



Special Council Meeting

*to consider Annual Financial Report and
Performance Statement 2023-2024*

Agenda

2:00 pm Tuesday 8 October 2024

Council Chambers, Mortlake Council Offices
1 Jamieson Avenue, Mortlake

2040 Vision Statement

The People of Moyne embrace the region's extraordinary cultural and ecological country.

Our fertile volcanic plains and pristine coast are the pride of Victoria's southwest. From coast to country, our connected and vibrant communities are active stewards, working meaningfully towards protection and advancement of environment, history, social and economic vitality for present and future generations.

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Summary of Officer Report Items

2.1 Annual Financial Report and Performance Statement 2023-2024

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Overview: The Annual Financial Report and Performance Statement for the year ended 30 June 2024 have been prepared and audited. Both reports have been presented to Council's Audit & Risk Management Committee who have recommended Council give in principle approval to the Financial Statements and Performance Statement for the year ended 30 June 2024 once clearance from VAGO was received. It is now appropriate for Council to consider, and approve in principle, the Financial Report and Performance Statement for the 2023-24 financial year and to authorise the Mayor to certify the Governance and Management Checklist.

1 Procedural

1.1 Acknowledgement of Country

The Mayor will read the following:

We begin by acknowledging the Traditional Custodians of the land on which we meet today and pay our respects to their Elders past and present. We extend that respect to Aboriginal and Torres Strait Islander peoples here today.

1.2 Prayer

The Mayor will read the following:

Almighty God, we humbly beseech your blessing on the Council, direct and prosper its deliberations for the welfare of the people of the Moyne Shire. Amen.

1.3 Live streaming of Council Meetings

The Mayor will read the following:

Please note that today's meeting is being live streamed and can be viewed by the general public via Council's Facebook page, and later uploaded to Council's website. By participating in and addressing those present at the meeting, you consent to any information you disclose (including any personal information or sensitive information) being recorded and uploaded to the website.

1.4 Apologies

The formal notification from Councillors unable to attend the meeting.
A Motion is required to accept Apologies.

1.5 Declarations of Conflict Interest

Reference: Local Government Act 2020 – Sections 130 (1)(a) and 130(2) Disclosure of Conflict of Interest in respect of a matter to be considered at a Council Meeting

A relevant person who has a conflict of interest in respect of a matter must:

- a) disclose the conflict of interest in the manner required by the Council's Governance Rules [Refer to Part 6 (Conflict of Interest) – Division 2 (Councillor conflict of interest disclosures) of the Governance Rules]
and
- b) exclude themselves from the decision-making process in relation to that matter, including any discussion or vote on the matter at any Council meeting or delegated committee, and any action in relation to the matter.

Members of Staff

If a member of Council staff has a conflict of interest in a matter which they are providing advice to Council:

- a) if the advice is included in a report, the report must disclose the conflict of interest
- b) if the officer is speaking in the council meeting, the officer must disclose the conflict of interest before speaking on the matter.

2 Officers Reports

2.1 *Annual Financial Report and Performance Statement 2023-2024*

Directorate: Corporate & Governance Services

Report Author: Manager Finance & Property

Overview: The Annual Financial Report and Performance Statement for the year ended 30 June 2024 have been prepared and audited. Both reports have been presented to Council's Audit & Risk Management Committee who have recommended Council give in principle approval to the Financial Statements and Performance Statement for the year ended 30 June 2024 once clearance from VAGO was received. It is now appropriate for Council to consider, and approve in principle, the Financial Report and Performance Statement for the 2023-24 financial year and to authorise the Mayor to certify the Governance and Management Checklist.

Officer Recommendation

- 1. That Council approve, in principle, the Annual Financial Report and the Performance Statement for the year ending 30 June 2024.**
- 2. That Councillor Karen Foster and Councillor Damian Gleeson be authorised to certify the attached Annual Financial Report and the Performance Statement for the year ending 30 June 2024.**
- 3. That the Mayor Cr Ian Smith be authorised to certify the attached Governance and Management Checklist for inclusion in the 2023-24 Annual Report.**

Background

Council is required to prepare a Financial Report and a Performance Statement each financial year.

These reports have been prepared for the year ended 30 June 2024 in accordance with the requirements of the Local Government Act 2020, the Local Government Planning and Reporting Regulations 2020, and the Australian Accounting Standards.

The Annual Financial Report is prepared in accordance with the Local Government Model Financial Report as developed by the industry and mandated in the Regulations.

The Victorian Auditor General's Office (VAGO), via their appointed agents Crowe, have conducted both interim (May 2024) and final year end audits (August 2024) for the 2023-24 financial year.

Council's Audit & Risk Committee (the Committee) met on the 11th of September 2024 to consider the Annual Financial Report 2023-24 and Performance Statement 2023-24. At that meeting the Committee passed a motion to recommend Council give in principle approval to the Financial Statements and Performance Statement for the year ended 30 June 2024 pending VAGO final clearance. The VAGO clearance has now been received.

The signed Annual Financial Statements and Performance Statement and the subsequently signed VAGO Audit Report will be incorporated into the 2023-24 Annual Report which will be placed on the Council's website once it has been considered by the Council.

Councils are also required to provide an assessment of their performance against the Governance and Management Checklist as part of the Operations Report within the Annual Report. The Checklist is required to be prepared in line with the Local Government Performance Reporting Framework and is to be certified by the CEO and the Mayor.

Strategic Link

The Local Government Act 2020.

Pursuant to Section 99 (2) & (3) of the Local Government Act 2020 Council is required to pass a resolution giving approval in principle of the 2023- 24 Financial Statements and Performance Statement and authorise two Councillors to certify the statements in their final form.

Discussion

The following commentary is provided on major items contained in the Annual Financial Report and the Performance Statement.

Annual Financial Report

For 2023-2024, an operating deficit of \$6.50 million was achieved compared to an adopted budget surplus of \$8.34 million, a \$14.84 million unfavourable variance. Note 2.1 of the Annual Financial Statements (page 12) advises of total unfavourable variances of:

- Income/Revenue \$12.716 million (with four associated explanations)
- Expenses \$2.129 million (with three associated explanations).

Explanatory commentary on the seven areas of major variations against Council's 2023-2024 Adopted Budget are included in the notes to the Financial Statements (note 2.1).

These are:

Income	Variance Favourable/ (Unfavourable)	Explanation
Grants - operating	(7,654,000)	Variance driven by unfavourable Financial Assistance Grant funding, due to 100% of the 2023-24 funding (\$10.4 million) being received in 2022-23, partially offset by favourable variances including Flood Recovery funding of \$1.5 million.
Contributions - monetary	198,000	Includes unbudgeted contributions towards capital works including bridge construction and Macarthur Market Street Recreation precinct works.
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(5,424,000)	Primarily relates to the transfer of land and assets to the Great Ocean Road Coast and Parks Authority \$3.1 million. Other significant disposals include infrastructure capitalisation for the renewal of roads \$1.5 million.
Other income	391,000	Increase in investment returns from fixed interest deposits due to higher-than-expected interest rates.
Expense	Variance Favourable/ (Unfavourable)	Explanation
Depreciation	(1,232,000)	The 2022-23 revaluation of roads, buildings and drainage assets resulted in higher depreciation than budgeted for in 2023-24.
Borrowing Costs	74,000	Early full repayment of loan borrowings in December 2023 had reduced interest expense.
Other Expenses	(450,000)	A number of expenses were required to be disclosed as Other Expenses. In Council's Budget these were classified as Materials and Contracts. Had the variance of \$450,000 been included in the Materials and Contracts classification the variance for that area would have increase to around 3%.

Performance Statement

The 2023-24 Performance Statement is attached and includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures as prescribed in *the Local Government (Planning and Reporting) Regulations 2020*.

The Performance Statement includes the actual Results achieved in 2023-24 for all prescribed indicators, as well the forecast estimates for the years 2025-2028 for each of the financial performance indicators.

The Key financial performance indicators for 2023-2024 are summarised below.

Performance Measure	Actual Performance		Forecast Performance			
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Working Capital (current assets compared to current liabilities)	300.11%	222.59%	175.75%	153.76%	149.80%	154.96%
Indebtedness (non-current liabilities compared to own source revenue)	18.54%	10.72%	8.41%	8.94%	8.53%	8.39%
Asset Renewal and Upgrade (asset renewal and upgrade compared to depreciation)	134.47%	148.43%	147.42%	163.09%	109.29%	103.28%

These Financial Indicators reflect that the Shire is maintaining a solid financial position.

Governance and Management Checklist

The Council's 2023-24 Annual Report is to include the *Governance and Management Checklist*. The Governance and Management Checklist has been prepared in line with the Local Government Performance Reporting Framework.

The Victorian Government's Local Government Practice Guide for the 2023-24 Annual Report requires Councils to authorise the Mayor and CEO to certify the *Governance and Management Checklist*. The CEO has signed the attached *Governance and Management Checklist* to evidence his support for it.

Consultation

The Annual Financial Report must be prepared in accordance with the Local Government Model Financial Report, which has been developed to provide uniformity and comparability of financial reports across the sector and prescribes disclosure requirements.

The Performance Statement has been prepared in accordance with the Local Government Better Practise Guide 2023-2024 Performance Statement.

Financial Implications

The external audit contract fee is included in Council's budget.

Risk

The external audit methodology is risk based targeting those areas that pose a higher risk of material misstatement to the financial report.

Incorporation into the Annual Report

These Annual Financial Statements and Performance Statement are to be incorporated into the 2023-2024 Annual Report. These documents are required to be accompanied by the signed Auditor's Reports from VAGO. The 2023-24 Annual Report is scheduled to be presented to the Special Council Meeting of 15 October 2024. Our intention is to have completed all of the tasks well in advance of the deadline of 24 October 2024 as opposed to relying on the last minute.

However, there is a possibility that the VAGO reports may not be received in time for being able to be presented to that meeting. If that was the situation, under Clause 18 of the Governance Rules the CEO, in consultation with the Mayor and Councillors, would postpone the meeting, and re-schedule it until 22 October 2024 or some other date. The Councillors will be kept informed on this matter.

Conclusion

The Annual Financial Report and Performance Report for 2023-2024 have been prepared in accordance with the mandated requirements, have been subjected to audit by VAGO's agent and have been considered by Council's Audit and Risk Management Committee.

It is now appropriate that Council approve, in principle, the 2023-2024 Annual Financial Report and the Performance Statement and authorise two Councillors to certify them and to authorise the Mayor to certify the Governance and Management Checklist.

The Officers involved in reviewing this report, having made enquiries with the relevant members of staff, report that there are no conflicts of interest to be disclosed.

A Gender Impact Assessment was not undertaken. The policy, program or service was deemed to not have a direct and significant impact on the public.

Attachments

- | |
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| <ol style="list-style-type: none">1. Annual Financial Report FYE 30 June 2024 [2.1.1 - 46 pages]2. Performance Statement FYE 30 June 2024 [2.1.2 - 17 pages]3. Governance and Mangement Checklist FYE 30 June 2024 [2.1.3 - 4 pages] |
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MOYNE SHIRE COUNCIL
ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2024

**Moyne Shire Council
Financial Report
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Moyne Shire Council
2023/2024 Financial Report

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.

Craig Ralston (BBus, CPA)
Principal Accounting Officer

Dated : 8/10/2024

In our opinion the accompanying financial statements present fairly the financial transactions of Moyne 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 which would render any particulars in the financial statements to be misleading or inaccurate.

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

Karen Foster
Councillor

Dated : 8/10/2024

Damian Gleeson
Councillor

Dated : 8/10/2024

Mark Eversteyn
Chief Executive Officer

Date : 8/10/2024

Moyne Shire Council
2023/2024 Financial Report

<INSERT VAGO REPORT - PAGE 1>

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**Comprehensive Income Statement
For the Year Ended 30 June 2024**

	Note	2024 \$'000	2023 \$'000
Income / Revenue			
Rates and charges	3.1	26,972	25,543
Statutory fees and fines	3.2	643	663
User fees	3.3	12,104	11,374
Grants - operating	3.4	7,546	18,949
Grants - capital	3.4	10,082	7,575
Contributions - monetary	3.5	1,123	886
Contributions - non-monetary	3.5	-	189
Net loss on disposal of property, infrastructure, plant and equipment	3.6	(5,424)	(6,447)
Other income	3.7	1,211	738
Total income / revenue		54,257	59,470
Expenses			
Employee costs	4.1	(23,973)	(22,357)
Materials and services	4.2	(19,499)	(18,902)
Depreciation	4.3	(16,642)	(15,156)
Depreciation - right of use assets	4.4	(97)	(75)
Allowance for impairment losses	4.5	(31)	(14)
Borrowing costs	4.6	(59)	(101)
Finance costs - leases	4.7	(9)	(8)
Other expenses	4.8	(450)	(458)
Total expenses		(60,760)	(57,071)
Surplus/(deficit) for the year		(6,503)	2,399
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain	9.1	1,118	22,569
Total other comprehensive income		1,118	22,569
Total comprehensive result		(5,385)	24,968

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

Moyne Shire Council
2023/2024 Financial Report

Balance Sheet
As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	1,220	8,638
Trade and other receivables	5.1	4,431	5,718
Other financial assets	5.1	13,000	19,500
Inventories	5.2	791	700
Prepayments	5.2	312	134
Other assets	5.2	355	249
Total current assets		20,109	34,939
Non-current assets			
Trade and other receivables	5.1	277	94
Property, infrastructure, plant and equipment	6.1	665,323	660,672
Right-of-use assets	5.8	169	266
Total non-current assets		665,769	661,032
Total assets		685,878	695,971
Liabilities			
Current liabilities			
Trade and other payables	5.3	2,263	4,884
Trust funds and deposits	5.3	1,114	918
Provisions	5.5	5,562	5,445
Interest-bearing liabilities	5.4	-	300
Lease liabilities	5.8	95	95
Total current liabilities		9,034	11,642
Non-current liabilities			
Provisions	5.5	3,747	3,644
Interest-bearing liabilities	5.4	-	2,100
Lease liabilities	5.8	61	164
Total non-current liabilities		3,808	5,908
Total liabilities		12,842	17,550
Net assets		673,036	678,421
Equity			
Accumulated surplus		239,081	245,132
Reserves	9.1	433,955	433,289
Total equity		673,036	678,421

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

Moyne Shire Council
2023/2024 Financial Report

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

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2024					
Balance at beginning of the financial year		678,421	245,132	421,684	11,605
Surplus/(deficit) for the year		(6,503)	(6,503)	-	-
Net asset revaluation gain/(loss)	9.1	1,118	-	1,118	-
Transfers to other reserves	9.1	-	452	-	(452)
Transfers from other reserves	9.1	-	-	-	-
Balance at end of the financial year		673,036	239,081	422,802	11,153
2023					
Balance at beginning of the financial year		653,453	244,752	399,115	9,586
Surplus/(deficit) for the year		2,399	2,399	-	-
Net asset revaluation gain/(loss)	9.1	22,569	-	22,569	-
Transfers to other reserves	9.1	-	(2,019)	-	2,019
Transfers from other reserves	9.1	-	-	-	-
Balance at end of the financial year		678,421	245,132	421,684	11,605

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

**Statement of Cash Flows
For the Year Ended 30 June 2024**

	Note	2024 Inflows/ (Outflows) \$'000	2023 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		26,351	25,340
Statutory fees and fines		574	594
User fees		15,073	10,941
Grants - operating		7,546	18,968
Grants - capital		10,082	7,575
Contributions - monetary		1,123	886
Interest received		1,105	558
Trust funds and deposits taken/(repaid)		196	(23)
Net GST refund/(payment)		3,206	2,226
Employee costs		(23,839)	(22,511)
Materials and services		(26,982)	(21,971)
Net cash provided by operating activities	9.2	<u>14,435</u>	<u>22,583</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(26,090)	(23,333)
Proceeds from sale of property, infrastructure, plant and equipment		491	659
(Payments for) / receipt from investments		6,500	1,000
Payment of loans and advances		(183)	(91)
Net cash provided by/(used in) investing activities		<u>(19,282)</u>	<u>(21,765)</u>
Cash flows from financing activities			
Finance costs		(59)	(96)
Repayment of borrowings		(2,400)	(300)
Interest paid - lease liability		(9)	(8)
Repayment of lease liabilities		(103)	(84)
Net cash provided by/(used in) financing activities		<u>(2,571)</u>	<u>(488)</u>
Net increase/(decrease) in cash and cash equivalents		(7,418)	330
Cash and cash equivalents at the beginning of the financial year		8,638	8,308
Cash and cash equivalents at the end of the financial year	5.1(a)	<u>1,220</u>	<u>8,638</u>
Financing arrangements	5.6		

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

Moynes Shire Council
 2023/2024 Financial Report

Statement of Capital Works
For the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Property			
Land		26	28
Total land		<u>26</u>	<u>28</u>
Buildings		2,598	3,542
Total buildings		<u>2,598</u>	<u>3,542</u>
Total property		<u>2,624</u>	<u>3,570</u>
Plant and equipment			
Plant, machinery and equipment		3,746	1,707
Fixtures, fittings and furniture		-	13
Computers and telecommunications		171	187
Library books		64	0
Total plant and equipment		<u>3,981</u>	<u>1,969</u>
Infrastructure			
Roads		14,405	14,202
Bridges		1,631	1,060
Footpaths and cycleways		1,123	231
Drainage		313	667
Recreational, leisure and community facilities		943	724
Waste management		4	23
Parks, open space and streetscapes		1,066	887
Total infrastructure		<u>19,485</u>	<u>17,794</u>
Total capital works expenditure		<u>26,090</u>	<u>23,333</u>
Represented by:			
New asset expenditure		1,388	2,632
Asset renewal expenditure		19,335	16,549
Asset expansion expenditure		-	320
Asset upgrade expenditure		5,367	3,832
Total capital works expenditure		<u>26,090</u>	<u>23,333</u>

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

Note 1 OVERVIEW**Introduction**

The Moyné Shire Council was established by an Order of the Governor in Council on 22 September 1994 and is a body corporate. The Council's main office is located at Princes Street, Port Fairy.

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 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- 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**Note 2.1 Performance against budget**

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of 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*.

2.1.1 Income / Revenue and Expenditure

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance % Ref
Income / Revenue				
Rates and charges	26,943	26,972	29	0.1%
Statutory fees and fines	624	643	19	3.0%
User fees	12,332	12,104	(228)	-1.8%
Grants - operating	15,200	7,546	(7,654)	-50.4% 1
Grants - capital	10,129	10,082	(47)	-0.5%
Contributions - monetary	925	1,123	198	21.4% 2
Contributions - non monetary	-	-	-	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	(5,424)	(5,424)	- 3
Other income	820	1,211	391	47.7% 4
Total income / revenue	66,973	54,257	(12,716)	-19.0%
Expenses				
Employee costs	(23,678)	(23,973)	(295)	1.2%
Materials and services	(19,410)	(19,499)	(89)	0.5%
Depreciation	(15,410)	(16,642)	(1,232)	8.0% 5
Depreciation - Right of use assets	-	(97)	(97)	-
Allowance for impairment losses	-	(31)	(31)	-
Borrowing costs	(133)	(59)	74	-55.6% 6
Finance costs - Leases	-	(9)	(9)	-
Other expenses	-	(450)	(450)	- 7
Total Expenses	(58,631)	(60,760)	(2,129)	3.6%
Surplus/(deficit) for the year	8,342	(6,503)	(14,845)	-178.0%

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Grants - operating	Variance driven by unfavourable Financial Assistance Grant funding, due to 100% of the 2023/24 funding (\$10.4 million) being received in 2022/23.
2	Contributions - monetary	Includes unbudgeted contributions towards capital works including bridge construction and Macarthur Market Street Recreation precinct works.
3	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Primarily relates to the transfer of land and assets to the Great Ocean Road Coast and Parks Authority \$3.1 million. Other significant disposals relate to infrastructure capitalisation for the renewal of roads \$1.5 million.
4	Other income	Increase in investment returns from fixed interest deposits due to higher than expected interest rates.
5	Depreciation	The 2022/23 revaluation of roads, buildings and drainage assets resulted in higher depreciation than budgeted for in 2023/24.
6	Borrowing Costs	Early full repayment of loan borrowings in December 2023 had reduced interest expense.
7	Other expenses	These expenses of Councillor allowances and audit remuneration are classified as materials and contracts for the purpose of the adopted budget.

Note 2 Analysis of our results (cont'd)
Note 2.1 Performance against budget (cont'd)

2.1.2 Capital Works

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	512	26	(486)	-94.9%	1
Total Land	512	26	(486)	-94.9%	
Buildings	2,543	2,598	55	2.2%	
Total Buildings	2,543	2,598	55	2.2%	
Total Property	3,055	2,624	(431)	-14.1%	
Plant and Equipment					
Plant, machinery and equipment	2,610	3,746	1,136	43.5%	2
Fixtures, fittings and furniture	30	-	(30)	-100.0%	3
Computers and telecommunications	165	171	6	3.6%	
Library books	130	64	(66)	-50.8%	4
Total Plant and Equipment	2,935	3,981	1,046	35.6%	
Infrastructure					
Roads	14,110	14,405	295	2.1%	
Bridges	514	1,631	1,117	217.3%	5
Footpaths and cycleways	250	1,123	873	349.2%	6
Drainage	560	313	(247)	-44.1%	7
Recreational, leisure and community facilities	2,222	943	(1,279)	-57.6%	8
Waste management	80	4	(76)	-95.0%	9
Parks, open space and streetscapes	56	1,066	1,010	1803.6%	10
Other infrastructure	331	-	(331)	-100.0%	11
Total Infrastructure	18,123	19,485	1,362	7.5%	
Total Capital Works Expenditure	24,113	26,090	1,977	8.2%	
Represented by:					
New asset expenditure	1,645	1,388	(257)	-15.6%	
Asset renewal expenditure	17,850	19,335	1,485	8.3%	
Asset expansion expenditure	-	-	-	-	
Asset upgrade expenditure	4,618	5,367	749	16.2%	
Total Capital Works Expenditure	24,113	26,090	1,977	8.2%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	East Beach expenditure reclassified to Parks, open space and streetscapes (\$400k), SES Purchase reclassified to Buildings (\$320k) and balance of works carried forward to 2024/25
2	Plant, machinery and equipment	Quarry crusher/screening plant carried forward from 2022/23 (\$1.5m) due to availability
3	Fixtures, fittings and furniture	Small furniture purchases reclassified to operating expenditure
4	Library books	Library purchases made on behalf of Corangamite Moyne Library Service, reimbursed by agreement
5	Bridges	Funding from the Local Roads Community Infrastructure program (round 2 and 3) allowed additional bridge rehabilitation works on four bridges (\$1.05 million)
6	Footpaths and cycleways	Funding from the Local Roads Community Infrastructure program/carried forward works from 2022/23 in Koroit Township
7	Drainage	Some Port Fairy drainage works carried forward to 2024/25 (\$255k)
8	Recreation, leisure and community facilities	Port Fairy Play Space, Skate Park, Pump Track, Stage 1 Bicycle Strategy carried forward to 2024/25 and Port Fairy FNC Lighting project reclassified to Parks, open space and streetscapes.
9	Waste Management	Fall protection transfer stations not completed, balance carried forward to 2024/25
10	Parks, open space and streetscapes	East Beach expenditure reclassified to Parks, open space and streetscapes (\$400k), Port Fairy FNC Lighting project reclassified from Recreation, leisure and community facilities (\$740k)
11	Other	All expenditure reclassified to Parks, open space and streetscapes, with \$125k deferred (Vic Park Lighting).

Note 2 Analysis of our results (cont'd)
Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1 Corporate & Governance Services

Corporate & Governance Services encompasses internal support roles including all finance functions, IT, property & rating, human resources & payroll, customer service and property/contract management. It also encompasses Councillor support services, governance, corporate planning, risk and records management.

Assets & Community

Assets & Community consists of a range of services under the main management areas of Assets & Infrastructure and Construction, Maintenance & Emergencies. The directorate delivers various objectives of the Moyne Shire Council Plan 2021-2025 including planning and delivery of infrastructure projects and facility maintenance.

It also has responsibility for the delivery of a range of early years services including kindergartens, child care, and maternal & child health, as well as operating aged care services. In addition, a suite of recreation and cultural activities is managed, including sports grounds, community development, libraries, recreation facilities, youth services and support for events, festivals & the arts.

Environment, Economy & Place

This directorate covers a wide range of services involving land use and development, strategic planning, environmental health, economic development, festivals and events, tourism and operation of caravan parks. Additional responsibilities encompass local laws, animal control, school crossings, environment & coastal matters, waste management, and operation of the Port of Port Fairy & Mount Shadwell Quarry.

Executive Services - Communications & Advocacy

This directorate provides administration of executive services and monitoring of Council activities to ensure legislative compliance. It provides a wide range of services including administration of Council meetings & workshops and collaboration with other agencies in regional projects. It also provides community advocacy and undertakes strategic planning activities such as the Council Plan review.

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					
Corporate & Governance Services	24,194	9,525	14,669	260	18,902
Assets & Community	16,685	35,956	(19,271)	14,856	666,763
Environment, Economy & Place	13,372	12,888	484	2,512	213
Executive Services	6	2,391	(2,385)	-	-
	54,257	60,760	(6,503)	17,628	685,878
	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Corporate & Governance Services	29,047	5,719	23,328	3,316	33,760
Assets & Community	17,136	36,196	(19,060)	20,439	661,971
Environment, Economy & Place	13,286	12,815	471	2,769	240
Executive Services	1	2,341	(2,340)	-	-
	59,470	57,071	2,399	26,524	695,971

	2024	2023
	\$'000	\$'000
Note 3 Funding for the delivery of our services		
3.1 Rates and charges		
<p>Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is defined under the <i>Valuation of Land Act 1960</i> as:</p> <p>"..the sum which land, if it were unencumbered by any lease, mortgage or other charge, might be expected to realise at the time of valuation if offered for sale on any reasonable terms and conditions which a genuine seller might in ordinary circumstances be expected to require."</p> <p>The valuation base used to calculate general rates for 2023/2024 was \$13.065 billion (2022/2023, \$10.804 billion). The 2023/2024 rate in the CIV dollar was 0.0012898 (2022/2023, 0.0014995).</p>		
Residential	5,458	5,514
Commercial/Industrial	541	592
Farm/Rural	13,726	12,840
Supplementary rates and rate adjustments	65	90
Service rates and charges	4,363	4,061
Interest on rates and charges	91	94
Revenue in lieu of rates	2,728	2,352
Total rates and charges	26,972	25,543
<p>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.</p> <p>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.</p>		
3.2 Statutory fees and fines		
Dog and Cat Charges	158	166
Health Licences and Fees	131	147
Regulation Fees and Permits	22	35
Town Planning Fees & Certificates	332	315
Total statutory fees and fines	643	663
<p>Statutory fees and fines (including parking fees and fines) are recognised as income when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.</p>		
3.3 User fees		
Aged & Disability Services Fees	383	815
Home Care Package Fees	2,189	656
Building Fees	70	78
Childcare / Preschool Fees	1,678	1,528
Port Fees and Charges	246	255
Private Works	103	143
Property Rentals	78	74
Quarry Fees and Charges	1,000	1,525
Refuse Operations	418	375
Caravan Park/Lodge Fees	5,082	5,097
Reimbursements	404	424
Corporate Fees and Charges	21	20
Other	432	384
Total user fees	12,104	11,374
User fees by timing of revenue recognition		
User fees recognised at a point in time	12,104	11,374
Total user fees	12,104	11,374
<p>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.</p>		

	2024	2023
	\$'000	\$'000
Note 3 Funding for the delivery of our services (cont'd)		
3.4 Funding from other levels of government		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	4,058	16,880
State funded grants	13,570	9,644
Total grants received	<u>17,628</u>	<u>26,524</u>
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grant - unallocated	234	6,662
Financial Assistance Grant - local roads	233	6,738
Aged Care	875	762
Recurrent - State Government		
Aged Care	277	316
Port of Port Fairy	540	460
Community Services	18	16
Environment	124	100
Library Services	188	200
Family & Children	3,138	2,610
Regulatory Services	23	22
Emergency Management	1,578	670
Recreation	179	266
Other	139	127
Total recurrent operating grants	<u>7,546</u>	<u>18,949</u>
Total operating grants	<u>7,546</u>	<u>18,949</u>
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to Recovery	2,716	2,718
Total recurrent capital grants	<u>2,716</u>	<u>2,718</u>
Non-Recurrent - State Government		
Environmental Management	155	-
Parks and Amenities	41	-
Port of Port Fairy	120	-
Recreation	225	2,270
Emergency Management	-	-
Family & Children	-	-
Roads and Streets	3,354	2,236
Information Technology	94	-
Waste Management	-	85
Asset Management	-	15
Bridge Maintenance & Construction	3,377	251
Total non-recurrent capital grants	<u>7,366</u>	<u>4,857</u>
Total capital grants	<u>10,082</u>	<u>7,575</u>

	2024	2023
	\$'000	\$'000
Note 3 Funding for the delivery of our services (cont'd)		
(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 for Not-for-Profit Entities.		
Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.		
Income recognised under AASB 1058 Income of Not-for-Profit Entities		
General purpose	467	13,400
Specific purpose grants to acquire non-financial assets	7,079	5,549
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	10,082	7,575
	<u>17,628</u>	<u>26,524</u>
(d) Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	3,833	2,775
Received during the financial year and remained unspent at balance date	522	2,086
Received in prior years and spent during the financial year	(890)	(1,028)
Balance at year end	<u>3,465</u>	<u>3,833</u>
Unspent grants are determined and disclosed on a cash basis.		
3.5 Contributions		
Monetary	1,123	886
Non-monetary	-	189
Total contributions	<u>1,123</u>	<u>1,075</u>
<i>Contributions of non-monetary assets were received in relation to the following asset classes:</i>		
Infrastructure	-	189
Total non-monetary contributions	<u>-</u>	<u>189</u>
Monetary and non monetary contributions are recognised as income at their fair value when Council obtains control over the contributed asset.		
3.6 Net loss on disposal of property, infrastructure, plant and equipment		
Proceeds of sale of plant and equipment	480	659
Written down value of plant and equipment disposed	(250)	(298)
Written down value of roads disposed	(1,547)	(6,228)
Written down value of land disposed	(1,820)	-
Written down value of buildings disposed	(1,878)	(201)
Written down value of bridges disposed	(18)	(285)
Written down value of playgrounds disposed	(144)	-
Written down value of footpaths disposed	(4)	-
Written down value of drainage disposed	(2)	(94)
Written down value of recreation disposed	(46)	-
Written down value of other infrastructure disposed	(123)	-
Written down value of library books disposed	(72)	-
Total net loss on the disposal of property, infrastructure, plant and equipment	<u>(5,424)</u>	<u>(6,447)</u>
The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.		

	2024	2023
	\$'000	\$'000
Note 3 Funding for the delivery of our services (cont'd)		
3.7 Other income		
Interest	1,211	738
Total other income	<u>1,211</u>	<u>738</u>

Interest is recognised as it is earned.

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

Note 4 The cost of delivering services

4.1 (a) Employee costs

Wages and salaries	18,608	17,533
Annual leave and long service leave	2,149	1,956
Superannuation	2,136	1,956
WorkCover	912	710
Fringe benefits tax	168	202
Total employee costs	<u>23,973</u>	<u>22,357</u>

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	52	59
	<u>52</u>	<u>59</u>

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,115	1,078
Employer contributions - other funds	1,170	1,022
	<u>2,285</u>	<u>2,100</u>

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

4.2 Materials and services

Family & Children's Services	394	287
Aged Care	555	396
Port of Port Fairy	359	47
Quarry & External Works	135	286
Regulatory Services	689	1,688
Finance/IT, Governance & Administrative Services	491	580
Environmental Management	255	271
Waste Management	2,963	2,758
Caravan Parks & Tourism	783	742
Parks, Recreation & Township Maintenance	633	716
Asset Management, Design & Engineering	1,145	886
Roads & Streets	2,419	1,911
Economic Development & Planning	610	1,196
Vehicle Operating Costs	2,638	2,615
Utilities	969	778
Office Administration	480	537
Insurance	583	548
Computer & Software Maintenance	856	747
Donations/Contributions	2,095	1,652
Other	447	261
Total materials and services	<u>19,499</u>	<u>18,902</u>

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

	2024	2023
	\$'000	\$'000
Note 4 The cost of delivering services (cont'd)		
4.3 Depreciation		
Property	1,764	1,579
Plant and equipment	1,987	1,923
Infrastructure	12,891	11,654
Total depreciation	16,642	15,156
4.4 Depreciation - Right of use assets		
ICT Equipment	97	75
Total Depreciation - Right of use assets	97	75
<i>Refer to note 5.8 and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.</i>		
4.5 Allowance for impairment losses		
Childcare & Kindergarten debtors	-	(7)
Animal debtors	26	5
Aged Care debtors	5	-
Other debtors	-	16
Allowance for impairment losses	31	14
Movement in allowance for impairment losses in respect of debtors		
Balance at the beginning of the year	40	48
New Provisions recognised during the year	2	13
Amounts already provided for and written off as uncollectible	(13)	(21)
Balance at end of year	29	40
An allowance for impairment losses in respect of debtors is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.		
4.6 Borrowing costs		
Interest - Borrowings	59	101
Total borrowing costs	59	101
Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.		
4.7 Finance Costs - Leases		
Interest - Lease Liabilities	9	8
Total finance costs	9	8
4.8 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	62	68
Auditors' remuneration - Internal Audit	68	91
Councillors' allowances	320	299
Total other expenses	450	458

	2024	2023
	\$'000	\$'000
Note 5 Investing in and financing our operations		
5.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	4	-
Cash at bank	1,216	8,638
Total cash and cash equivalents	<u>1,220</u>	<u>8,638</u>
(b) Other financial assets		
Current		
Term deposits	13,000	19,500
Total current other financial assets	<u>13,000</u>	<u>19,500</u>
Total other financial assets	<u>13,000</u>	<u>19,500</u>
Total cash and cash equivalents and other financial assets	<u>14,220</u>	<u>28,138</u>
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	1,901	1,280
Net GST receivable	422	506
<i>Non statutory receivables</i>		
Home care debtors	34	30
Childcare debtors	65	39
Quarry debtors	93	199
Building and planning debtors	121	125
Loans and advances to community organisations	33	-
Government debtors	1,511	3,336
Other debtors	280	244
Allowance for expected credit loss - other debtors	(29)	(41)
	<u>4,431</u>	<u>5,718</u>
Non-current		
<i>Non statutory receivables</i>		
Loans and advances to community organisations	277	94
	<u>277</u>	<u>94</u>
Total trade and other receivables	<u>4,708</u>	<u>5,812</u>

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 & other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	1,268	1,020
Past due by up to 30 days	390	2,291
Past due between 31 and 180 days	279	334
Past due between 181 and 365 days	354	338
Past due by more than 1 year	94	43
Total trade & other receivables	<u>2,385</u>	<u>4,026</u>

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$28,902 (2023: \$40,727) were impaired. The amount of the allowance raised against these debtors was \$28,902 (2023: \$40,727). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Past due between 31 and 180 days	16	14
Past due between 181 and 365 days	2	14
Past due by more than 1 year	11	12
Total trade & other receivables	<u>29</u>	<u>40</u>

	2024 \$'000	2023 \$'000
Note 5 Investing in and financing our operations (cont'd)		
5.2 Non-financial assets		
(a) Inventories		
Inventories held for distribution	771	675
Inventories held for sale	20	25
Total inventories	791	700
<p>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.</p>		
(b) Other assets		
Prepayments	312	134
Other	355	249
Total other assets	667	383
5.3 Payables, trust funds & deposits and contracts & other liabilities		
(a) Trade and other payables		
Current		
<i>Non-statutory payables</i>		
Trade payables	1,822	4,564
Accrued expenses	441	320
Total current trade and other payables	2,263	4,884
(b) Trust funds and deposits		
Current		
Refundable deposits	137	184
Fire services levy	928	674
Retention amounts	14	20
Trust funds - drainage	7	7
Trust funds - other	28	33
Total current trust funds and deposits	1,114	918

Trust funds and deposits

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

Purpose and nature of items

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

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

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

Note 5 Investing in and financing our operations (cont'd)	2024	2023
5.4 Interest-bearing liabilities	\$'000	\$'000
Current		
Borrowings - secured	-	300
Finance leases	95	95
Total current interest-bearing liabilities	<u>95</u>	<u>395</u>
Non-current		
Borrowings - secured	-	2,100
Finance leases	61	164
Total non-current interest-bearing liabilities	<u>61</u>	<u>2,264</u>
Total	<u>156</u>	<u>2,659</u>

Borrowings are secured by the general rates revenue of the Council.

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

Not later than one year	-	300
Later than one year and not later than five years	-	1,200
Later than five years	-	900
	<u>-</u>	<u>2,400</u>

Note 5 Investing in and financing our operations (cont'd)
5.5 Provisions

	Employee	Landfill restoration	Total
	\$ '000	\$ '000	\$ '000
2024			
Balance at beginning of the financial year	6,222	2,867	9,089
Additional provisions	1,689	-	1,689
Amounts used	(1,580)	-	(1,580)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	26	86	112
Balance at the end of the financial year	<u>6,357</u>	<u>2,953</u>	<u>9,310</u>
<i>Provisions - current</i>	5,562	-	5,562
<i>Provisions - non-current</i>	794	2,953	3,747
2023			
Balance at beginning of the financial year	6,440	2,835	9,275
Additional provisions	1,407	-	1,407
Amounts used	(1,663)	-	(1,663)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	38	32	70
Balance at the end of the financial year	<u>6,222</u>	<u>2,867</u>	<u>9,089</u>
<i>Provisions - current</i>	5,445	-	5,445
<i>Provisions - non-current</i>	777	2,867	3,644
		2024	2023
		\$'000	\$'000
(a) Employee provisions			
Current provisions expected to be wholly settled within 12 months			
Annual leave		888	899
Long service leave		263	339
		<u>1,151</u>	<u>1,238</u>
Current provisions expected to be wholly settled after 12 months			
Annual leave		1,394	1,344
Long service leave		3,017	2,863
		<u>4,411</u>	<u>4,207</u>
Total current employee provisions		<u>5,562</u>	<u>5,445</u>
Non-current			
Long service leave		794	777
Total non-current employee provisions		<u>794</u>	<u>777</u>
Aggregate carrying amount of employee provisions:			
Current		5,562	5,445
Non-current		794	777
Total aggregate carrying amount of employee provisions		<u>6,356</u>	<u>6,222</u>

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

Note 5 Investing in and financing our operations (cont'd)

5.5 Provisions (cont'd)

	2024	2023
Key assumptions:		
- weighted average discount rate	4.21%	4.05%
- wage inflation rate	4.45%	4.35%
- long service leave settlement period	12 years	12 years
(b) Landfill restoration	\$'000	\$'000
Non-current	2,953	2,867
Total	2,953	2,867

Council is obligated to restore landfill sites to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for 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:		
- average discount rate	4.30%	4.05%
- inflation rate	3.00%	3.50%
- estimated years to commence rehabilitation	2 years	10 years

5.6 Financing arrangements

Bank loans	-	2,400
Credit card facility	100	100
Total facilities	100	2,500
Used facilities	-	2,400
Unused facilities	100	100
	100	2,500

5.7 Commitments

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

(a) Commitments for expenditure

2024	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Internal Audit Services	74	77	-	-	151
Garden Maintenance Services	332				332
Immunisation Services	104	104	31		239
Environmental Services	238				238
Supply Limestone	66	13			79
Meals on wheels	45				45
					-
Waste	2,681	2,843	3,013		8,537
Unified Communications and Contact Centre	44	22			66
Total	3,584	3,059	3,044	-	9,687
Capital					
Purchases of Major Plant	151				151
					-
					-
Total	151	-	-	-	151

Note 5 Investing in and financing our operations (cont'd)

5.7 Commitments (cont'd)

2023	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Supply of secure Private Network and Internet Services	83	-	-	-	83
Garden Maintenance Services	280	282	-	-	562
Cleaning Council Buildings	198	-	-	-	198
Waste	2,527	2,679	5,849	-	11,055
Unified Communications and Contact Centre	33	33	-	-	66
Sealed Road Assessment	81	-	-	-	81
Total	3,202	2,994	5,849	-	12,045
Capital					
Purchases of Major Plant	242	-	-	-	242
Southcombe Caravan Cabins	35	-	-	-	35
Total	277	-	-	-	277

(b) Operating lease receivables

Operating lease receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

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

	2024 \$'000	2023 \$'000
Not later than one year	379	353
Later than one year and not later than five years	600	619
Later than five years	1,432	1,404
	2,411	2,376

Note 5 Investing in and financing our operations (cont'd)
5.8 Leases

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.

Right-of-Use Assets

	ICT
	\$'000
Balance at 1 July 2024	266
Additions	-
Depreciation charge	(97)
Balance at 30 June 2024	<u>169</u>
Balance at 1 July 2023	69
Additions	272
Depreciation charge	(75)
Balance at 30 June 2023	<u>266</u>

Lease Liabilities

	2024	2023
	\$'000	\$'000
Maturity analysis - contractual undiscounted cash		
Less than one year	102	105
One to five years	71	179
Total undiscounted lease liabilities as at 30 June:	<u>173</u>	<u>284</u>
Lease liabilities included in the Balance Sheet at 30 June:		
Current	95	95
Non-current	61	164
Total lease liabilities	<u>156</u>	<u>259</u>

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Carrying Amount 30 June 2023	Additions	Contributions	Revaluation	Depreciation	Disposal	Transfers	Carrying Amount 30 June 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	118,556	876	-	-	(1,764)	(3,698)	2,406	116,376
Plant and equipment	9,465	3,981			(1,987)	(323)		11,136
Infrastructure	528,358	8,315		1,118	(12,891)	(1,883)	40	523,057
Work in progress	4,293	12,918					(2,457)	14,754
	660,672	26,090	-	1,118	(16,642)	(5,904)	(11)	665,323

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Closing WIP \$'000
Property	2,516	1,749	(2,406)	1,859
Plant and equipment	-	-	-	-
Infrastructure	1,777	11,169	(51)	12,895
Total	4,293	12,918	(2,457)	14,754

Moyne Shire Council
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Notes to the Financial Report
For the Year Ended 30 June 2024

Note 6 Assets we manage (cont'd)

6.1 Property, infrastructure, plant and equipment (cont'd)

(a) Property

	Land - specialised	Land - non specialised	Land under roads	Total Land & Land Improvements	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 30 June 2023	51,054	58	1,022	52,134	107,197	420	107,617	2,516	162,267
Accumulated depreciation at 30 June 2023	-	-	-	-	(40,919)	(276)	(41,195)	-	(41,195)
	51,054	58	1,022	52,134	66,278	144	66,422	2,516	121,072
Movements in fair value									
Additions	-	-	-	-	876	-	876	1,749	2,625
Contributions	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Disposal	(1,820)	-	-	(1,820)	(3,147)	-	(3,147)	-	(4,967)
Transfers	-	-	3	3	2,403	-	2,403	(2,406)	-
	(1,820)	-	3	(1,817)	132	-	132	(657)	(2,342)
Movements in accumulated depreciation									
Depreciation	-	-	-	-	(1,757)	(7)	(1,764)	-	(1,764)
Revaluation	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	1,269	-	1,269	-	1,269
	-	-	-	-	(488)	(7)	(495)	-	(495)
At fair value 30 June 2024	49,234	58	1,025	50,317	107,329	420	107,749	1,859	159,925
Accumulated depreciation at 30 June 2024	-	-	-	-	(41,407)	(283)	(41,690)	-	(41,690)
Carrying Amount	49,234	58	1,025	50,317	65,922	137	66,059	1,859	118,235

Moyne Shire Council
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Notes to the Financial Report
For the Year Ended 30 June 2024

Note 6 Assets we manage (cont'd)

6.1 Property, infrastructure, plant and equipment (cont'd)

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Library Books	Work In Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 30 June 2023	20,718	962	3,247	252	-	25,179
Accumulated depreciation at 30 June 2023	(11,755)	(915)	(2,997)	(47)	-	(15,714)
	8,963	47	250	205	-	9,465
Movements in fair value						
Additions	3,746	-	171	64	-	3,981
Contributions	-	-	-	-	-	-
Disposal	(1,080)	-	-	(95)	-	(1,175)
	2,666	-	171	(31)	-	2,806
Movements in accumulated depreciation						
Depreciation	(1,775)	(20)	(146)	(46)	-	(1,987)
Accumulated depreciation of disposals	830	-	-	22	-	852
Impairment losses recognised in operating result	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
	(945)	(20)	(146)	(24)	-	(1,135)
At fair value 30 June 2024	23,384	962	3,418	221	-	27,985
Accumulated depreciation at 30 June 2024	(12,700)	(935)	(3,143)	(71)	-	(16,849)
Carrying Amount	10,684	27	275	150	-	11,136

Moyne Shire Council
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Notes to the Financial Report
For the Year Ended 30 June 2024

Note 6 Assets we manage (cont'd)

6.1 Property, infrastructure, plant and equipment (cont'd)

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community	Waste Management	Playgrounds	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 30 June 2023	694,915	69,920	11,758	22,473	3,300	5,182	3,119	8,153	1,776	820,596
Accumulated depreciation at 30 June 2023	(239,073)	(30,060)	(3,066)	(8,621)	(2,153)	(2,319)	(1,544)	(3,625)	-	(290,461)
	455,842	39,860	8,692	13,852	1,147	2,863	1,575	4,528	1,776	530,135
Movements in fair value										
Additions	6,720	421	119	10	76	-	160	809	11,168	19,483
Revaluation	-	2,350	948	-	-	-	313	-	-	3,611
Disposal	(4,469)	(33)	(20)	(6)	(60)	-	(315)	(168)	-	(5,071)
Transfers	-	-	-	-	40	-	-	-	(51)	(11)
	2,251	2,738	1,047	4	56	-	158	641	11,117	18,012
Movements in accumulated depreciation										
Depreciation	(10,629)	(775)	(292)	(225)	(174)	(243)	(183)	(369)	-	(12,890)
Revaluation	-	(1,550)	(1,138)	-	-	-	195	-	-	(2,493)
Accumulated depreciation of disposals	2,922	16	16	4	14	-	170	46	-	3,188
	(7,707)	(2,309)	(1,414)	(221)	(160)	(243)	182	(323)	-	(12,195)
At fair value 30 June 2024	697,166	72,658	12,805	22,477	3,356	5,182	3,277	8,794	12,893	838,608
Accumulated depreciation at 30 June 2024	(246,780)	(32,369)	(4,480)	(8,842)	(2,313)	(2,562)	(1,362)	(3,948)	-	(302,656)
Carrying Amount	450,386	40,289	8,325	13,635	1,043	2,620	1,915	4,846	12,893	535,952

Note 6 Assets we manage (cont'd)

Acquisition

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

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

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

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
Land & land improvements		
land	-	2
Buildings		
buildings	25-120 years	5
Plant and Equipment		
plant, machinery and equipment	2-10 years	2
fixtures, fittings and furniture	3-10 years	2
Infrastructure		
road pavements	15-180 years	5
road seals	20 years	5
bridges	30-110 years	5
footpaths and cycleways	10-50 years	5
drainage pits	70 years	5
drainage pipes	120 years	5
other structures	33-50 years	5
playgrounds	3-40 years	5
recreational, leisure and community facilities	10-50 years	5
waste management	7-50 years	5

Land under roads

Land under roads acquired after 30 June 2008 are brought to account using Fair Value. Council does not recognise land under roads that it controlled prior to that period in its financial report.

Depreciation and amortisation

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

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

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

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

Depreciation periods are listed previously 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.

Note 6 Assets we manage (cont'd)

Note 6.1 (d) Property, infrastructure, plant and equipment (cont'd)

Valuation of land and buildings

Valuation of land was undertaken by a qualified independent valuer Tim Gleeson, AAPI 78262 of Preston Rowe Paterson Warrnambool Pty Ltd. The valuation of land 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.

Valuation of buildings has been determined in accordance with a valuation undertaken by Ashay Prabhu, MIE (Aust) CPEng, NPER: Membership 1102199 of Asstec Pty Ltd at 30th June 2023.

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

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

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

The date 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 2 \$'000	Level 3 \$'000	Date of Valuation	Type of Valuation
Land - Non Specialised	58	-	Jun-21	Comprehensive
Land - Specialised	-	49,234	Jun-21	Comprehensive
Buildings - Non Specialised	137	-	Jun-23	Indexation
Buildings - Specialised	-	66,060	Jun-23	Indexation
Total	195	115,294		

Valuation of infrastructure

Valuation of bridges, footpaths and playgrounds has been determined in accordance with a valuation undertaken by Blake Gordon, MBA, Beng (Hons), BBusMan, Brightly Australia at 30th June 2024.

Valuation of drainage has been determined in accordance with a valuation undertaken by Ashay Prabhu, MIE (Aust) CPEng, NPER: Membership 1102199 of Asstec Pty Ltd at 30th June 2023.

Valuation of roads has been determined in accordance with a valuation undertaken by Ashay Prabhu, MIE (Aust) CPEng, NPER: Membership 1102199 of Asstec Pty Ltd at 30th June 2023.

Valuation of Roads - other has been determined in accordance with a valuation undertaken by Ashay Prabhu, MIE (Aust) CPEng, NPER: Membership 1102199 of Asstec Pty Ltd at 30th June 2023.

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

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

	Level 2 \$'000	Level 3 \$'000	Date of Valuation	Type of Valuation
Roads	-	450,386	Jun-23	Comprehensive
Bridges	-	40,289	Jun-24	Comprehensive
Footpaths and cycleways	-	8,325	Jun-24	Comprehensive
Drainage	-	13,635	Jun-23	Indexation
Recreational, leisure and community facilities	-	1,043	Historical Cost	
Waste management	-	2,620	Historical Cost	
Playgrounds	-	1,915	Jun-24	Comprehensive
Other infrastructure	-	4,846	Historical Cost	
Total	-	523,059		

Note 6 Assets we manage (cont'd)

Note 6.1 (d) Property, infrastructure, plant and equipment (cont'd)

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.07 and \$1,250.00 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$202 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 0 years to 120 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 0 years to 110 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2024	2023
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	1,025	1,022
Other Council Land	49,292	51,111
Total specialised land	50,317	52,133

Note 6 Assets we manage (cont'd)	2024	2023
6.2 Investments in associates, joint arrangements and subsidiaries	\$'000	\$'000

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.

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.

	2024	2023
	No.	No.

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Key Management Personnel (KMP)

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

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors	Councillor Daniel Meade Councillor James Purcell Councillor Jim Doukas Councillor Damian Gleeson Councillor Karen Foster Councillor Ian Smith Councillor Jordan Lockett		
Other KMP	Chief Executive Officer Director - Corporate & Governance Services Director - Assets & Community Director - Environment, Economy & Place		
Total Number of Councillors		7	7
Total of Chief Executive Officer and other Key Management Personnel		5	6
Total Key Management Personnel		<u>12</u>	<u>13</u>

(b) 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.

	2024	2023
	\$	\$
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,153	1,143
Post-employment benefits	88	86
Total	<u>1,241</u>	<u>1,229</u>

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

	2024	2023
	No.	No.
\$20,000 - \$29,999	-	4
\$30,000 - \$39,999	5	2
\$40,000 - \$49,999	-	2
\$60,000 - \$69,999	1	-
\$80,000 - \$89,999	1	1
\$90,000 - \$99,999	1	-
\$170,000 - \$179,999	1	1
\$180,000 - \$189,999	1	1
\$210,000 - \$219,999	1	1
\$220,000 - \$229,999	1	-
\$280,000 - \$289,999	-	1
Total	<u>12</u>	<u>13</u>

Note 7 People and relationships (cont'd)

(c) Remuneration of other senior staff

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

	2024	2023
	\$	\$
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	-	151
Post-employment benefits	-	16
Total	<u>-</u>	<u>167</u>

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

Income Range:		
\$160,000 - \$169,999	-	1
	<u>-</u>	<u>1</u>

Total remuneration for the reporting year for other senior staff included above, amounted	-	167
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7.2 Related party disclosure

(a) Transactions with related parties

There are no transactions with related parties during the 2023/24 year which require disclosure.

(b) Outstanding balances with related parties

There are no outstanding balances at the end of the reporting period in relation to transactions with related parties which require disclosure.

(c) Loans to/from related parties

There are no loans in existence at balance date that have been made, guaranteed or secured by the council to a related party.

(d) Commitments to/from related parties

There are no commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party.

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed 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.

MAV Workcare

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

Superannuation

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

Liability Mutual Insurance

Council 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

Council has financial guarantees of \$49,500 as a surety for compliance for rehabilitation and stabilisation of land used for quarry operations.

Note 8 Managing uncertainties (cont'd)**8.2 Change in accounting standards**

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

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

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

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

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

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

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the material accounting 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. 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.

Note 8 Managing uncertainties (cont'd)**8.3 Financial instruments (cont'd)****(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 recognise 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 + 1.0% and -1.0% in market interest rates (AUD) from year-end rates of 4.35%.

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

Note 8 Managing uncertainties (cont'd)

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 3 to 5 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset class	Revaluation frequency
Land	3 to 5 years
Buildings	3 to 5 years
Roads	3 to 5 years
Bridges	3 to 5 years
Footpaths and cycleways	3 to 5 years
Drainage	3 to 5 years
Parks, open space and streetscapes	3 to 5 years

Where the assets are revalued, the revaluation increments 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

9.1 Reserves (a) Asset revaluation reserves	Balance at beginning of reporting period	Increase (decrease)	Balance at end of reporting period
	\$'000	\$'000	\$'000
2024			
Property			
Land & land improvements	39,800	-	39,800
Buildings	34,600	-	34,600
	<u>74,400</u>	<u>-</u>	<u>74,400</u>
Infrastructure			
Roads	302,076	-	302,076
Bridges	29,034	799	29,833
Drainage	6,272	-	6,272
Plant and Equipment	430	-	430
Other infrastructure	9,472	319	9,791
	<u>347,284</u>	<u>1,118</u>	<u>348,402</u>
Total asset revaluation reserves	421,684	1,118	422,802
2023			
Property			
Land & land improvements	39,800	-	39,800
Buildings	27,910	6,690	34,600
	<u>67,710</u>	<u>6,690</u>	<u>74,400</u>
Infrastructure			
Roads	288,602	13,474	302,076
Bridges	29,034	-	29,034
Drainage	3,867	2,405	6,272
Plant and Equipment	430	-	430
Other infrastructure	9,472	-	9,472
	<u>331,405</u>	<u>15,879</u>	<u>347,284</u>
Total asset revaluation reserves	399,115	22,569	421,684

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

Note 9 Other matters (cont'd)
9.1 Reserves (cont'd)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2024				
Caravan parks reserve	1,935	(733)	-	1,202
Southcombe park sporting complex	8	-	-	8
Heritage loan reserve	109	-	-	109
Subdivision reserve	556	(50)	-	506
Quarry reserve	4,516	(735)	-	3,781
Infrastructure reserve	-	500	-	500
Waste facilities reserve	4,481	566	-	5,047
Total Other reserves	11,605	(452)	-	11,153
2023				
Caravan parks reserve	1,370	565	-	1,935
Southcombe park sporting complex	8	-	-	8
Heritage loan reserve	109	-	-	109
Subdivision reserve	485	71	-	556
Quarry reserve	3,585	931	-	4,516
Infrastructure reserve	-	-	-	-
Waste facilities reserve	4,029	452	-	4,481
Total Other reserves	9,586	2,019	-	11,605

Caravan parks funds are used for the Council's major caravan parks.

Southcombe Park sporting complex funds are used for capital works at the Southcombe Park stadium.

The heritage loan reserve expenditure is restricted to funding of low interest heritage loans.

The subdivision reserve is used to develop strategically located parks and reserves for the benefit of residents in the general area, as provided in the *Subdivision Act 1988* and *Planning and Environment Act 1987*.

Quarry reserve funds are used for the capital works program at the Mount Shadwell quarry.

Infrastructure reserve is held to fund major infrastructure works

Waste facilities reserve funds are used for maintenance, development and rehabilitation works at waste facility sites.

Note 9 Other matters (cont'd)

	2024 \$'000	2023 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus (deficit)		
Surplus for the year	(6,503)	2,399
<i>Non-cash adjustments:</i>		
Depreciation/amortisation	16,739	15,231
Finance costs	68	104
(Profit)/loss on disposal of property, infrastructure, plant and equipment	5,424	6,447
Contributions - Non-monetary assets	-	(189)
Landfill provision	86	32
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	1,287	(1,704)
Increase/(decrease) in trade and other payables	(2,425)	793
(Increase)/decrease in other assets	(375)	(312)
Increase/(decrease) in provisions	134	(218)
Net cash provided by/(used in) operating activities	14,435	22,583

9.3 Superannuation

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

Accumulation

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

Defined Benefit

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

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

Funding Arrangements

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

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

Net investment returns 5.70% pa

Salary information 3.50% pa

Price inflation (CPI) 2.80% pa.

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

Note 9 Other matters (cont'd)

9.3 Superannuation (cont'd)

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 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 actuarial investigation surplus amounts

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

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

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

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 actuarial 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 the first 2 years and 2.75% thereafter	3.5% pa
Price Inflation	2.0% pa	2.8% pa

Superannuation contributions

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

Scheme	Type of Scheme	Rate	2024 \$'000	2023 \$'000
Vision Super	Defined Benefits	11.0% (2023: 10.5%)	52	59
Vision Super	Accumulation	11.0% (2023: 10.5%)	1,115	1,078
Other Funds	Accumulation	11.0% (2023: 10.5%)	1,170	1,022

Moyne Shire Council has not made unfunded liability payments to Vision Super during the 2023/24 year or 2022/23 year.

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

The contribution paid to the Defined Benefit category of Vision Super for the year ending 30 June 2024 was \$52k.

Note 10 Change in accounting policy

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

MOYNE SHIRE COUNCIL
Performance Statement
For the year ended 30 June 2024

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Certification of the performance statement

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

Craig Ralston (BBus, CPA)
Principal Accounting Officer
Dated: 8 October 2024

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

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

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

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

Karen Foster
Councillor
Dated: 8 October 2024

Damian Gleeson
Councillor
Dated: 8 October 2024

Mark Eversteyn
Chief Executive Officer
Dated: 8 October 2024

Victorian Auditor – General’s Office Audit Report

Moyne Shire Council

Moyne Shire is located in Victoria's South West, 250 kilometres from Melbourne on the Great South Coast. The municipality stretches from the Great Ocean Road in the south to the pastoral area of Mortlake in the north.

Moyne takes its name from a place in Ireland or from an Aboriginal word meaning "covered with leaves or ferny hole". Moyne Shire is characterised by agriculture, fresh seafood, manufacturing and a healthy tourism industry.

The dairy industry is the dominant industry but sheep production and cereal crops are growing in size. Manufacturing, retail and education are other important sectors.

Service Performance Indicators

For the year ended 30 June 2024

Service/ <i>indicator/measure</i>	Results 2021	Results 2022	Results 2023	Target 2024	Results 2024	Material Variations and Comments
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	0.41	0.18	0.24	0.41	0.17	A new Point of Sales system was introduced this season to monitor attendance more accurately.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0%	100%	100%	100%	0%	Council had zero animal prosecutions in 2023-24.
Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	71.43%	100.00%	0.00%	100%	100.00%	

Service/indicator/measure	Results 2021	Results 2022	Results 2023	Target 2024	Results 2024	Material Variations and Comments
<p>Governance Consultation and engagement <i>Satisfaction with council decisions</i></p> <p>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</p>	57.00	55.00	53.00	57.00	57.00	
<p>Libraries Participation <i>Library membership</i></p> <p>[Number of registered library members / Population] x100</p>	N/A	N/A	N/A	N/A	36.41%	
<p>Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i></p> <p>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</p> <p>Participation <i>Participation in the MCH service by Aboriginal children</i></p> <p>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</p>	70.94%	75.59%	85.64%	72.90%	87.94%	
<p>Participation <i>Participation in the MCH service by Aboriginal children</i></p> <p>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</p>	62.86%	83.33%	95.24%	83.30%	95.65%	

Service/indicator/measure	Results 2021	Results 2022	Results 2023	Target 2024	Results 2024	Material Variations and Comments
<p>Roads Condition</p> <p><i>Sealed local roads maintained to condition standards</i></p> <p>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100</p>	93.13%	96.67%	96.46%	96.22%	98.84%	
<p>Statutory Planning Service standard</p> <p><i>Planning applications decided within required time frames</i></p> <p>[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100</p>	84.67%	81.32%	64.81%	79.34%	75.19%	Focused improvement on systems and recruitment of key team members have contributed to an improved result.
<p>Waste Collection Waste diversion</p> <p><i>Kerbside collection waste diverted from landfill</i></p> <p>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</p>	63.33%	61.35%	63.02%	62.44%	60.03%	

Financial Performance Indicators

For the year ended 30 June 2024

Dimension/ <i>indicator/measure</i>	Results	Results	Results	Target	Results	Forecasts				Material Variations and Comments
	2021	2022	2023	2024	2024	2025	2026	2027	2028	
Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$4,162.27	\$4,343.22	\$4,586.23	\$4,669.00	\$4,838.35	\$5,236.58	\$5,198.44	\$5,196.19	\$5,203.58	
Revenue level <i>Average rate per property assessment</i> [General rates and Municipal charges / Number of property assessments]	\$1,481.94	\$1,504.29	\$1,529.67	\$1,576.00	\$1,575.87	\$1,619.40	\$1,616.04	\$1,612.72	\$1,609.91	
Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	298.49%	294.85%	300.11%	138.10%	222.59%	175.75%	153.76%	149.80%	154.96%	Current assets at year end 2023/24 were lower than 2022/23 due to the timing of receipt of the Commonwealth Government Financial Assistance Grant.

Dimension/indicator/measure	Results	Results	Results	Target	Results	Forecasts				Material Variations and Comments
	2021	2022	2023	2024	2024	2025	2026	2027	2028	
Unrestricted cash										
<i>Unrestricted cash compared to current liabilities</i>	100.46%	63.70%	65.38%	85.80%	-0.03%	128.95%	107.45%	103.84%	109.19%	Higher proportion of cash was on call at year end 2022/23. In 2023/24 the ratio of term deposits to cash was higher.
[Unrestricted cash / Current liabilities] x100										
Obligations										
Loans and borrowings										
<i>Loans and borrowings compared to rates</i>	12.66%	10.98%	9.40%	8.40%	0.00%	0.00%	0.00%	0.00%	0.00%	Council's loan was repaid in full during 2023/24 year.
[Interest bearing loans and borrowings / Rate revenue] x100										
<i>Loans and borrowings repayments compared to rates</i>	0.00%	1.34%	1.55%	1.60%	9.12%	0.00%	0.00%	0.00%	0.00%	Driven by higher loan repayments in 2023/24, the result of a Council decision to pay out our existing loan early.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100										
Indebtedness										
<i>Non-current liabilities compared to own source revenue</i>	21.12%	17.45%	18.54%	13.70%	10.72%	8.41%	8.94%	8.53%	8.39%	Reduction driven by full repayment of Council's loan during 2023/24 year.
[Non-current liabilities / Own source revenue] x100										

Dimension/ <i>indicator/measure</i>	Results	Results	Results	Target	Results	Forecasts				Material Variations and Comments
	2021	2022	2023	2024	2024	2025	2026	2027	2028	
<p>Asset renewal and upgrade</p> <p><i>Asset renewal and upgrade compared to depreciation</i></p> <p>[Asset renewal and asset upgrade expense / Asset depreciation] x100</p>	141.39%	133.39%	134.47%	145.80%	148.43%	147.42%	163.09%	109.29%	103.28%	<p>Significant renewal and upgrade works include Koroit township drainage and streetscape \$1.3 million, upgrade to the Panmure netball changerooms \$0.6 million and Port Fairy Football Netball Lighting upgrade \$0.7 million.</p>
<p>Operating position</p> <p>Adjusted underlying result</p> <p><i>Adjusted underlying surplus (or deficit)</i></p> <p>[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100</p>	-6.17%	-3.25%	-5.76%	0.48%	-31.90%	-5.60%	-5.37%	-5.31%	-5.40%	<p>Increased adjusted underlying deficit in 2023/24 driven by the timing of receipt of Commonwealth Government Financial Assistance Grant (received in advance in 2022/23).</p>

Dimension/ <i>indicator/measure</i>	Results	Results	Results	Target	Results	Forecasts				Material Variations and Comments
	2021	2022	2023	2024	2024	2025	2026	2027	2028	
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	49.15%	47.25%	47.33%	45.74%	58.55%	44.55%	44.93%	45.45%	45.91%	This movement is a result of a decrease in adjusted underlying revenue, driven by the timing of receipt of Commonwealth Government Financial Assistance Grant (received in advance in 2022/23).
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.32%	0.28%	0.24%	0.30%	0.20%	0.20%	0.20%	0.20%	0.20%	Decrease is driven by increased property values, predominately rural properties.

Sustainable Capacity Indicators

For the year ended 30 June 2024

<i>Indicator/measure</i>	Results 2021	Results 2022	Results 2023	Results 2024	Material Variations and Comments
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$3,005	\$3,119	\$3,269	\$3,450	
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$31,548	\$33,955	\$34,587	\$34,924	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	6.21	6.27	6.36	6.41	
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,764	\$1,885	\$1,826	\$2,016	The increase in own source revenue, driven by a combination of an increase in rates, user fees, interest income and decrease in the loss on disposal of infrastructure assets.
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$1,042	\$1,106	\$1,241	\$583	This movement is a result of a decrease in recurrent grants, driven by the timing of receipt of Commonwealth Government Financial Assistance Grant (received in advance in 2022/23).
Disadvantage					
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	8	8	8	8	
Workforce Turnover					
<i>Percentage of Staff Turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	17.1%	25.0%	17.6%	13.9%	The reduction in staff turn-over is attributed to varying factors such as a reduction in planned and unplanned resignations and a transfer of internal employees. The introduction of the Federal Government Secure Job Better Pay legislation also contributed to an increase in

					permanent staff headcount which conversely would lower the turnover percentage.
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Notes to the accounts

Basis of preparation

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

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

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by *the Local Government (Planning and Reporting) Regulations 2020*. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2024-25 to 2027-28 by the council's financial plan.

The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: <ul style="list-style-type: none"> • non-recurrent grants used to fund capital expenditure; and • non-monetary asset contributions; and • contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the <i>Food Act 1984</i>
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current liabilities	means all liabilities other than current liabilities
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
population	means the resident population estimated by council

rate revenue	means revenue from general rates, municipal charges, service rates and service charges
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

Attachment for Council Meeting 8th October 2024

Governance and Management Checklist

The following are the results of Council's assessment against the prescribed governance and management checklist.

Governance and Management Items	Assessment
Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy: 25 June 2024
Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation of current guidelines: 25 June 2024
Financial Plan (plan under section 91 of the Local Government Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act Date of adoption: 5 October 2021
Annual budget (plan under section 94 of the Local Government Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with Section 94 of the Local Government Act Date of adoption: 25 June 2024
Asset Plan (plan that set out the asset maintenance and renewal need for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act. Asset Plan: 7 June 2022 Asset Management Policy 2022: 7 June 2022 Open Space AMP: 7 June 2022 Buildings AMP: 7 June 2022 Drainage AMP: 7 June 2022 Road Infrastructure AMP: 7 June 2022 Coastal and Marine: 7 June 2022 Commercial AMP: 7 June 2022 Asset Plan and Policy 2022 Submissions Report Final: 7 June 2022
Revenue and Rating Plan (plan setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act. Date of adoption: 29 June 2021

Governance and Management Items	Assessment
Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 30 April 2024
Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 29/08/2023
Municipal Emergency Management Plan (plan under section 60 <i>Emergency Management Act 2013</i> (Vic) for mitigation of, response to and recovery from emergencies)	Prepared and maintained in accordance with section 60 of the <i>Emergency Management Act 2013</i> Date of preparation: 28 May 2024
Procurement policy (policy outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council) and works)	Prepared and adopted. Date of adoption: 29 August 2023
Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan Date of operation of current plan: 19 February 2024
Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Current plan in operation 17 May 2019.
Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 30 April 2024
Audit and Risk Committee (advisory committee of Council under section 53 and 54 of the Act)	Established in accordance with Section 53 of the <i>Local Government Act</i> : Date of establishment: 25 August 2020
Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged: Date of engagement of current provider: 21 August 2023
Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	Framework: Date of operation of current framework: 18 February 2023

Governance and Management Items	Assessment
Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	25 June 2024
Quarterly budget reports (quarterly reports to Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations)	<p>Reports presented to Council in accordance with section 97(1) of the Act:</p> <p>Date statements presented: Monthly Statements: 25 July 2023 22 August 2023 26 September 2023 24 October 2023 28 November 2023 19 December 2023 30 April 2024 27 February 2024 26 March 2024 30 April 2024 28 May 2024 25 June 2024</p> <p>Reports:</p>
Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies. Operational Risk Report on a quarterly basis.)	<p>Date of reports to Audit and Risk: Quarterly: 12 July 2023 13 September 2023 6 December 2023 13 March 2024 12 June 2024</p>
Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 98 of the Act)	25 June 2024
Annual report (annual report under sections 98 and 99 of the Local Government Act containing a report of operations and audited financial and performance statements)	<p>Considered at a meeting of Council in accordance with section 100 of the Local Government Act:</p> <p>Date of consideration: 23 October 2023</p>
Councillor Code of Conduct (Code setting out the standard of conduct to be followed by Councillors and other matters)	<p>Reviewed and adopted with section 139 of the Local Government Act:</p> <p>Date of adoption 2 February 2021</p>

Governance and Management Items	Assessment
Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 11 (7) of the Local Government Act Date of adoption: 30 January 2024
Meeting procedures (Governance Rules governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act. Date of adoption: 30 January 2024

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



Mark Eversteyn
Chief Executive Officer

Cr Ian Smith
Mayor

3 Close Meeting

