8,473 | 21,617 |
| Cleaning contracts for council buildings | 471 | 482 | 1,001 | - | 1,954 |
| Suppliers | 2,032 | 776 | 343 | - | 3,152 |
| Total | 5,283 | 3,754 | 9,212 | 8,473 | 26,722 |
| Capital | | | | | |
| Buildings | 38 | - | - | - | 38 |
| Roads | 826 | 110 | 113 | - | 1,050 |
| Recreational, leisure and Community | 4,890 | - | - | - | 4,890 |
| Plant & Machinery | 1,052 | - | - | - | 1,052 |
| Bridge | 2,207 | - | - | - | 2,207 |
| Waste Management | 550 | 563 | 577 | - | 1,690 |
| Total | 9,564 | 674 | 691 | - | 10,928 |

| 2023 | Not later than | Later than 1 | Later than 2 | Later than 5 | Total |
|--|----------------|---------------------------------|----------------------------------|--------------------|--------|
| | 1 year | year and not later than 2 years | years and not later than 5 years | Later than 5 years | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Operating | | | | | |
| Waste Management | 2,375 | 2,435 | 7,365 | 12,337 | 24,512 |
| Cleaning contracts for council buildings | 421 | 432 | 1,112 | - | 1,964 |
| Suppliers | 2,039 | 400 | 1,209 | - | 3,648 |
| Total | 4,836 | 3,266 | 9,686 | 12,337 | 30,125 |
| Capital | | | | | |
| Buildings | 36 | - | - | - | 36 |
| Roads | 1,509 | 469 | 1,047 | - | 3,025 |
| Recreational, leisure and Community | 6,381 | 3,790 | - | - | 10,171 |
| Plant & Machinery | 3,311 | 194 | - | - | 3,504 |
| Total | 11,237 | 4,453 | 1,047 | - | 16,738 |

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

| Note 6 ASSETS WE MANAGE | 2024 | 2023 |
|---|---------------|---------------|
| 6.1 Non current assets classified as held for sale | \$'000 | \$'000 |
| Cost of acquisition | 265 | 324 |
| Capitalised development costs (eg roads, drainage) | 827 | 1,100 |
| Total non current assets classified as held for sale | 1,092 | 1,424 |

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 of 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.

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

6.2 Property, infrastructure, plant and equipment
Summary of property, infrastructure, plant and equipment

| | Carrying amount 30 June 2023 \$'000 | Additions \$'000 | Contributions \$'000 | Revaluation \$'000 | Depreciation \$'000 | Disposal \$'000 | Write-off \$'000 | Transfers \$'000 | Assets held for re-sale \$'000 | Carrying amount 30 June 2024 \$'000 |
|---------------------|---|---------------------|-------------------------|-----------------------|------------------------|--------------------|---------------------|---------------------|--------------------------------------|---|
| Land | 54,859 | - | 17 | - | - | - | - | - | - | 54,876 |
| Buildings | 46,679 | 627 | - | - | (1,399) | - | - | 138 | - | 46,044 |
| Plant and Equipment | 5,689 | 1,073 | - | - | (1,054) | (133) | 8 | 61 | - | 5,643 |
| Infrastructure | 469,556 | 6,443 | 4,963 | 26,497 | (7,567) | - | (456) | 2,742 | - | 502,178 |
| Work in progress | 4,808 | 5,414 | - | - | - | - | (619) | (2,941) | (141) | 6,521 |
| Total | 581,591 | 13,558 | 4,980 | 26,497 | (10,021) | (133) | (1,067) | - | (141) | 615,262 |

| Summary of Work in Progress | Opening WIP \$'000 | Additions \$'000 | Transfers \$'000 | Write-off \$'000 | Assets held for re-sale \$'000 | Closing WIP \$'000 |
|-----------------------------|-----------------------|---------------------|---------------------|---------------------|--------------------------------------|-----------------------|
| Land | - | - | - | - | - | - |
| Buildings | - | 35 | - | - | - | 35 |
| Plant and Equipment | 61 | - | (61) | - | - | - |
| Infrastructure | 4,748 | 5,379 | (2,880) | (619) | (141) | 6,486 |
| Total | 4,808 | 5,414 | (2,941) | (619) | (141) | 6,521 |

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

(a) Property

| | Land - specialised | Land - non specialised | Total Land & Land Improvements | Heritage buildings | Buildings - specialised | Buildings - non specialised | Total Buildings | Work In Progress | Total Property |
|--|--------------------|------------------------|--------------------------------|--------------------|-------------------------|-----------------------------|-----------------|------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| At fair value 1 July 2023 | 6,973 | 47,886 | 54,859 | 3,820 | 56,108 | 13,208 | 73,136 | - | 127,995 |
| Accumulated depreciation at 1 July 2023 | - | - | - | (2,693) | (21,804) | (1,961) | (26,457) | - | (26,457) |
| | 6,973 | 47,886 | 54,859 | 1,127 | 34,304 | 11,248 | 46,679 | - | 101,538 |
| Movements in fair value | | | | | | | | | |
| Additions | - | - | - | - | 103 | 524 | 627 | 35 | 663 |
| Contributions | 17 | - | 17 | - | - | - | - | - | 17 |
| Transfers | - | - | - | - | 123 | 15 | 138 | - | 138 |
| | 17 | - | 17 | - | 226 | 539 | 765 | 35 | 818 |
| Movements in accumulated depreciation | | | | | | | | | |
| Depreciation and amortisation | - | - | - | (75) | (1,044) | (280) | (1,399) | - | (1,399) |
| | - | - | - | (75) | (1,044) | (280) | (1,399) | - | (1,399) |
| At fair value 30 June 2024 | 6,991 | 47,886 | 54,876 | 3,820 | 56,334 | 13,747 | 73,901 | 35 | 128,813 |
| Accumulated depreciation at 30 June 2024 | - | - | - | (2,768) | (22,848) | (2,241) | (27,857) | - | (27,857) |
| Carrying amount | 6,991 | 47,886 | 54,876 | 1,052 | 33,486 | 11,506 | 46,044 | 35 | 100,956 |

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

(b) Plant and Equipment

| | Plant machinery and equipment | Fixtures fittings and furniture | Work In Progress | Total plant and equipment |
|--|--|---------------------------------------|---------------------|---------------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| At fair value 1 July 2023 | 8,862 | 3,228 | 61 | 12,151 |
| Accumulated depreciation at 1 July 2023 | (4,078) | (2,324) | - | (6,402) |
| | 4,784 | 904 | 61 | 5,749 |
| Movements in fair value | | | | |
| Additions | 831 | 242 | - | 1,073 |
| Disposal | (518) | (73) | - | (591) |
| Transfers | - | 61 | (61) | 0 |
| | 314 | 230 | (61) | 482 |
| Movements in accumulated depreciation | | | | |
| Depreciation and amortisation | (729) | (326) | - | (1,054) |
| Accumulated depreciation of disposals | 384 | 73 | - | 457 |
| Write-off | - | 8 | - | 8 |
| | (344) | (244) | - | (589) |
| At fair value 30 June 2024 | 9,176 | 3,458 | - | 12,634 |
| Accumulated depreciation at 30 June 2024 | (4,423) | (2,568) | - | (6,991) |
| Carrying amount | 4,753 | 889 | - | 5,643 |

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

(c) Infrastructure

| | Roads | Bridges | Footpaths and cycleways | Drainage | Recreational, leisure and community | Parks open spaces and streetscapes | Gravel Pit | Off street car parks | Work In Progress | Total Infrastructure |
|--|-----------|----------|-------------------------|----------|-------------------------------------|------------------------------------|------------|----------------------|------------------|----------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| At fair value 1 July 2023 | 503,780 | 58,518 | 22,499 | 11,703 | 20,246 | 2,815 | 1,230 | 2,226 | 4,748 | 627,765 |
| Accumulated depreciation at 1 July 2023 | (110,600) | (22,577) | (7,674) | (4,260) | (6,022) | (1,010) | (1,046) | (274) | - | (153,462) |
| | 393,180 | 35,941 | 14,826 | 7,443 | 14,224 | 1,805 | 184 | 1,953 | 4,748 | 474,304 |
| Movements in fair value | | | | | | | | | | |
| Additions | 4,458 | 1,063 | 169 | 165 | 181 | 311 | - | 96 | 5,379 | 11,822 |
| Contributions | 3,168 | 393 | 757 | 900 | - | - | - | - | - | 5,218 |
| Revaluation | 34,263 | - | - | - | - | - | - | - | - | 34,263 |
| Write-off | (214) | (1,097) | - | - | (5) | - | - | - | (761) | (2,077) |
| Transfers | 260 | 1,140 | 257 | 70 | 288 | 728 | - | - | (2,880) | (138) |
| | 41,935 | 1,498 | 1,183 | 1,135 | 464 | 1,039 | - | 96 | 1,738 | 49,089 |
| Movements in accumulated depreciation | | | | | | | | | | |
| Depreciation and amortisation | (5,421) | (602) | (343) | (251) | (765) | (126) | - | (60) | - | (7,567) |
| Write-off | 68 | 790 | - | - | 3 | - | - | - | - | 860 |
| Revaluation adjustments | (7,767) | - | - | - | - | - | - | - | - | (7,767) |
| Contributions | (9) | (236) | - | (10) | - | - | - | - | - | (255) |
| | (13,129) | (48) | (343) | (262) | (762) | (126) | - | (60) | - | (14,729) |
| At fair value 30 June 2024 | 545,715 | 60,016 | 23,683 | 12,838 | 20,710 | 3,854 | 1,230 | 2,323 | 6,486 | 676,854 |
| Accumulated depreciation at 30 June 2024 | (123,729) | (22,625) | (8,017) | (4,521) | (6,783) | (1,136) | (1,046) | (334) | - | (168,191) |
| Carrying amount | 421,986 | 37,391 | 15,666 | 8,317 | 13,927 | 2,718 | 184 | 1,989 | 6,486 | 508,664 |

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

Acquisition

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

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

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

Asset recognition thresholds and depreciation periods

| | Depreciation Period | Threshold Limit \$'000 |
|--|------------------------|---------------------------|
| Property | | |
| Buildings | | |
| heritage buildings | 30 to 150 years | 5 |
| buildings | 30 to 150 years | 5 |
| building improvements | 30 to 150 years | 5 |
| Plant and Equipment | | |
| heritage plant and equipment | 3 to 20 years | 1 |
| plant, machinery and equipment | 3 to 20 years | 1 |
| fixtures, fittings and furniture | 3 to 20 years | 1 |
| computers and telecommunications | 3 to 10 years | 1 |
| Infrastructure | | |
| sealed pavements | 90 years | 5 |
| unsealed pavements | 25 years | 5 |
| sealed surfaces | 19 years | 5 |
| road kerb, channel and minor culverts | 90 years | 5 |
| bridges deck | 90 years | 5 |
| bridges substructure | 90 years | 5 |
| footpaths and cycleways | 85 years | 5 |
| drainage | 50 years | 5 |
| recreational, leisure and community facilities | 30 to 60 years | 5 |
| parks, open space and streetscapes | 40 years | 5 |
| off street car parks | 50 years | 5 |

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

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

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

Repairs and maintenance

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

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Mr Liam McNamara AAPI CPV registration no 63119 at 30 June 2021. 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 englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

The date of the current valuations is detailed in the following table.

An indexed based revaluation was conducted at 30 June 2022 for land assets. Land assets were reviewed at 30 June 2024 to ensure there was no material movement in value.

An indexed based revaluation was conducted on building assets at 30 June 2023 based on Valuer-General Victoria estimated building cost indexation factors for Victoria. Building assets were reviewed by Assetic at 30 June 2024 to ensure there was no material movement in value.

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 | Level2 | Level 3 | Date of Valuation | Type of Valuation |
|-----------------------------|---------|---------------|---------------|-------------------|-------------------|
| Land | - | 47,886 | - | Jun-22 | Index |
| Specialised land | - | - | 6,991 | Jun-22 | Index |
| Heritage Buildings | - | - | 1,052 | Jun-23 | Index |
| Specialised Buildings | - | - | 33,486 | Jun-23 | Index |
| Non - Specialised Buildings | - | 11,506 | - | Jun-23 | Index |
| Total | - | 59,392 | 41,528 | | |

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

Valuation of infrastructure

Valuation of Roads, Bridges, Footpaths and Drainage assets have been determined in accordance with valuations undertaken by Council staff and expert contractors. At balance date 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.

Assetic performed a desktop revaluation of all Infrastructure asset classes as at 30 June 2024. The fair value for Roads has a material increase and a revaluation adjustment was made accordingly.

Valuation of Recreational leisure and community, Park open space and streetscapes and Offstreet carpark infrastructure assets have been undertaken by Mr Liam McNamara AAPI CPV registered Certified Practising Valuer as a part of land and buildings valuation as at 30 June 2021.

The date and type of the current valuation is detailed in the following table. An index based revaluation was conducted in the current year, this valuation was based on Rawlinsons Australian Construction Handbook. This resulted in a revaluation of Roads assets being completed.

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

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

| | Level 1 | Level 2 | Level 3 | Date of Valuation | Type of Valuation |
|--|---------|---------|----------------|-------------------|-------------------|
| Roads | - | - | 421,986 | Jun-24 | Index |
| Bridges | - | - | 37,391 | Jun-23 | Index |
| Footpaths and cycleways | - | - | 15,666 | Jun-23 | Index |
| Drainage | - | - | 8,317 | Jun-23 | Index |
| Recreational, leisure and community facilities | - | - | 13,927 | Jun-23 | Index |
| Parks, open space and streetscapes | - | - | 2,718 | Jun-23 | Index |
| Off street car parks | - | - | 1,989 | Jun-23 | Index |
| Gravel Pit | - | - | 184 | Jun-23 | Index |
| Total | - | - | 502,178 | | |

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 \$0.01 and \$2,218.93 per square metre.

Specialised buildings are valued using a depreciated current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$47.02 to \$18,752.60 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 30 years to 150 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 19 years to 90 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.

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

| | 2024 | 2023 |
|--|------------|------------|
| | \$'000 | \$'000 |
| 6.3 Investments in associates, joint arrangements and subsidiaries | | |
| (a) Investments in associates | | |
| Investments in associates accounted for by the equity method are: | | |
| - Equity in Geelong Regional Library (GRLC) | 627 | 627 |
| Geelong Regional Library (GRLC) | | |
| <i>Background</i> | | |
| Council share of the net equity in GRLC is 5.59% (5.78% 2023). The GRLC Board is comprised of eight representatives from five member Councils. Golden Plains Shire Council has one representative on the GRLC Board. | 44 | - |
| Fair value of Council's investment in Geelong Regional Library | 671 | 627 |
| Council's share of accumulated surplus | | |
| Council's share of accumulated surplus at start of year | 627 | 627 |
| Reported surplus for year | 44 | - |
| Council's share of accumulated surplus(deficit) at end of year | 671 | 627 |
| Council's share of expenditure commitments | | |
| Operating commitments | 447 | 465 |
| Council's share of expenditure commitments | 447 | 465 |

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.

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

| | 2024 | 2023 |
|---|-----------|-----------|
| | No. | No. |
| Note 7 PEOPLE AND RELATIONSHIPS | | |
| 7.1 Council and key management remuneration | | |
| (a) Related Parties | | |
| <i>Parent entity</i> | | |
| Golden Plains Shire Council | | |
| (b) Key Management Personnel | | |
| Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Golden Plains Shire Council. The Councillors, Chief Executive Officer and Executive Directors are deemed KMP. | | |
| Details of KMP at any time during the year are: | | |
| Councillors | | |
| Helena Kirby (1/07/23 - 30/06/24) | | |
| Les Rowe (1/07/23 - 30/06/24) | | |
| Owen Sharkey (1/07/23 - 30/06/24) | | |
| Ian Getsom (1/07/23 - 30/06/24) | | |
| Brett Cunningham (1/07/23 - 30/06/24) Mayor (1/07/23 - 30/06/24) | | |
| Gavin Gamble (1/07/23 - 30/06/24) Deputy Mayor (1/07/23 - 15/11/23) | | |
| Clayton Whitfield (1/07/23 - 30/06/24) | | |
| Chief Executive Officer and other Key Management Personnel | | |
| Eric Braslis, Chief Executive Officer - (1/07/23 - 03/05/24) | | |
| Michael Tudball, Interim Chief Executive Officer - (06/05/24 - 30/06/24) | | |
| Lynnere Gray, Director Corporate Services - (1/07/23 - 30/06/24) | | |
| Phil Josipovic, Director Infrastructure and Development - (1/07/23 - 30/06/24) | | |
| Steven Sagona, Director Community Services - (1/07/23 - 4/08/23) | | |
| Emma Wheatland, Acting Director Community, Planning and Growth (7/08/23 - 1/09/23, 1/11/23 - 31/01/24, 17/06/24 - 30/06/24) | | |
| Leanne Wilson, Acting Director Community, Planning and Growth (4/09/23 - 31/10/23, 1/02/24 - 30/04/24) | | |
| Total Number of Councillors | 7 | 7 |
| Total of Chief Executive Officer and other Key Management Personnel | 7 | 5 |
| Total Number of Key Management Personnel | 14 | 12 |

(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.

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

| | 2024 | 2023 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Total remuneration of key management personnel was as follows: | | |
| Short-term employee benefits | 1,145 | 1,116 |
| Other long-term employee benefits | 17 | 19 |
| Post-employment benefits | 87 | 79 |
| Termination benefits | 22 | - |
| Total | 1,270 | 1,214 |
| | 2024 | 2023 |

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

| | No. | No. |
|-----------------------|-----------|-----------|
| \$20,000 - \$29,999 | 2 | - |
| \$30,000 - \$39,999 | 4 | 5 |
| \$40,000 - \$49,999 | 1 | 1 |
| \$60,000 - \$69,999 | 1 | 1 |
| \$70,000 - \$79,999 | 1 | 1 |
| \$80,000 - \$89,999 | 1 | - |
| \$100,000 - \$109,999 | 1 | - |
| \$130,000 - \$139,999 | - | 1 |
| \$210,000 - \$219,999 | - | 2 |
| \$220,000 - \$229,999 | 1 | - |
| \$230,000 - \$239,999 | 1 | - |
| \$270,000 - \$279,999 | 1 | - |
| \$300,000 - \$309,999 | - | 1 |
| | 14 | 12 |

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$160,000 and who report directly to a member of the KMP.

| | 2024 | 2023 |
|--|------------|--------------|
| | \$ | \$ |
| Total remuneration of other senior staff was as follows: | | |
| Short-term employee benefits | 458 | 1,038 |
| Other long-term employee benefits | 10 | 21 |
| Post-employment benefits | 44 | 103 |
| Total | 512 | 1,162 |

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

| | 2024 | 2023 |
|---|---------------|---------------|
| | No. | No. |
| Income Range: | | |
| \$160,000 - \$169,999 | - | 6 |
| \$170,000 - \$179,999 | 3 | 1 |
| | 3 | 7 |
| | \$'000 | \$'000 |
| Total remuneration for the reporting year for other senior staff included above, amounted to: | 512 | 1,162 |

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

| 7.2 Related party disclosure | 2024 | 2023 |
|---|-----------|-----------|
| (a) Transactions with related parties | \$ | \$ |
| During the period Council entered into the following transactions with related parties. | | |
| - Contribution to Geelong Reginal Library Corporation | 435 | 426 |
| (b) Outstanding balances with related parties | | |
| The following balances are outstanding at the end of the reporting period in relation to transactions with related parties. | - | - |
| (c) Loans to/from related parties | | |
| The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows: | - | - |
| (d) Commitments to/from related parties | | |
| The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows: | - | - |

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

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 the Council.

Flood Cost Reimbursement

Council has incurred additional costs to repair flood damaged assets and will seek reimbursement from the Federal and State Government for costs where sufficient evidence can be provided to support the claim. The value of reimbursement is uncertain due to the evidence required to meet the claim criteria.

(b) Contingent liabilities

Contingent liabilities are:

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

(c) Bank Guarantee

Bank Guarantee – Minister for Energy & Resources

Council has issued a Bank Guarantee for the amount of \$9,000 in favour of the Minister for Energy & Resources for rehabilitation of the De Motts/Jollys Gravel Pit. Council does not believe that the bank guarantee will be exercised.

Bank Guarantee – Department of Natural Resources & Environment

Council has issued a Bank Guarantee for the amount of \$37,500 in favour of the Department of Natural Resources & Environment for rehabilitation of the Sago Hill Gravel Pit. Council does not believe that the bank guarantee will be exercised.

Council has issued a Bank Guarantee for the amount of \$17,000 in favour of the Department of Natural Resources & Environment for rehabilitation of the Black Hill Gravel Pit. Council does not believe that the bank guarantee will be exercised.

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.

Liability Mutual Insurance

Council was 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 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 its 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.

MAV Workcare

Council was a participant of the MAV WorkCare Scheme. The MAV WorkCare Scheme provided workers compensation insurance. MAV WorkCare commenced business on 1 November 2017 and the last day the Scheme operated as a self-insurer was 30 June 2021. In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013, there is a six year liability period following the cessation of the Scheme (to 30 June 2027). During the liability period, adjustment payments may be required (or received). The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria. If required, adjustments will occur at the 3-year and 6-year points during the liability period, and will affect participating members.

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

8.2 Change in accounting standards

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

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

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

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

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

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. 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 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of council financial instruments will fluctuate because of changes in market prices. The Council's exposure 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's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*. 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 the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

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

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

(c) Credit risk

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

- council have a policy for establishing credit limits for the entities Council deal with;
- council may require collateral where appropriate; and
- council 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. Details of our contingent liabilities are disclosed in Note 8.1(b).

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

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of council's 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:

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

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

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

Unless otherwise stated, the carrying amounts 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 + 0.5% and - 0.5% in market interest rates (AUD) from year-end rates of 4.35%.

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

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

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.

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 4 to 5 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

| Asset class | Revaluation frequency |
|--|------------------------------|
| Land | 4 years |
| Buildings | 4 years |
| Roads | 5 years |
| Bridges | 5 years |
| Footpaths and cycleways | 5 years |
| Drainage | 5 years |
| Recreational, leisure and community facilities | 4 years |
| Parks, open space and streetscapes | 4 years |
| Other infrastructure | 4 to 5 years |

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

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

Impairment of assets

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

8.5 Events occurring after balance date

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

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

Note 9 OTHER MATTERS

| 9.1 Reserves | Balance at beginning of reporting period | Increase (decrease) | Balance at end of reporting period |
|---|--|------------------------|---------------------------------------|
| (a) Asset revaluation reserves | \$'000 | \$'000 | \$'000 |
| 2024 | | | |
| Property | | | |
| Land | 33,663 | - | 33,663 |
| Land Under Roads | 2,733 | - | 2,733 |
| Buildings | 19,182 | - | 19,182 |
| | <u>55,579</u> | <u>-</u> | <u>55,579</u> |
| Infrastructure | | | |
| Roads | 276,608 | 26,497 | 303,105 |
| Bridges | 23,240 | - | 23,240 |
| Footpaths and cycleways | 4,053 | - | 4,053 |
| Drainage | 4,374 | - | 4,374 |
| Offstreet car parks | 175 | - | 175 |
| | <u>308,450</u> | <u>26,497</u> | <u>334,947</u> |
| Total asset revaluation reserves | <u>364,029</u> | <u>26,497</u> | <u>390,525</u> |
| 2023 | | | |
| Property | | | |
| Land | 33,663 | - | 33,663 |
| Land Under Roads | 2,733 | - | 2,733 |
| Buildings | 12,923 | 6,259 | 19,182 |
| | <u>49,320</u> | <u>6,259</u> | <u>55,579</u> |
| Infrastructure | | | |
| Roads | 248,792 | 27,816 | 276,608 |
| Bridges | 20,602 | 2,638 | 23,240 |
| Footpaths and cycleways | 3,220 | 833 | 4,053 |
| Drainage | 3,571 | 803 | 4,374 |
| Offstreet car parks | 175 | - | 175 |
| | <u>276,360</u> | <u>32,090</u> | <u>308,450</u> |
| Total asset revaluation reserves | <u>325,680</u> | <u>38,349</u> | <u>364,029</u> |

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

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

| | Balance at beginning of reporting period \$'000 | Transfer from accumulated surplus \$'000 | Transfer to accumulated surplus \$'000 | Balance at end of reporting period \$'000 |
|--------------------------------|--|---|---|---|
| (b) Other reserves | | | | |
| 2024 | | | | |
| Recreation Lands | 1,875 | 1,064 | (65) | 2,874 |
| Unexpended project reserve | 12,932 | 8,725 | (12,932) | 8,725 |
| LSL Investment Reserve | 271 | - | (35) | 236 |
| Developer Contribution reserve | 619 | 198 | (135) | 682 |
| Quarry Levy | 8 | 180 | (29) | 159 |
| Waste Management | 1,424 | 527 | (65) | 1,886 |
| Total Other reserves | 17,129 | 10,694 | (13,262) | 14,562 |
| 2023 | | | | |
| Recreation Lands | 1,017 | 895 | (37) | 1,875 |
| Unexpended project reserve | 8,279 | 12,932 | (8,279) | 12,932 |
| LSL Investment Reserve | 291 | - | (20) | 271 |
| Developer Contribution reserve | 619 | - | - | 619 |
| Quarry Levy | 8 | - | - | 8 |
| Waste Management | 1,337 | 119 | (32) | 1,424 |
| Total Other reserves | 11,550 | 13,947 | (8,367) | 17,129 |

Purposes of Other Reserve

| | |
|--------------------------------|---|
| Recreation Lands | These funds relate to Public Open Space Contributions collected from property developers. The funds are utilised to develop open space (including recreation facilities) areas throughout the Shire. |
| Unexpended project reserve | These funds have been received or committed in prior year/s and are held to enable Council to deliver the corresponding projects. |
| LSL Investment Reserve | These funds relate to the non-current portion of Council's Long Service Leave liability. |
| Developer Contribution reserve | These funds relate to Developer Contributions collected from property developers. The funds are utilised to develop new community infrastructure. |
| Quarry Levy | These funds are collected from Quarry operators and the funds are utilised to maintain the local road network utilised by these quarries. |
| Waste Management | These funds relate to the waste management charges collected from customers less associated waste management expenses therefore represent the surplus generated from providing waste management services. The funds are committed to future waste management expenses and are held to offset the expected increase in recycling disposal costs. |

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

| | 2024 | 2023 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| 9.2 Reconciliation of cash flows from operating activities to surplus/(deficit) | | |
| Surplus for the year | 108 | 3,092 |
| <i>Non-cash adjustments</i> | | |
| Depreciation/amortisation | 10,021 | 9,566 |
| Cost of Infrastructure assets written-off to Income Statement | 611 | 387 |
| Impairment losses | 516 | 474 |
| Landfill and gravel pit restoration provision present value movement | 648 | 492 |
| (Profit)/loss on disposal of property, infrastructure, plant and equipment | (1,155) | (814) |
| Contributions - Non-monetary assets | (4,980) | (4,496) |
| Share of net profits of associate | (44) | - |
| Finance cost | 198 | 272 |
| Change in assets and liabilities: | | |
| (Increase)/decrease in trade and other receivables | (1,503) | (435) |
| (Increase)/decrease in accrued income | (75) | (51) |
| (Increase)/decrease in prepayments | 498 | 64 |
| Increase/(decrease) in trade payables | (20) | (699) |
| Increase/(decrease) in contract and other liabilities | (2,561) | 2,470 |
| (Increase)/decrease in GST asset | (344) | 0 |
| Increase/(decrease) in accrued expenses | 147 | (617) |
| (Increase)/decrease in inventories | (19) | 2 |
| Increase/(decrease) in trust funds | 64 | 808 |
| Increase/(decrease) in provisions | (131) | 736 |
| Net cash provided by operating activities | 1,979 | 11,252 |

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

9.3 Superannuation

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

Accumulation

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

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 Golden Plains Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 Employee Benefits.

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.

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

Employer contributions

Regular contributions

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

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

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or 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 purpose of SPS 160 and 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%.

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

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

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

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

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

The 2023 interim 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. An interim investigation was conducted as at 30 June 2023.

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

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

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 benefits 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 triennial 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 104.1% as at 30 June 2024. The financial assumptions used to calculate the 30 June 2024 VBI were:

| | |
|------------------------|---------|
| Net investment returns | 5.6% pa |
| Salary inflation | 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 last triennial actuarial investigation conducted prior to 30 June 2023 was at 30 June 2020. This actuarial investigation was completed by 31 December 2020. The financial assumptions for the purposes of that investigation was:

| | 2020 Triennial Investigation | 2023 Triennial Investigation |
|-----------------------|--|---------------------------------|
| Net investment return | 5.6% pa 2.5% pa for the first two years and 2.75% pa thereafter | 5.7% pa |
| Salary inflation | 2.0% pa | 3.5% pa |
| Price inflation | 2.0% pa | 2.8% pa |

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

Superannuation Contribution

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

| | | | 2024 | 2023 |
|---------------|-----------------------|--------------------|---------------|---------------|
| Scheme | Type of Scheme | Rate | \$,000 | \$,000 |
| Vision super | Defined benefit | 11.0% (2023:10.5%) | 129 | 84 |
| Vision super | Accumulation fund | 11.0% (2023:10.5%) | 771 | 571 |
| Other Funds | Accumulation fund | 11.0% (2023:10.5%) | 1,106 | 978 |

Council hasn't paid any unfunded liability payments to Vision Super in 2023-24. Council does not expect to pay to the Defined Benefit category of Vision Super for the year ending 30 June 2024.

Note 10 CHANGE IN ACCOUNTING POLICY

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

There are no pending accounting standards that are likely to have a material impact on council.