

A scenic sunset over a lake. The sky is a mix of dark blue, purple, and orange. The sun is low on the horizon, casting a golden glow over the water. In the background, there are trees and a building. The water is calm, reflecting the colors of the sky. There are some ducks or birds in the water.

YARRIAMBIACK SHIRE COUNCIL

FINANCIAL

Statement

For the year ended 30 June 2024

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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, the Australian Accounting Standards and other mandatory professional reporting requirements.

ANITA J MCFARLANE

Principal Accounting Officer

Date: ?? October 2024

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

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

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

???

Councillor

?? October 2024

???

Mayor

?? October 2024

TAMMY SMITH

Chief Executive Officer

?? October 2024

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INSERT VAGO REPORT

COMPREHENSIVE INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2023/24 \$'000	2022/23 \$'000
INCOME / REVENUE			
Rates and charges	3.1	14,808	13,395
Statutory fees and fines	3.2	222	129
User fees	3.3	709	855
Grants - operating	3.4	3,680	12,322
Grants - capital	3.4	5,623	6,763
Contributions - monetary	3.5	153	221
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	(189)	(484)
Share of net profits (or loss) of associates and joint ventures		(18)	(81)
Other income	3.7	1,019	501
Total income / revenue		26,007	33,621
EXPENSES			
Employee costs	4.1	12,690	12,169
Materials and services	4.2	8,605	8,628
Contributions and donations	4.7	552	579
Depreciation	4.3	5,369	5,197
Depreciation - right of use assets	4.4	398	463
Allowance for impairment losses	4.5	69	47
Borrowing costs		8	-
Finance costs - leases	4.8	28	18
Other expenses	4.9	1,635	2,192
Total expenses		29,354	29,292
Surplus/(deficit) for the year		(3,347)	4,329
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)		(7,715)	25,010
Share of other comprehensive income of associates and joint ventures	6.2	228	246
Items that may be reclassified to surplus or deficit in future periods			
Total Other Comprehensive Result		(7,487)	25,256
Total Comprehensive Result		(10,834)	29,585

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

BALANCE SHEET

AS AT 30 JUNE 2024

	NOTE	2023/24 \$'000	2022/23 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	5.1	6,382	17,185
Trade and other receivables	5.1	1,623	2,213
Other financial assets	5.1	446	434
Inventories	5.2	368	172
Other assets	5.2	264	280
Total current assets		9,083	20,284
Non-current assets			
Trade and other receivables	5.1	219	286
Investments in associates, joint arrangements and subsidiaries	6.2	288	306
Property, infrastructure, plant and equipment	6.1	166,709	169,697
Right-of-use assets	5.8	1,047	496
Total Non-current Assets		168,263	170,785
Total Assets		177,346	191,069
LIABILITIES			
Current liabilities			
Trade and other payables	5.3	1,699	2,734
Trust funds and deposits	5.3	466	340
Contract and other liabilities	5.3	1,200	4,277
Provisions	5.5	3,003	2,786
Interest-bearing liabilities	5.4	41	-
Lease liabilities	5.8	370	340
Total Current Liabilities		6,779	10,477
Non-current liabilities			
Provisions	5.5	538	465
Interest-bearing liabilities	5.4	439	-
Lease liabilities	5.8	764	240
Total Non-current Liabilities		1,741	705
Total Liabilities		8,520	11,182
Net Assets		168,826	179,888
EQUITY			
Accumulated surplus		86,180	89,527
Reserves	9.1	82,646	90,361
Total Equity		168,826	179,888

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

STATEMENT CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2023/24					
Balance at beginning of the financial year		179,888	89,527	90,346	15
Surplus/(deficit) for the year		(3,347)	(3,347)	-	-
Net asset revaluation gain/(loss)	6.1	(7,715)	-	(7,715)	-
Balance at end of the financial year		168,826	86,180	82,631	15

	NOTE	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2022/23					
Balance at beginning of the financial year		150,549	85,198	65,336	15
Surplus/(deficit) for the year		4,329	4,329	-	-
Net asset revaluation gain/(loss)	6.1	25,010	-	25,010	-
Balance at end of the financial year		179,888	89,527	90,346	15

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2023/24 Inflows/ (Outflows) \$'000	2022/23 Inflows/ (Outflows) \$'000
<i>Cash flows from operating activities</i>			
Rates and charges		14,940	13,239
Statutory fees and fines		220	169
User fees		826	914
Grants - operating		4,448	12,046
Grants - capital		5,420	9,778
Contributions - monetary		-	339
Interest received		531	349
Rent received		77	1
Trust funds and deposits taken		126	166
Other receipts		669	339
Net GST refund/payment		966	614
Employee costs		(12,922)	(12,217)
Materials and services		(9,456)	(9,561)
Other payments		(2,709)	(3,731)
Net cash provided by/(used in) operating activities		3,135	12,446
<i>Cash flows from investing activities</i>			
Payments for property, infrastructure, plant and equipment	6.1	(14,508)	(11,947)
Proceeds from sale of property, infrastructure, plant and equipment		74	152
Net cash provided by/(used in) investing activities		(14,434)	(11,795)
<i>Cash flows from financing activities</i>			
Finance costs		-	-
Proceeds from borrowings		500	(18)
Repayment of borrowings		(20)	-
Interest paid - lease liability		28	(18)
Repayment of lease liabilities		-	-
Net cash provided by/(used in) financing activities		508	(36)
Net increase/(decrease) in cash and cash equivalents		(10,791)	615
Cash and cash equivalents at the beginning of the financial year		17,619	17,003
Cash and cash equivalents at the end of the financial year		6,828	17,619

Financing arrangements

5.6

The above statement of cash flows should be read with the accompanying notes.

STATEMENT OF CAPITAL WORKS

FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2023/24 \$'000	2022/23 \$'000
PROPERTY			
Land		69	104
Total land		69	104
Buildings		3,541	1,788
Heritage buildings		15	337
Total buildings		3,556	2,125
Total Property		3,626	2,230
PLANT AND EQUIPMENT			
Plant, machinery and equipment		1,605	1,439
Fixtures, fittings and furniture		46	123
Computers and telecommunications		1	140
Library books		21	30
Total Plant and Equipment		1,674	1,732
INFRASTRUCTURE			
Roads		4,842	8,111
Footpaths and kerb & channel		302	668
Drainage		-	96
Recreational, leisure and community facilities		-	309
Waste management		-	55
Parks, open space and streetscapes		16	-
Total Infrastructure		5,160	9,240
Total Capital Works Expenditure		10,459	13,202
REPRESENTED BY:			
New asset expenditure		2,404	1,677
Asset renewal expenditure		7,868	8,020
Asset upgrade expenditure		186	3,505
Total Capital Works Expenditure		10,459	13,202

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

Note 1: OVERVIEW

INTRODUCTION

The Yarriambiack Shire Council was established by an Order of the Governor in Council on 19th January 1995 and is a body corporate.

The Council's main office is located at 34 Lyle Street, Warracknabeal.

STATEMENT OF COMPLIANCE

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

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

1.1 BASIS OF ACCOUNTING

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

The accrual basis of accounting has been used in the preparation of these financial statements, 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)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not AASB 1059 Service Concession Arrangements: Grantors is applicable
- other areas requiring judgements

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

GOODS AND SERVICES TAX (GST)

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

Note 2: ANALYSIS OF OUR RESULTS

2.1 PERFORMANCE AGAINST BUDGET

The 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 the lower of 10 percent or \$500,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
2.1.1 INCOME / REVENUE AND EXPENDITURE					
<i>Income / Revenue</i>					
Rates and charges	14,432	14,808	376	3%	
Statutory fees and fines	158	222	64	40%	
User fees	680	709	29	4%	
Grants - operating	2,740	3,680	940	34%	1
Grants - capital	7,865	5,623	(2,242)	(29%)	2
Contributions - monetary	89	153	64	72%	
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	(40)	(189)	(149)	373%	
Share of net profits (or loss) of associates and joint ventures	-	(18)	(18)	0%	
Other income	408	1,019	611	150%	3
Total income / revenue	26,332	26,007	(325)	(1%)	
<i>Expenses</i>					
Employee costs	12,677	12,690	13	0%	
Materials and services	9,905	8,605	(1,300)	(13%)	4
Contributions and donations	599	552	(47)	(8%)	
Depreciation	5,861	5,369	(492)	(8%)	
Depreciation - right of use assets	150	398	248	165%	5
Allowance for impairment losses	4	69	65	1625%	
Borrowing costs	20	8	(12)	(61%)	
Finance costs - leases	-	28	28	100%	
Other expenses	1,839	1,635	(203)	(11%)	
Total expenses	31,055	29,354	(1,701)	(5%)	
Surplus/(deficit) for the Year	(4,723)	(3,347)	1,376	(29%)	

Explanation of material variations

REF	ITEM	EXPLANATION
1	Grants - operating	Council has received several grants for community projects such as Minyip Wetland Cabins \$140,000, Warracknabeal Court House (Regional Tourism Infrastructure Fund) \$120,000 and completion of the Murtoa Stick Shed which had not been budgeted. Council also received extra Enhanced Funding for Maternal and Child Health.
2	Grants - capital	Council had budgeted \$1 million for Commonwealth Disaster Recovery Assistance Funding after being advanced \$1.5 million for flood works in 2022. This was the finalisation of the claim but Council is yet to receive this funding and is still actively pursuing this. Several projects that were due to be completed have not yet been fully expended and have been moved to unexpended grants.
3	Other income	Council interest on investments was \$208,000 more than budget due to increased interest rates. Council has also had several building, income protection and workcover insurance claims that refunded during the year totalling \$157,000. Council has also been actively pursuing outstanding rates and were able to recover legal fees which was \$58,000 more than budget.

REF	ITEM	EXPLANATION
4	Materials and services	Several community projects that were due to be completed in the 2023/24 year are still in progress and will be completed in the 2024/25 year. This includes the Warracknabeal Court House and the Minyip Cabins. The actual amount spent on consultants was less than budgeted due to unsuccessful grant applications.
5	Depreciation - right of use assets	Council has elected to extend the lease agreements of all fleet utilities rather than doing an outright purchase

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
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2.1.2 CAPITAL WORKS

Property

Land	68	69	1	2%	
Total land	68	69	1	2%	
Buildings	5,662	3,541	(2,121)	(37%)	6
Heritage buildings	-	15	15	100%	
Total buildings	5,662	3,556	(2,106)	(37%)	
TOTAL PROPERTY	5,730	3,626	(2,104)	(37%)	

Plant and equipment

Plant, machinery and equipment	1,796	1,606	(190)	(11%)	7
Fixtures, fittings and furniture	22	46	24	111%	
Computers and telecommunications	130	1	(129)	(99%)	
Library books	27	21	(6)	(22%)	
Total plant and equipment	1,975	1,674	(300)	(15%)	

Infrastructure

Roads	5,350	4,842	(508)	(10%)	
Bridges	100	-	(100)	(100%)	
Footpaths and kerb & channel	792	302	(490)	(62%)	8
Drainage	542	-	(542)	(100%)	9
Recreational, leisure and community facilities	174	-	(174)	(100%)	
Parks, open space and streetscapes	-	16	16	0%	
Other infrastructure	245	-	(245)	(100%)	
Total infrastructure	7,203	5,160	(2,043)	(28%)	
TOTAL CAPITAL WORKS EXPENDITURE	14,908	10,459	(4,449)	(30%)	

Represented by:

New asset expenditure	5,346	2,404	(2,942)	(55%)
Asset renewal expenditure	7,581	7,868	287	4%
Asset upgrade expenditure	1,981	186	(1,795)	(91%)
TOTAL CAPITAL WORKS EXPENDITURE	14,908	10,459	(4,449)	(30%)

Explanation of material variations

REF	ITEM	EXPLANATION
6	Buildings	There are several building projects that were put on hold such as the Warracknabeal Depot (\$200,000), Warracknabeal Public Amenities (\$242,000), Warracknabeal Children's Centre Landscaping and drainage project (\$300,000), the Rupanyup Kindergarten - Landscaping project (\$180,000) and the Housing units at Warracknabeal, Rupanyup and Hopetoun. All projects have either been carried forward to 2024/25 or have been rescoped. Some of the projects have already gone through or are currently going through the procurement process. All should be completed by 30 June 2025.

REF	ITEM	EXPLANATION
7	Plant, machinery and equipment	Suppliers have experienced delays on the delivery of trucks. Both are expected to be delivered prior to 31 December 2024.
8	Footpaths and kerb & channel	Council had engaged a contractor to complete kerb & channel works at the new school precinct in Warracknabeal. The contractor was unable to complete the works prior to the 30 June 2024. Several footpath jobs were unable to be completed at the end of the financial year due to inclement weather and will be completed in 2024/25.
9	Drainage	Council had applied for several grants for drainage projects and had made an allowance for a co-contribution in the budget. Council was successful in obtaining the grants and the budget was allocated to other projects.

2.2 ANALYSIS OF COUNCIL RESULTS BY PROGRAM

Council delivers its functions and activities through the following programs.

2.2.1 COMMUNITY SERVICES

Administration of maternal & child health services, immunisations, kindergartens, rental accommodation, assessment, senior citizen centres, and sundry welfare services.

CORPORATE SERVICES

General rates and grants commission revenue, general administration and finance costs, which are not allocated to the other functions.

ECONOMIC DEVELOPMENT

Commercial and industrial promotion, caravan parks, livestock exchange, tourist promotion and public conveniences.

ENGINEERING

Construction and maintenance of roads and bridges, footpaths, packing facilities, traffic control, street lighting, street cleaning and drainage, plant operations, workshops and depots and quarries.

GOVERNANCE

Governance provides an effective oversight of the organisation. Human resource management provides support to the organisation and ensures Council's customer focus includes communication and community engagement processes. Service areas include governance, enterprise risk and legal services.

RECREATION, CULTURE AND LEISURE

Maintenance of halls, cultural buildings and operations of the library, parks and reserves, recreation centres, swimming pools, sporting clubs, saleyards and other sundries.

REGULATORY SERVICES

Planning, building control, fire prevention, animal control and the administration of local laws and the health act.

WASTE AND ENVIRONMENT

Rubbish collection, recycling and disposal and tree schemes.

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 Services	5,195	3,082	2,113	4,967	1,856
Corporate Services	14,233	2,834	11,399	487	8,450
Economic Development	801	1,619	(818)	488	288
Engineering	2,794	14,026	(11,232)	2,557	154,680
Governance	22	2,676	(2,654)	2	-
Recreation, Culture and Leisure	854	1,790	(936)	758	11,164
Regulatory Services	248	951	(703)	3	26
Waste and Environment	1,860	2,376	(516)	41	882
	26,007	29,354	(3,347)	9,303	177,346

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Community Services	3,085	3,973	(887)	2,689	2,837
Corporate Services	21,288	3,143	18,145	9,079	19,379
Economic Development	881	1,909	(1,028)	489	306
Engineering	5,874	12,944	(7,070)	6,124	155,730
Governance	22	2,513	(2,492)	-	-
Recreation, Culture and Leisure	671	1,582	(911)	492	11,899
Regulatory Services	186	1,003	(817)	30	15
Waste and Environment	1,614	2,224	(610)	182	904
	33,621	29,292	4,329	19,085	191,070

Note 3: FUNDING FOR THE DELIVERY OF OUR SERVICES

	2023/24 \$'000	2022/23 \$'000
3.1 RATES AND CHARGES		
Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is the net market value after deducting selling costs.		
The valuation base used to calculate general rates for 2023/24 was \$5.767 million (2022/23 \$4.466 million).		
Residential	1,740	1,760
Commercial	247	278
Farm/Rural	9,947	9,500
Municipal charge	413	397
Waste management charges	1,617	1,274
Interest on rates and charges	86	92
Revenue in lieu of rates	758	94
Total rates and charges	14,808	13,395

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

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

3.2 STATUTORY FEES AND FINES

Animal fees	58	43
Health permits	-	1
Town planning fees	76	33
Other	22	(15)
Building fees	66	67
Total statutory fees and fines	222	129

Statutory 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

Aged and health services	-	45
Aged and health services brokerage fees	-	93
Meals on wheels	-	84
Meals on wheels brokerage fees	-	28
Leisure centre and recreation	1	4
Caravan park fees	272	182
Waste management services	126	91
Rents	74	76
Saleyards fees and charges	101	89
Vic Roads fees and charges	11	9
Other fees and charges	124	154
Total user fees	709	855

	2023/24 \$'000	2022/23 \$'000
<i>User fees by timing of revenue recognition</i>		
User fees recognised over time	-	-
User fees recognised at a point in time	709	855
Total user fees	709	855

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

3.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT

Grants were received in respect of the following :

Summary of grants

Commonwealth funded grants	2,895	13,133
State funded grants	6,408	5,952
Total Grants Received	9,303	19,085

(A) OPERATING GRANTS

Recurrent - Commonwealth Government

Financial Assistance Grants	300	8,441
General home care	92	694
Meals on wheels	-	112
Other	102	3
Total Recurrent - Commonwealth Government	494	9,250

Recurrent - State Government

Kindergartens	1,590	1,342
Aged care	1	23
Senior citizens	-	-
Maternal and child health	510	394
Libraries	144	133
Supported playgroup	59	51
Sustainability	85	102
Youth	1	37
Other	(59)	56
Total Recurrent - State Government	2,331	2,138

TOTAL RECURRENT OPERATING GRANTS	2,825	11,388
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Non-recurrent - State Government

Economic development	239	91
Tourism	269	-
Information Technology	184	-
Recreation	5	70
Planning	-	601
Waste	4	102
Other	155	70
Total non-recurrent - State Government	856	934

TOTAL OPERATING GRANTS	3,681	12,322
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	2023/24 \$'000	2022/23 \$'000
(B) CAPITAL GRANTS		
<u>Recurrent - Commonwealth Government</u>		
Roads to recovery	1,567	1,079
Total Recurrent - Commonwealth Government	1,567	1,079
TOTAL RECURRENT CAPITAL GRANTS	1,567	1,079
<u>Non-recurrent - Commonwealth Government</u>		
Local Roads and Community Infrastructure	834	2,804
Total Non-recurrent - Commonwealth Government	834	2,804
<u>Non-recurrent - State Government</u>		
Kindergartens	320	10
Sports & Recreation	16	190
Agrilinks	-	100
Library	578	-
Waste management	38	-
Housing	2,195	-
Roads	74	-
Natural Disaster financial Assistance	-	1,754
Caravan Parks	-	544
Parks & Gardens	-	80
Halls	-	100
Other	-	102
Total Non-recurrent - State Government	3,221	2,880
Total Non-recurrent - Capital Grants	4,055	5,684
TOTAL CAPITAL GRANTS	5,622	6,763
TOTAL GRANTS	9,303	19,085

2023/24	2022/23
\$'000	\$'000

(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 point in 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.

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

General purpose	300	8,441
Specific purpose grants to acquire non-financial assets	-	-
Other specific purpose grants	3,380	3,881
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	1,200	4,277
	4,880	16,599

(D) UNSPENT GRANTS RECEIVED ON CONDITION THAT THEY BE SPENT IN A SPECIFIC MANNER**Operating**

Balance at start of year	1,166	107
Received during the financial year and remained unspent at balance date	77	1,166
Received in prior years and spent during the financial year	(1,166)	(107)
Balance at year end	77	1,166

Capital

Balance at start of year	3,110	1,504
Received during the financial year and remained unspent at balance date	225	2,550
Received in prior years and spent during the financial year	(2,213)	(944)
Balance at year end	1,122	3,110

1,199	4,276
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Unspent grants are determined and disclosed on a cash basis.

	2023/24 \$'000	2022/23 \$'000
3.5 CONTRIBUTIONS		
Monetary	153	221
Total contributions	153	221

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	66	145
Written down value of assets disposed	(255)	(629)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(189)	(484)

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

3.7 OTHER INCOME

Interest	445	278
Workcover reimbursements	46	12
Private use vehicle reimbursements	9	1
Insurance recoupment	52	192
Employee contributions	59	-
Leave transferred from other Councils	5	50
Income protection	168	97
Legal costs recovered	88	147
Recycling recoupment	66	50
Fire Serve Levy	-	(362)
Other	81	36
Total Other Income	1,019	501

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

	2023/24 \$'000	2022/23 \$'000
4.1 (A) EMPLOYEE COSTS		
Wages and salaries	9,084	9,103
WorkCover	200	161
Superannuation	1,079	1,059
Fringe benefits tax	61	61
Annual leave and long service leave	1,472	917
Conferences and training	271	235
Councillor allowances	243	231
Income protection	138	81
Redundancies	67	143
Other	75	177
Total Employee Costs	12,690	12,168

(B) SUPERANNUATION

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	49	41
	49	41
Employer contributions payable at reporting date.	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	553	626
Employer contributions - Other Funds	477	392
	1,030	1,018
Employer contributions payable at reporting date.	113	-

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

	2023/24 \$'000	2022/23 \$'000
4.2 MATERIALS AND SERVICE		
Contracts	1,762	1,780
Waste management	1,106	871
Swimming pool	-	26
Community projects	600	737
Road works	939	734
Communication	16	33
Information technology contract	260	338
Materials and services	1,794	2,104
Building and ground maintenance	42	58
Supply of meals	-	222
Utilities	466	358
External plant hire	91	141
Information technology and equipment	609	513
Consultants	749	620
Other	171	93
Total Materials and Services	8,605	8,628

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

4.3 DEPRECIATION

Property	693	626
Plant and equipment	1,102	1,031
Infrastructure	3,574	3,540
Total Depreciation	5,369	5,197

Refer to note 5.2(c), 5.8 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 DEPRECIATION - RIGHT OF USE ASSETS

Vehicles	398	463
Total Depreciation - Right of use assets	398	463

4.5 ALLOWANCE FOR IMPAIRMENT LOSSES

Rates debtors	42	46
Other	27	1
Total allowance for impairment losses	69	47

Movement in allowance for impairment losses in respect of debtors

Balance at the beginning of the year	311	315
New allowances recognised during the year	384	242
Amounts already allowed for and written off as uncollectible	(21)	(53)
Amounts allowed for but recovered during the year	(315)	(193)
Balance at end of year	359	311

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.

	2023/24 \$'000	2022/23 \$'000
4.6 BORROWING COSTS		
Interest - Borrowings	8	-
Total borrowing costs	8	-

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

4.7 CONTRIBUTIONS AND DONATIONS

Recreation reserves	180	174
Swimming pools	224	219
Economic development	-	15
Community halls	37	36
Weir pools	32	37
Other	79	98
Total contributions and donations	552	579

4.8 FINANCE COSTS - LEASES

Interest - Lease Liabilities	28	18
Total finance costs	28	18

4.9 OTHER EXPENSES

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	38	25
Auditors' remuneration - Internal Audit	45	48
Insurances	757	759
Operating lease rentals	49	47
Printing and stationery	27	37
Advertising	88	89
Postage	20	27
Legal costs	278	314
Subscriptions	154	183
Registrations	136	131
Bank fees and charges	30	34
Others	13	498
Total Other Expenses	1,635	2,192

Note 5: INVESTING IN AND FINANCING OUR OPERATIONS

	2023/24 \$'000	2022/23 \$'000
5.1 FINANCIAL ASSETS		
(A) CASH AND CASH EQUIVALENTS		
Cash on hand	1	1
Cash at bank	2,480	13,477
Term deposits	3,901	3,707
Total cash and cash equivalents	6,382	17,185

(B) OTHER FINANCIAL ASSETS

Current

Term deposits	446	434
Total current other financial assets	446	434

Total cash and cash equivalents and other financial assets	6,828	17,619
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Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

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

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

(C) TRADE AND OTHER RECEIVABLES

Current

Statutory receivables

Rates debtors	1,421	1,498
Infringement debtors	26	15
Allowance for expected credit loss - infringements	(251)	(220)

Non statutory receivables

Loans and advances to community organisations	54	68
Other debtors	481	943
Allowance for expected credit loss - other debtors	(108)	(91)

Total current trade and other receivables	1,623	2,213
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Non-current

Non statutory receivables

Loans and advances to community organisations	219	286
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Total non-current trade and other receivables	219	286
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Total trade and other receivables	1,841	2,499
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Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

(D) AGEING OF RECEIVABLES

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

Current (not yet due)	259	287
Past due by up to 30 days	10	180
Past due between 31 and 180 days	31	106
Past due between 181 and 365 days	77	113
Past due by more than 1 year	269	519
Total trade and other receivables	646	1,205

(E) AGEING OF INDIVIDUALLY IMPAIRED RECEIVABLES

At balance date, other debtors representing financial assets with a nominal value of \$108,000 (2023: \$91,000) were impaired. The amount of the allowance raised against these debtors was \$108,000 (2023: \$91,000). They have been individually 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:

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	(108)	(91)
Total trade and other receivables	(108)	(91)

5.2 NON-FINANCIAL ASSETS**(A) INVENTORIES**

Inventories held for distribution	368	172
Total inventories	368	172

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

(B) OTHER ASSETS

Prepayments	223	248
Other	42	32
Total other assets	264	280

	2023/24 \$'000	2022/23 \$'000
5.3 PAYABLES, TRUST FUNDS AND DEPOSITS AND CONTRACT AND OTHER LIABILITIES		
(A) TRADE AND OTHER PAYABLES		
<u>Current</u>		
<i>Non-statutory payables</i>		
Trade payables	1,543	2,771
Accrued expenses	353	289
<i>Statutory payables</i>		
Net GST payable	(197)	(326)
Total current trade and other payables	1,699	2,734
(B) TRUST FUNDS AND DEPOSITS		
<u>Current</u>		
Fire services levy	328	295
Retention amounts	138	45
Total current trust funds and deposits	466	340
(C) CONTRACT AND OTHER LIABILITIES		
<i>Other liabilities</i>		
<u>Current</u>		
Grants received in advance - operating	650	1,179
Grants received in advance - capital	550	3,098
Total contract liabilities	1,200	4,277

Trust funds and deposits

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

Other liabilities

Grant consideration was received from Department of Jobs, Skills, Industry and Regions to support the construction of Dunmunkle Community Library Precinct – Stage 2 Outdoor activation (\$200,000), Tourism Flagship Projects - Mallee Silo Art Trail Program (\$286,000) and Yarriambiack Affordable Housing (\$324,991). Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion of the assets. As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

Purpose and nature of items

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.

	2023/24 \$'000	2022/23 \$'000
5.4 INTEREST-BEARING LIABILITIES		
<u>Current</u>		
Treasury Corporation of Victoria borrowings - secured	41	-
Total current interest-bearing liabilities	41	-
<u>Non-current</u>		
Treasury Corporation of Victoria borrowings - secured	439	-
Total non-current interest-bearing liabilities	439	-
Total	480	-

Borrowings are secured by rates income.

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

Not later than one year	41	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>41</u>	<u>-</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.

	Annual Leave \$'000	Long Service Leave \$'000	Sick Leave \$'000	Landfill & Gravel Pit restoration \$'000	Total \$'000
5.5 PROVISIONS					
2024					
Balance at beginning of the financial year	967	1,682	79	522	3,250
Additional provisions	994	285	8	(41)	1,246
Amounts used	(804)	(134)	(8)	(21)	(967)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	6	-	6	13
Balance at the end of the financial year	1,157	1,839	79	466	3,541
Provisions - current	1,157	1,637	56	153	3,003
Provisions - non-current	-	202	23	313	538
2023					
Balance at beginning of the financial year	1,104	1,861	92	519	3,576
Additional provisions	768	(4)	-	38	802
Amounts used	(905)	(183)	(13)	(35)	(1,136)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	8	-	-	8
Balance at the end of the financial year	967	1,682	79	522	3,250
Provisions - current	967	1,522	53	244	2,786
Provisions - non-current	-	161	26	278	465

	2023/24 \$'000	2022/23 \$'000
(A) EMPLOYEE PROVISIONS		
<u>Current provisions expected to be wholly settled within 12 months</u>		
Annual leave	840	944
Long service leave	140	183
Sick Leave	56	53
	1,036	1,180
<u>Current provisions expected to be wholly settled after 12 months</u>		
Annual leave	317	23
Long service leave	1,497	1,339
	1,814	1,362
Total current employee provisions	2,850	2,542
<u>Non-current</u>		
Long service leave	202	161
Sick leave	24	26
Total non-current employee provisions	226	187
Aggregate carrying amount of employee provisions:		
Current	2,850	2,542
Non-current	225	187
Total aggregate carrying amount of employee provisions	3,075	2,729

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

ANNUAL LEAVE

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

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

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

LONG SERVICE LEAVE

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

Key assumptions:

	2023/24	2022/23
- discount rate	4.35	4.06
- index rate	4.45	4.35

	2023/24 \$'000	2022/23 \$'000
(B) LANDFILL RESTORATION		
Current	153	244
Non-current	313	278
	466	522

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

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

Key assumptions:	2023/24	2022/23
- discount rate	4.35	4.06
- index rate	4.45	4.35

5.6 FINANCING ARRANGEMENTS

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

Bank overdraft	3,500	3,500
Credit card facilities	8	8
Treasury Corporation of Victoria facilities	480	-
Other facilities	300	300
Total facilities	4,288	3,808
Used facilities	299	279
Unused facilities	3,989	3,529

5.7 COMMITMENTS

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

(A) COMMITMENTS FOR EXPENDITURE

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000
2023/24				
<u>Operating</u>				
Banking	11	22	34	67
Kerbside Waste & Recycling collection	1,096	2,192	3,288	6,576
Supply of PPE Clothing	42	-	-	42
Internal Audit Services	26	-	-	26
Municipal Building Surveying Services (MBS)	193	-	-	193
Corporate System	191	191	-	382
Road Reserve, Channel & Strategic Fire Break Weed Spraying	85	170	85	340
Minyip Wetlands Caravan Park - Sewer Extension	90	-	-	90
Minyip Wetlands Caravan Park - Power & Water Services Connection	67	-	-	67
FReezA - Leaders of the Pack (Western Bulldogs Community)	34	-	-	34
Plant NHVAS Audit & Risk Assessment	83	-	-	83
Heritage Trail Innovation Project	24	-	-	24
Warracknabeal Stormwater Mapping Study	37	-	-	37
Acquatics Servicing & Maintenance	10	19	-	29
Information, Communication & Technology Managed Service Provider	311	-	-	311
Fire prevention	20	20	-	40
Total	2,320	2,614	3,407	8,341
<u>Capital</u>				
Buildings	355	-	-	355
Roads	1,430	2,330	2,000	5,760
Kerb & channel	250	500	-	750
Plant & equipment	997	30	-	1,027
Total	3,032	2,860	2,000	7,892
Total	5,352	5,474	5,407	16,233

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000
2022/23				
<u>Operating</u>				
Banking	11	22	22	55
Supply of PPE Clothing	45	45	-	90
Communications consultant	46	94	-	140
Internal Audit Services	26	26	-	52
Municipal Building Surveying Services (MBS)	188	193	-	381
Corporate System	191	382	-	573
Minyip Cabins	157	-	-	157
Masterplans - Beulah, Brim & Rupanyup	80	-	-	80
Electricity Supply	170	340	-	510
Acquatics Servicing & Maintenance	10	10	-	20
Information, Communication & Technology Managed Service Provider	34	-	-	34
Fire prevention	20	-	-	20
Total	978	1,112	22	2,112
<u>Capital</u>				
Buildings	1,947	-	-	1,947
Roads	682	252	-	934
Kerb & Channel	250	500	-	750
Plant & Equipment	2,106	75	-	2,181
Total	4,985	827	-	5,812
Total	5,963	1,939	22	7,924

5.8 LEASES

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

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

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

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Under AASB 16 Leases, Council as a not-for-profit entity has elected not to measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

	Vehicles \$'000	Total \$'000
Right-of-Use Assets		
Balance at 1 July 2023	496	496
Lease modifications	1,044	1,044
Disposal	(126)	(126)
Depreciation charge	(367)	(367)
Balance at 30 June 2024	1,047	1,047
Balance at 1 July 2022	571	571
Additions	388	388
Depreciation charge	(463)	(463)
Balance at 30 June 2023	496	496

	2023/24 \$'000	2022/23 \$'000
Lease Liabilities		
Maturity analysis - contractual undiscounted cash flows		
Less than one year	370	359
One to five years	832	253
Total undiscounted lease liabilities as at 30 June	1,202	612
Lease liabilities included in the Balance Sheet at 30 June		
Current	370	340
Non-current	764	240
Total lease liabilities	1,134	580

Short-term and low value leases

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

Note 6: Assets we manage

6.1 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2023 \$'000	Additions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	Carrying amount 30 June 2024 \$'000
Land	3,961	69	-	-	(28)	-	-	4,002
Property	16,006	2,203	-	(693)	(91)	-	154	17,580
Plant and equipment	6,244	1,540	-	(1,102)	(76)	-	-	6,606
Infrastructure	141,399	4,352	(7,715)	(3,574)	(60)	-	255	134,656
Work in progress	2,054	2,294	-	-	-	(76)	(409)	3,864
Total	169,664	10,459	(7,715)	(5,369)	(255)	(76)	0	166,708

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	1,511	1,353	-	(154)	2,710
Plant and equipment	-	134	-	-	134
Infrastructure	544	808	(76)	(255)	1,020
Total	2,054	2,294	(76)	(409)	3,864

	Land - specialised \$'000	Land - non specialised \$'000	Total Land \$'000	Heritage Buildings \$'000	Buildings - specialised \$'000	Buildings - non specialised \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
(a) Property									
At fair value 1 July 2023	3,596	365	3,961	1,478	13,480	1,049	16,006	1,511	21,478
Accumulated depreciation at 1 July 2023	-	-	-	-	-	-	-	-	-
	3,596	365	3,961	1,478	13,480	1,049	16,006	1,511	21,478
Movements in fair value									
Additions	-	69	69	15	2,188	-	2,203	1,353	3,626
Disposal	(28)	-	(28)	-	-	(99)	(99)	-	(127)
Transfers	-	-	-	28	126	-	154	(154)	0
	(28)	69	41	43	2,314	(99)	2,258	1,199	3,499
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	-	(138)	(519)	(36)	(693)	-	(693)
Accumulated depreciation of disposals	-	-	-	-	-	8	8	-	8
Transfers	-	-	-	-	-	-	-	-	-
	-	-	-	(138)	(519)	(28)	(685)	-	(685)
At fair value 30 June 2024	3,568	434	4,002	1,521	15,794	950	18,265	2,710	24,977
Accumulated depreciation at 30 June 2024	-	-	-	(138)	(519)	(28)	(685)	-	(685)
Carrying amount	3,568	434	4,002	1,383	15,275	923	17,580	2,710	24,293

	Plant machinery and equipment \$'000	Fixtures, fittings and furniture \$'000	Computers and Telecoms \$'000	Library Books \$'000	Work In Progress \$'000	Total plant and equipment \$'000
(b) Plant and Equipment						
At fair value 1 July 2023	13,739	437	779	290	-	15,245
Accumulated depreciation at 1 July 2023	(8,292)	(261)	(378)	(70)	-	(9,001)
	5,447	176	401	220	-	6,244
Movements in fair value						
Additions	1,472	46	1	21	134	1,674
Disposal	(164)	-	-	-	-	(164)
	1,308	46	1	21	134	1,510
Movements in accumulated depreciation						
Depreciation and amortisation	(973)	(24)	(75)	(30)	-	(1,102)
Accumulated depreciation of disposals	88	-	-	-	-	88
	(885)	(24)	(75)	(30)	-	(1,014)
At fair value 30 June 2024	15,047	483	780	311	134	16,755
Accumulated depreciation at 30 June 2024	(9,177)	(285)	(453)	(100)	-	(10,015)
Carrying amount	5,869	199	327	211	134	6,740

	Roads	Bridges	Footpaths, kerb & channel	Drainage	Recreational, leisure & community facilities	Waste Management	Parks, open spaces & streetscapes	Aerodromes	Infrastructure	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(c) Infrastructure												
At fair value 1 July 2023	232,773	3,752	22,868	10,326	10,043	904	1,049	3,629	1,932	544		287,819
Accumulated depreciation at 1 July 2023	(121,330)	(2,216)	(12,552)	(6,902)	-	-	-	(2,111)	(765)			(145,876)
	111,443	1,536	10,316	3,424	10,043	904	1,049	1,518	1,167	544		141,943
Movements in fair value												
Additions	4,034	-	302	-	-	-	16	-	-	808		5,160
Revaluation	3,227	3,778	(1,446)	51	-	-	774	112	50	-		6,545
Disposal	-	-	(82)	-	-	-	-	-	-	-		(82)
Transfers	(3)	(83)	204	-	-	-	137	-	-	(255)		-
	7,258	3,695	(1,022)	51	-	-	926	112	50	553		11,622
Movements in accumulated depreciation												
Depreciation and amortisation	(2,765)	(33)	(244)	(116)	(300)	(22)	(15)	(30)	(49)	-		(3,574)
Accumulated depreciation of disposals	-	-	22	-	-	-	-	-	-	-		22
Impairment losses recognised in operating result	(16,145)	(2,086)	4,829	130	-	-	(539)	(449)	-	-		(14,260)
Transfers	-	-	-	-	-	-	-	-	-	-		-
	(18,910)	(2,118)	4,607	14	(300)	(22)	(554)	(478)	(49)	-		(17,812)
At fair value 30 June 2024	240,031	7,447	21,846	10,377	10,043	904	1,975	3,741	1,982	1,096		299,442
Accumulated depreciation at 30 June 2024	(140,240)	(4,334)	(7,945)	(6,887)	(300)	(22)	(554)	(2,589)	(815)	-		(163,687)
Carrying amount	99,791	3,113	13,901	3,489	9,743	882	1,421	1,151	1,167	1,096		135,755

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.

	Depreciation Period	Threshold Limit \$'000
Asset recognition thresholds and depreciation periods		
Land & land improvements		
land	-	1,000
land under roads	-	1,000
Buildings		
buildings	30 - 75 years	5,000
heritage buildings	50 years	5,000
Plant and Equipment		
plant, machinery and equipment	5 - 25 years	1,000
motor vehicles	1 - 15 years	1,000
fixtures, fittings and furniture	3 - 15 years	1,000
Infrastructure		
earthworks all	-	5,000
gravel road pavements / resheets	10 - 14 years	2,000
sealed road pavements	60 years	5,000
sealed road final seal	12 years	2,000
bridges	80 years	5,000
footpaths, kerb and channel	25 years	2,000
drainage	25 - 80 years	5,000
aerodromes	12 years	5,000
recreation and leisure	30 - 75 years	5,000
parks and open space	30 - 75 years	5,000
waste management	4 - 30 years	5,000
other infrastructure	4 - 30 years	5,000

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.

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 Preston Rowe Paterson National Property Consultant - Benjamin Sawyer AAPI Reg 63163. 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 unserved) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

The date and type of the current valuation is detailed in the following table.

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

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Land - Non specialised	-	434	-	Jun-23	Full
Land - Specialised	-	-	3,568	Jun-23	Full
Buildings - Heritage	-	-	1,383	Jun-23	Full
Buildings - Non specialised	-	-	923	Jun-23	Full
Buildings - Specialised	-	-	15,275	Jun-23	Full
Total	-	434	21,148		

* Definitions of levels refer to note 8.4

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with an AASB 113 Fair Value utilising the cost approach (replacement cost) method internally utilising AssetFinda software and processed by Peter Schnorrenberg, Asset Co-ordinator (BC Acc.) The date and type of the current valuation is detailed in the following table.

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Roads	-	-	99,790	Jun-24	Full
Bridges	-	-	3,112	Jun-24	Full
Footpaths, Kerb and channel	-	-	13,901	Jun-24	Full
Drainage	-	-	3,490	Jun-24	Full
Recreational, leisure and community facilities	-	-	9,743	Jun-24	Full
Waste management	-	-	882	Jun-24	Full
Parks, open space and streetscapes	-	-	1,422	Jun-24	Full
Aerodromes	-	-	1,150	Jun-24	Full
Other infrastructure	-	-	1,168	Jun-24	Full
Total	-	-	134,657		

* Definitions of levels refer to note 8.4

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.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$11 to \$5,500 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 75 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 12 years to 80 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.

	2023/24 \$'000	2022/23 \$'000
Reconciliation of specialised land		
Other land	3,568	3,596
Total specialised land	3,568	3,596

	2023/24 \$'000	2022/23 \$'000
6.2 INVESTMENTS IN ASSOCIATES		
(a) Investments in associates		
Wimmera Southern Mallee Development Pty Ltd (formerly known as the Wimmera Development Association) Background Yarriambiack Shire Council in conjunction with Horsham Rural City Council, Hindmarsh Shire Council, Northern Grampians Shire Council, West Wimmera Shire Council and Buloke Shire Council have an interest in the Wimmera Southern Mallee Development Pty Ltd.	288	306
Wimmera Southern Mallee Development Pty Ltd (WSMD) is the peak economic development organisation for the Wimmera Southern Mallee region supporting existing local businesses and promoting economic development opportunities to investors. Yarriambiack Shire Council currently has a 12.06% equity interest (13.58% in 2022/23).		
Fair value of Council's investment in Wimmera Southern Mallee Development Pty Ltd	288	306
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	246	305
Reported surplus/(deficit) for year	(18)	(81)
Transfers (to) from reserves	-	22
Council's share of accumulated surplus(deficit) at end of year	228	246
Council's share of reserves		
Council's share of reserves at start of year	60	(24)
Transfers (to) from reserves	-	84
Council's share of reserves at end of Year	60	60
Movement in carrying value of specific investment		
Carrying value of investment at start of year	306	387
Share of surplus(deficit) for year	(18)	(81)
Carrying value of investment at end of year	288	306
Council's share of expenditure commitments		
Operating commitments	499	623
Council's share of expenditure commitments	499	623
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.		
Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.		
For joint operations, Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations.		
Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.		
The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2024, and their income and expenses for that part of the reporting period in which control existed.		
Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.		
Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.		
Entities consolidated into Council include:		
- Hopetoun Swimming Pool Committee of Management		
- Woomelang Community Units of Management		

(b) Community Asset Committee

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

Note 7: PEOPLE AND RELATIONSHIPS

	2023/24 \$'000	2022/23 \$'000
7.1 COUNCIL AND KEY MANAGEMENT REMUNERATION		
<i>(a) Related Parties</i>		
<u>Parent entity</u>		
Yarriambiack Shire Council is the parent entity.		
<u>Subsidiaries and Associates</u>		
Interests in subsidiaries and associates are detailed in Note 6.3.		
<i>(b) Key Management Personnel</i>		
Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Yarriambiack Shire Council. The Councillors, Chief Executive Officer and Directors are deemed KMP.		
<u>Councillors</u>		
Councillor Kylie Zanker (Mayor)		
Councillor Graeme Massey		
Councillor Tom Hamilton		
Councillor Corrine Heintze		
Councillor Karly Kirk		
Councillor Andrew McLean		
Councillor Chris Lehmann		
Chief Executive Officer Tammy Smith		
Chief Operating Officer Tony Caccaviello		
Director Special Projects Gavin Blinman (to 22 December 2023)		
Total Number of Councillors	7	7
Total of Chief Executive Officer and other Key Management Personnel	3	5
Total Number of Key Management Personnel	10	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.

	2023/24 \$'000	2022/23 \$'000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	646	834
Other long-term employee benefits	10	14
Post-employment benefits	91	113
Termination benefits	136	-
Total	883	961

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

\$20,000 - \$29,999	6	6
\$50,000 - \$59,999	-	1
\$80,000 - \$89,999	1	1
\$140,000 - \$149,999	-	1
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	-	1
\$170,000 - \$179,999	1	-
\$230,000 - \$239,999	2	-
	10	11

7.2 RELATED PARTY DISCLOSURE

(a) Transactions with related parties

During the period Council entered into the following transactions with the Wimmera Southern Mallee Development Association which is a related party.

72	442
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* Wimmera Development Ltd Membership \$71,897

(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:

-	-
---	---

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. At balance date the Council are not aware of any contingent assets.

(b) Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of 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.

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Landfill

Council operates several landfills and gravel pits. Council will have to carry out site rehabilitation works in the future. At balance date Council is unable to accurately assess the financial implications of such works.

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each 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.

(c) Guarantees for loans to other entities

The Department of Environment, Land, Water & Planning holds a National Australia Bank Guarantee given by the Council for the sum of \$244,000, which is being used if a site is damaged after gravel extraction. This continues to be reviewed on a yearly basis.

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

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 TCV borrowings. Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

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

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

(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 +2% and -1% 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.

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 1 to 3 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

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

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

Impairment of assets

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

8.5 EVENTS OCCURRING AFTER BALANCE DATE

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

Note 9: Other matters

	Balance at beginning of reporting period \$'000	Increase (decrease) \$'000	Balance at end of reporting period \$'000
9.1 RESERVES			
(a) Asset revaluation reserves			
2023/24			
<u>Property</u>			
Land & land improvements	4,124	-	4,124
Buildings	17,657	-	17,657
	21,781	-	21,781
<u>Infrastructure</u>			
Roads	55,286	(12,918)	42,368
Bridges	837	1,692	2,529
Footpaths and cycleways	6,326	3,383	9,709
Drainage	3,419	181	3,600
Recreational, leisure and community facilities	1,408	-	1,408
Waste management	115	-	115
Parks, open space and streetscapes	(224)	234	10
Aerodromes	653	(337)	316
Other infrastructure	745	50	795
	68,565	(7,715)	60,850
Total asset revaluation reserves	90,346	(7,715)	82,631

2022/23

Property

Land & land improvements	2,416	1,708	4,124
Buildings	16,052	1,605	17,657
	18,468	3,313	21,781

Infrastructure

Roads	38,936	16,350	55,286
Bridges	464	373	837
Footpaths and kerb and channel	3,100	3,226	6,326
Drainage	2,937	482	3,419
Recreational, leisure and community facilities	1,124	284	1,408
Waste management	(48)	163	115
Parks, open space and streetscapes	(178)	(46)	(224)
Aerodromes	374	279	653
Other infrastructure	159	586	745
	46,868	21,697	68,565
Total asset revaluation reserves	65,336	25,010	90,346

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

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus	Balance at end of reporting period \$'000
(b) Other reserves			
2024			
Aerodrome maintenance	15	-	15
Total Other reserves	15	-	15
2023			
Aerodrome maintenance	15	-	15
Total Other reserves	15	-	15

	2023/24 \$'000	2022/23 \$'000
9.2 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)		
Surplus/(deficit) for the year	(3,347)	4,329
<i>Non-cash adjustments:</i>		
Profit/(loss) on disposal of property, infrastructure, plant and equipment	189	484
Bad and doubtful debts	69	47
Share of net profit/(loss) of associates	(18)	(81)
Depreciation	5,369	5,197
Amortisation	398	463
Finance costs	36	-
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in Right of Use Asset	551	-
(Increase)/decrease in trade and other receivables	658	(113)
(Increase)/decrease in prepayments	26	(28)
Increase/(decrease) in accrued income	9	24
Increase/(decrease) in trade and other payables	1,036	(142)
(Decrease)/increase in contract and other liabilities	(3,077)	2,666
(Decrease)/increase in other liabilities	269	74
(Increase)/decrease in inventories	196	(148)
(Decrease)/increase in provisions	291	(326)
(Decrease)/increase in loans	480	-
Net cash provided by/(used in) operating activities	3,135	12,446

9.3 SUPERANNUATION

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

Accumulation

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

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.

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

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

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

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

Employer contributions

(a) Regular contributions

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

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

(b) Funding calls

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

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

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

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

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

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

The 2023 triennial actuarial investigation surplus amounts

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

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

	2023 (Triennial) \$m	2022 (Triennial) \$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 benefit surplus means that the current value of the assets in the Fund’s Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2023.

The 2024 interim actuarial investigation

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

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

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

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

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

The 2020 triennial investigation

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

	2020 Triennial Investigation	2023 Triennial Investigation
Net investment return	5.6% pa	5.7% pa
Salary inflation	2.5% pa for two years and 2.75% pa thereafter	3.50% pa
Price inflation	2.0% pa	2.8% pa

Superannuation contributions

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

	Type of Scheme	Rate	2024 \$'000	2023 \$'000
Vision super	Defined benefits	11.0% (2023:10.5%)	49	41
Vision super	Accumulation	11.0% (2023:10.5%)	917	889

In addition to the above contributions, Council has paid unfunded liability payments to Vision Super totalling \$0 during the 2023/24 year (2022/23 \$0).

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2024.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2025 is \$45,000

Note 10: Change in accounting policy

CHANGE IN ACCOUNTING POLICY

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