



44 Station Street
Cobram Vic 3644
www.moirā.vic.gov.au
info@moirā.vic.gov.au

AGENDA

UNSCHEDULED MEETING OF COUNCIL **FOR** **THURSDAY 10 OCTOBER 2024** **TO BE HELD AT BRIEFING ROOM** **COMMENCING AT 11:00 AM**

RECORDING

Consistent with section 13.3 of our Governance Rules, Council officers have been authorised to record the public session of this meeting using an audio recording device.

LIVE STREAMING

Council meetings will now be lived streamed to allow those interested in viewing proceedings greater access to Council decisions and debate, without attending the meeting in person.

1. WELCOME CALLING TO ORDER - CEO

2. PRAYER

Almighty God we humbly ask you to guide our deliberations for the welfare and benefit of the Moira Shire and its people whom we serve.

Amen

3. ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

We, the Moira Shire Council, acknowledges the traditional owners of the land upon which we meet and pay our respects to their Elders both past and present.

4. APOLOGIES / LEAVE OF ABSENCE

5. DISCLOSURE OF CONFLICTS OF INTEREST

6. OFFICER REPORTS FOR DETERMINATION

6 CORPORATE PERFORMANCE

6.1 CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE STATEMENT

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7. CLOSE OF MEETING

FILE NO:
5. TRANSPARENT AND ACCOUNTABLE
GOVERNANCE

ITEM NO: 6.1
(COORDINATOR FINANCE, ANDREW
WILSON)
(ACTING DIRECTOR CORPORATE
PERFORMANCE EVA SALIB)

CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE STATEMENT

Recommendation

That Council:

1. Approve in principle the Financial Report and the Performance Statement for the financial year ended 30 June 2024.
2. Authorise Chair Administrator Emonson and Administrator Sheed to certify the statements, in conjunction with the Chief Executive Officer and the Principal Accounting Officer, in their final form, and after any changes recommended, or agreed to by the Auditor-General have been made, in accordance with Section 99(3) of the *Local Government Act 2020*; and
3. Authorise the 2023/24 Financial report and Performance Statement, in their final form, be included in the 2023/24 Annual Report in accordance with Section 98 of the *Local Government Act 2020*.

1. Executive Summary

The draft Financial Report and Performance Statement for the year ended 30 June 2024 have been prepared in accordance with the Australian Accounting Standards, the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

The draft Financial Report and the Performance Statement are currently being reviewed by the Victorian Auditor General's Office. These reports will be ready for signing in their final form after any changes recommended or agreed to by the Auditor-General have been made.

The actual result for 2023/24 represents a deficit of \$4.8 million compared to the adopted budget surplus of \$17.6 million. Financial principles have been adopted to mitigate the financial impact of the adverse forecast underlying result. These principles were documented in section 5c of Council's 2024/25 Annual Budget, which also documents financial targets that will ensure Council achieves a breakeven underlying result by 2027/28

The Moira Shire Council Audit and Risk Committee (AR Committee) reviewed the final draft, as attached to this report, on 9 October 2024 where the AR Committee recommended that Council certify the statements in their final form and after any changes recommended or agreed to by the Auditor-General have been made, in accordance with Section 99(3) of the *Local Government Act 2020*.

2. Background

The Financial Report and Performance Statement require certification by two Administrators, the Chief Executive Officer, and the Principal Accounting Officer under Section 99(3) of the *Local Government Act 2020* to enable them to be included in the 2023/24 Annual Report.

The Moira Shire Council Audit and Risk Committee (AR Committee) reviewed an initial draft of the Financial Report and Performance Statement at the meeting held on 12 September 2024. After a final adjustment, the final draft, as attached to this report, was considered by the AR Committee on 9 October 2024, where the AR Committee recommended that Council certify the

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CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE STATEMENT (cont'd)

statements in their final form and after any changes recommended or agreed to by the Auditor-General have been made, in accordance with Section 99(3) of the Local Government Act 2020.

The external auditors attended the AR Committee meeting on both the 12 September 2024 and 9 October 2024 to provide a verbal update on the status of the audit and present the draft audit report and management letter.

Reports will be ready for signing in their final form after any changes recommended or agreed to by the Auditor-General have been made, in accordance with Section 98(4) and 98 (5) of the Local Government Act 2020.

3. 2024 Financial Report Summary

The following table summarises some key financial results and balances for 2023/24:

	Adopted Budget 2023/24 \$000	Actual 2023/24 \$000	Variance \$000
Operating surplus (deficit)	17,611	(4,847)	(22,458)
Cash balance (including Other Financial Assets)	56,000	55,664	(336)
Capital works	42,223	15,347	(26,876)

Operating deficit

The deficit compared to budget (negative variance of \$22.5 million) is influenced by the following movements:

Income:

- Operating grant income was \$12.4 million less than budget for 2023/24, predominately due to the Commonwealth Government's Financial Assistance Grant previously being paid in advance. However, this was not receipted until July 2024.
- Capital grant income received in 2023/24 was \$14.2 million less than budget due to delays in obtaining funding body approval for flood restoration works as well as delays in major, externally funded, capital projects.

Expenditure:

- Higher depreciation charges on Property, Infrastructure, Plant and Equipment assets following significant increases in asset revaluations in 2022/23 financial year.

Note 2.1.1 of the **attached** Draft 2024 Financial Report provides further information on the 2024 financial performance compared to adopted budget.

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Cash balance

The 2023/24 actual balance of Cash and Term Deposit is \$55.7 million, which is consistent with budget. The reason budget was achieved despite Council not receiving the Commonwealth Financial Assistance Grant, is because Council had underspent on its capital delivery program.

Capital works

The 2023/24 capital expenditure of \$15.3 million is \$26.9 million less than the 2023/24 adopted budget. This is largely due to project delays for the Yarrowonga Multisport Stadium and Yarrowonga Library, delays in road renewal works due to wet weather events and delays in obtaining funding body approval for flood restoration works.

The ending Work in Progress (WIP) balance of \$8.5 million remained consistent with the ending balance in 2022/23. This is due to several projects being carried forward for development in 2024/25

Note 2.1.2 of the **attached** draft Financial Report provides further information on capital works compared to adopted budget.

Financial Performance Indicators Summary

The financial sustainability indicators show Council's underlying result requires immediate attention to ensure that Council remains financially viable in the future. Financial principles have been adopted to mitigate the financial impact of the adverse forecast underlying result. These principles were documented in section 5c of Council's 2024/25 Annual Budget, which also documents financial targets that will ensure Council is achieving a breakeven underlying result by 2027/28.

A summary of the financial performance indicators along with explanations of any variations are included in the attached draft Performance Statement.

4. Conclusion

The Financial Report for the year ended 30 June 2024 has been prepared in accordance with Australian Accounting Standards, the Local Government Act 2020, and the Local Government (Planning and Reporting) Regulations 2020. The Performance Statement has been prepared in accordance with the Local Government Act 2020.

It is recommended that Council authorise the 2023/24 Financial Report and Performance Statement to be certified by the Administrators, the Chief Executive Officer and the Principal Accounting Officer.

Attachments

- 1 DRAFT - 2024 Annual Financial Report
- 2 DRAFT - 2024 Performance Statement

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**CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE
STATEMENT (cont'd)**

ATTACHMENT No [1] - DRAFT - 2024 Annual Financial Report

**Moira Shire Council
ANNUAL FINANCIAL REPORT**

For the Year Ended 30 June 2024

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PERFORMANCE EVA SALIB)**

**CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE
STATEMENT (cont'd)**

ATTACHMENT No [1] - DRAFT - 2024 Annual Financial Report

**Moira Shire Council
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**CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE
STATEMENT (cont'd)**

ATTACHMENT No [1] - DRAFT - 2024 Annual Financial Report

*Moira Shire Council
2023/24 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.

*Beau Miffner CA
Principal Accounting Officer
Dated : 25 September 2024
Cobram*

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

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

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

*Dr Graeme Emonson PSM
Administrator (Chair)
Dated : 25 September 2024
Cobram*

*Suzanna Sheed AM
Administrator
Dated : 25 September 2024
Cobram*

*Matthew Morgan
Chief Executive Officer
Dated : 25 September 2024
Cobram*

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*Moira Shire Council
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**CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE
STATEMENT (cont'd)**

ATTACHMENT No [1] - DRAFT - 2024 Annual Financial Report

Moira Shire Council
2023/24 Financial Report

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

	Note	2024 \$'000	2023 \$'000
Income / Revenue			
Rates and charges	3.1	44,946	42,492
Statutory fees and fines	3.2	2,002	1,987
User fees	3.3	1,970	2,244
Grants - operating	3.4(a)	2,207	21,215
Grants - capital	3.4(b)	7,659	4,569
Contributions - monetary	3.5(a)	948	709
Contributions - non monetary*	3.5(b)	5,445	14,131
Net gain on disposal of property, infrastructure, plant and equipment	3.6	566	212
Share of net profits (or loss) of associates and joint ventures	6.2	85	(60)
Other income	3.7	6,229	3,010
Total income / revenue		72,057	90,409
Expenses			
Employee costs	4.1	26,155	22,744
Materials and services	4.2	30,217	24,957
Depreciation	4.3	15,548	12,776
Amortisation - intangible assets	4.4	341	809
Depreciation - right of use assets	4.5	578	658
Allowance for impairment losses	4.6	50	16
Borrowing costs	4.7	-	12
Finance costs - leases	4.8	99	117
Other expenses	4.9	3,817	2,699
Total expenses		76,904	64,788
Surplus/ (Deficit) for the year		(4,847)	25,621
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain	9.1(a)	11,989	164,328
Total other comprehensive income		11,989	164,328
Total comprehensive result		7,142	189,949

* Refer to Note 8.6 for information on restatement of prior period balance.

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

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**CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE
STATEMENT (cont'd)**

ATTACHMENT No [1] - DRAFT - 2024 Annual Financial Report

Moira Shire Council
2023/24 Financial Report

**Balance Sheet
As at 30 June 2024**

	Note	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1(a)	4,664	9,000
Other financial assets	5.1(b)	51,000	57,000
Trade and other receivables	5.1(c)	5,734	4,884
Contract assets	5.1(f)	2,080	1,105
Inventories	5.2(a)	739	666
Other assets	5.2(b)	2,045	1,893
Total current assets		66,262	74,548
Non-current assets			
Investments in associates and joint arrangements	6.2	888	1,396
Property, infrastructure, plant and equipment*	6.1	802,635	785,084
Right-of-use assets	5.8	1,876	2,574
Intangible assets	5.2(c)	6,589	6,719
Total non-current assets		811,988	795,773
Total assets		878,250	870,321
Liabilities			
Current liabilities			
Trade and other payables	5.3(a)	3,852	2,644
Trust funds and deposits	5.3(b)	4,520	3,398
Contract and other liabilities	5.3(c)	6,860	9,066
Provisions	5.5	7,147	6,689
Interest-bearing liabilities	5.4	135	46
Lease liabilities	5.8	465	718
Total current liabilities		22,979	22,561
Non-current liabilities			
Provisions	5.5	8,485	8,593
Interest-bearing liabilities	5.4	1,349	466
Lease liabilities	5.8	1,482	1,948
Total non-current liabilities		11,316	10,947
Total liabilities		34,295	33,508
Net assets		843,955	836,813
Equity			
Accumulated surplus*		259,947	269,715
Reserves	9.1	584,008	568,098
Total Equity		843,955	836,813

* Refer to Note 8.6 for information on restatement of prior period balance.

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

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STATEMENT (cont'd)**

ATTACHMENT No [1] - DRAFT - 2024 Annual Financial Report

Moira Shire Council
2023/24 Financial Report

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

	Note	2024		2023			
		Total \$'000	Accumulated Surplus \$'000	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserves \$'000	Other Reserves \$'000
Balance at beginning of the financial year		836,813	268,715	646,864	215,578	394,618	36,668
Deficit for the year		(4,847)	(4,847)	25,621	25,621	-	-
Net asset revaluation gain	9.1(a)	11,989	-	164,328	-	164,328	-
Transfers to other reserves	9.1(b)	-	(3,921)	-	(177)	-	177
Transfers from other reserves	9.1(b)	-	-	-	27,693	-	(27,693)
Balance at end of the financial year		843,955	259,947	836,813	268,715	558,946	9,152

* Refer to Note 8.6 for information on restatement of prior period balances.

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

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STATEMENT (cont'd)**

ATTACHMENT No [1] - DRAFT - 2024 Annual Financial Report

Moira Shire Council
2023/24 Financial Report

**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		43,636	42,026
Statutory fees and fines		1,970	1,880
User fees		1,997	2,459
Grants - operating		2,660	20,950
Grants - capital		4,495	5,856
Contributions - monetary		948	709
Interest received		2,793	894
Trust funds and deposits taken		5,741	5,606
Other receipts		1,029	841
Net GST refund(payment)		(62)	28
Employee costs		(26,149)	(22,550)
Materials and services		(31,211)	(28,419)
Trust funds and deposits repaid		(4,522)	(4,765)
Other payments		-	(36)
Net cash provided by/(used in) operating activities	9.2	3,325	25,479
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(15,347)	(14,992)
Proceeds from sale of property, infrastructure, plant and equipment		915	613
Proceeds from investments		40,593	35,004
Payments for investments		(34,000)	(44,004)
Net cash provided by/(used in) investing activities		(7,839)	(23,379)
Cash flows from financing activities			
Finance costs		(33)	(12)
Proceeds from borrowings		1,017	-
Repayment of borrowings		(110)	(296)
Interest paid - lease liability		(98)	(117)
Repayment of lease liabilities		(596)	(605)
Net cash provided by/(used in) financing activities		178	(1,032)
Net increase / (decrease) in cash and cash equivalents		(4,336)	1,068
Cash and cash equivalents at the beginning of the financial year		9,000	7,932
Cash and cash equivalents at the end of the financial year		4,664	9,000

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

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ATTACHMENT No [1] - DRAFT - 2024 Annual Financial Report

Moira Shire Council
2023/24 Financial Report

**Statement of Capital Works
For the Year Ended 30 June 2024**

	2024 \$'000	2023 \$'000
Property		
Land	9	-
Land under roads	-	18
Land improvements	158	-
Total land	<u>167</u>	<u>18</u>
Buildings	<u>3,323</u>	<u>2,701</u>
Total buildings	<u>3,323</u>	<u>2,701</u>
Total property	<u>3,490</u>	<u>2,719</u>
Plant and equipment		
Plant, machinery and equipment	3,060	1,057
Fixtures, fittings and furniture	10	-
Computers and Telecommunications	24	-
Pumps	39	-
Total plant and equipment	<u>3,133</u>	<u>1,057</u>
Infrastructure		
Roads	3,933	4,180
Kerb and channel	462	483
Bridges	225	49
Footpaths and cycle ways	717	948
Drainage	1,715	1,606
Culverts and floodways	78	109
Recreational, leisure and community facilities	443	1,761
Waste management	254	709
Aerodromes	45	28
Other assets	852	1,343
Total infrastructure	<u>8,724</u>	<u>11,216</u>
Total capital works expenditure	<u>15,347</u>	<u>14,992</u>
Represented by:		
New asset expenditure	4,362	2,485
Asset renewal expenditure	7,402	7,989
Asset upgrade expenditure	3,583	4,518
Total capital works expenditure	<u>15,347</u>	<u>14,992</u>

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

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CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE STATEMENT (cont'd)

ATTACHMENT No [1] - DRAFT - 2024 Annual Financial Report

*Moira Shire Council
2023/24 Financial Report*

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

Note 1 OVERVIEW

Introduction

The Moira Shire Council was established by an Order of the Governor in Council on 16 November 1994 and is a body corporate. The Council's main office is located at 44 Station Street, Cobram.

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: Grants is applicable
- others areas requiring judgements.

FILE NO:
5. TRANSPARENT AND ACCOUNTABLE
GOVERNANCE

ITEM NO: 6.1
(COORDINATOR FINANCE, ANDREW
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(ACTING DIRECTOR CORPORATE
PERFORMANCE EVA SALIB)

**CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE
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*Moira Shire Council
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Refer to Note 10 for information pertaining to current year changes in account policies. Unless otherwise stated, all other 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 - refer to Note 8.6.

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.

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**CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE
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Note 2 ANALYSIS OF OUR RESULTS

2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2020 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$200,000 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	Actual	Variance	Variance	Ref.
	2024	2024		%	
	\$'000	\$'000	\$'000	%	
Income / Revenue					
Rates and charges	44,455	44,846	491	1.1	1
Statutory fees and fines	1,736	2,002	266	15.3	2
User fees	2,454	1,970	(484)	(19.7)	3
Grants - operating	14,662	2,207	(12,455)	(84.9)	4
Grants - capital	21,892	7,659	(14,233)	(65.0)	5
Contributions - monetary	90	948	858	953.3	6
Contributions - non monetary	1,000	5,445	4,445	444.5	7
Net gain on disposal of property, infrastructure, plant and equipment	40	566	526	1315.0	8
Share of net profits (or loss) of associates and joint ventures	-	85	85		9
Other income	1,954	6,229	4,275	218.8	10
Total income	88,283	72,057	(16,226)	(18.4)	
Expenses					
Employee costs	20,308	26,155	(2,148)	(7.6)	11
Materials and services	28,259	30,217	1,958	6.9	12
Depreciation	12,096	15,548	3,452	28.5	13
Amortisation - intangible assets	-	341	341	100.0	14
Depreciation - right of use assets	719	578	(141)	(19.6)	15
Allowance for impairment losses	15	50	35	233.3	16
Finance costs - leases	100	98	(2)	(2.0)	
Other expenses	1,180	3,917	2,737	231.9	17
Total expenses	70,672	76,904	6,232	8.8	
Surplus/(deficit) for the year	17,611	(4,847)	(22,458)	(127.5)	

(i) Explanation of material variations

Variance Reference	Item	Explanation
1	Rates and charges	Increased income received from supplementary assessments on new rateable properties, kerbside waste collection charges \$373k and interest on unpaid rates \$118k.
2	Statutory fees and fines	Income derived from higher planning and subdivision fees received \$366k, partially offset by lower building fee income \$100k.

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**CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE
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**Notes to the Financial Report
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Variance Reference	Item	Explanation
3	User fees	Budget includes property lease income which is now reported under Other income \$158k. Lower income from gate fees at Cobram Landfill and Transfer Stations \$376k, income from sale of raw water supplies delayed from 2022/23 \$26k and higher Caravan Park fees \$24k.
4	Grants - operating	Commonwealth Government's Financial Assistance Grant previously paid in advance was not received in 2023/24 \$12.9 million, this is partially offset by increased Maternal & Child Health grants \$151k, State Government grants to support rollout of new recycling programs \$231k, additional State Government grant to support Flood Recovery activities \$128k.
5	Grants - capital	Delays in obtaining funding body approval for road works impacted by the October 2022 flood event \$10.0 million. Delays in completing capital works projects: Yarrawonga MultiSports Stadium \$2.7 million, Bourkes Bridge Renewal \$1.3 million, Numurkah Flood Lavee Stage 1 \$970k, Thompson's Beach Cobram \$418k and Yarrawonga Taxiway Compliance Works \$263k. Partially offset by recognition of grant income from completion of projects under the Local Roads and Community Infrastructure program \$1.4 million.
6	Contributions - monetary	Income from developer contributions to Council's Open Space Reserve \$738k.
7	Contributions - non monetary	Developer contributions for 2023/24 of \$5.4 million including Roads, Kerb and Channel, Footpaths and Drainage assets.
8	Net gain on disposal of property, infrastructure, plant and equipment	Net gain on disposal of fleet and plant replaced during 2023/24 including items previously budgeted to be disposed of in prior years \$526k.
9	Share of net profits (or loss) of associates and joint ventures	Share of net profit on closure of Creekside Estate Nathalia joint venture \$103k, partially offset by share of net loss on Goulburn Valley Regional Library Corporation for 2023/24 \$18k.
10	Other income	Higher interest income from investments (Term Deposit) portfolio \$2.1 million, recognition of assets not previously recorded \$2.1 million, income from Commonwealth Government employer incentives \$30k, staff reimbursement for private use of fleet vehicles \$17k, property lease income previously reported under User Fees \$173k, partially offset by lower interest charge on Landfill provision \$155k.
11	Employee costs	Savings from delays in back filling vacant positions \$2.35 million, lower training costs \$119k, lower Workcover premium \$116k and lower Fringe Benefits Tax \$45k. Partially offset by higher external contract employees \$480k.
12	Materials and services	Budget for Council Community Grants and Contributions and GVRIC contribution \$2.1 million reclassified from Materials and Services. Costs for Moira's response to the October 2022 Flood Event funded from State and Commonwealth Government grants \$905k, People and Culture consultants engaged to address issues raised in Commission of Inquiry \$413k, higher recruitment costs \$333k. This is partially offset by savings from lower utilities costs (water and power) \$182k and transfer of materials and services budget to Other Expenses for Local Tourism Association payments.

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**CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE
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13	Depreciation	Higher depreciation charges on Property, Infrastructure, Plant and Equipment assets following increases in contributed assets, including \$10.2 million in restated 2022/23 accounts, and asset revaluations in both 2022/23 and 2023/24 financial years \$3.45 million.
14	Amortisation - intangible assets	Landfill Ainspace asset created in 2022/23 accounts, no budget allocated for amortisation charges \$341k.
15	Depreciation - right of use assets	No new leases for replacement plant items drawn down in 2022/23 \$141k.
16	Allowance for impairment losses	Higher allowance for impaired sundry debtors and allowance for infringements losses \$35k.
17	Other expenses	Budget for Council Community Grants and Contributions \$2.1 million reclassified from Materials and Services. Higher Administrator allowances and expenses than budgeted \$345k, higher contributions to Local Tourism Associations funded from materials and services budget \$176k and additional Internal Audit fee expenses \$85k.

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**CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE
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2.1.2 Capital Works	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref.
Property					
Land	-	9	9		
Land Improvements	1,048	158	(890)	(84.9)	1
Total Land	1,048	167	(881)	(84.1)	
Buildings	16,197	3,323	(12,874)	(79.5)	2
Total buildings	16,197	3,323	(12,874)	(79.5)	
Total property	17,245	3,490	(13,755)	(79.8)	
Plant and equipment					
Plant, machinery and equipment	3,114	3,060	(54)	(1.7)	
Fixtures, fittings and furniture	-	10	10		
Computers and telecommunications	-	24	24		
Pumps	-	39	39		
Total plant and equipment	3,114	3,133	19	0.6	
Infrastructure					
Roads	11,117	3,933	(7,184)	(64.6)	3
Kerb and channel	-	462	462		4
Bridges	1,418	225	(1,193)	(84.1)	5
Footpaths and cycleways	675	717	42	6.2	
Drainage	2,592	1,715	(877)	(33.8)	6
Culvert and floodways	2,696	78	(2,618)	(97.1)	7
Recreational, leisure and community facilities	907	443	(464)	(51.2)	8
Waste management	-	254	254		9
Parks, open space and streetscapes	1,082	-	(1,082)	(100.0)	10
Aerodromes	263	45	(218)	(82.9)	11
Other assets	1,114	852	(262)	(23.5)	12
Total Infrastructure	21,864	8,724	(13,140)	(60.1)	
Total capital works expenditure	42,223	15,347	(26,876)	(63.7)	
Represented by:					
New asset expenditure	16,908	4,362	(12,546)	(74.2)	
Asset renewal expenditure	22,814	7,402	(15,412)	(67.6)	
Asset upgrade expenditure	2,501	3,583	1,082	43.3	
Total capital works expenditure	42,223	15,347	(26,876)	(63.7)	

(i) Explanation of material variations

Variance Reference	Item	Explanation
1	Land Improvements	Delays in Numurkah Flood Levee Stage 1 project \$790k and Irrigation System renewal \$100k.
2	Buildings	Delays in Yarrawonga Multi Sports Stadium project \$7.1 million and Yarrawonga Library project \$4.2 million, cancellation of the Katunga Recreation Reserve Change Rooms project \$1.2 million due to unsuccessful grant funding bid and delays in Yarrawonga Depot renewal works \$374k.

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**CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE
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3	Roads	Delays in repair works to roads impacted from the October 2022 Flood event, awaiting State Government assessment for DRFA funding \$7.2 million.
4	Kerb and channel	Completion of Kerb & Channel renewal program budgeted in 2022/23 financial year \$462k.
5	Bridges	Delays in Bourkes Bridge Renewal works \$1.2 million.
6	Drainage	Delays in the Cobram East Drainage Plan \$540k, Yarrawonga West Drainage \$160k, Nathalia Drainage projects \$117k and Pyke Street Bundalong Drainage Upgrade \$60k.
7	Culvert and floodways	Delays in repair works to roads impacted from the October 2022 Flood event awaiting State Government assessment for DRFA funding \$2.5 million and Botts Road MVH Culvert upgrade \$222k, partially offset by Culvert Renewal Program spend budgeted in 2023/24 \$104k.
8	Recreational, leisure and community facilities	Cancellation of Yarrawayah Recreation Reserve Lighting \$327k due to unsuccessful State Government funding bid and delays in commencing the Cobram Off-Leash Dog Park project \$125k.
9	Waste management	Completion of works on Resale Shop at Cobram Transfer Station \$160k and works at various Transfer Stations in preparation for new recycling initiatives \$94k.
10	Parks, open space and streetscapes	Delays in completing Kennedy Park - Thompsons Beach Upgrade \$418k. Individual elements of Apex Park Cobram Car Park & Landscaping project recognised in each asset category \$664k.
11	Aerodromes	Delays in the Yarrawonga Aerodrome Taxiway Compliance Works project \$218k.
12	Other assets	Delays in Lavee Bank Renewal project \$262k.

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CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE STATEMENT (cont'd)

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

2.2 Analysis of Council results by program

2.2.1 Council programs

Council delivers its functions and activities through the following programs.

Office of CEO

The Office of CEO provides leadership guidance to the business and Council and guides the development and delivery of Council's representation and advocacy efforts.

Community

Community is responsible for working with the community, stakeholders and partner agencies to develop long-term community plans that inform Council's service delivery across the Shire. Services include: maternal and child health, community safety and wellbeing, children, youth and families, and library services. It supports recreational facilities and other community services across the shire, and is responsible for providing support to the business plans of local tourism associations, and plans for future tourism opportunities. It supports investment decision-making across the Shire through the attraction, growth and innovation of existing and prospective businesses across the Shire.

Corporate Performance

Corporate Performance ensures Council complies with the governance obligations under the Local Government Act and other legislation. It administers financial controls through management of financial services, statutory financial reporting, raising and collection of rates and charges and valuation of properties throughout the municipality. It oversees Council's contracting of procurement of goods and services and for the management and strategic planning of Council's assets including managing insurances. It manages Council's enterprise risk, all Council's records and is the main customer interface with the community including face-to-face and online customer service. It supports and maintains reliable and cost effective information technology systems, facilities and infrastructure to Council staff enabling them to deliver services in a smart, productive and efficient way.

Infrastructure

Infrastructure is responsible for constructing new and maintaining existing infrastructure across a diverse range of assets that underpin the wellbeing of the community. These include; roads, bridges, kerbs, drainage, parks and streetscapes and civic buildings through services including: infrastructure planning, asset management; and capital works engineering design and construction. It also provides waste management services including kerbside collections from households and some commercial properties within the Shire. It operates nine transfer stations and a landfill site, including monitoring to maintain environmental standards.

People and Culture

People and Culture provides strategic and operational people and culture support including occupational health and safety obligations, maintaining industrial relations and development and implementation of human resource strategies, policies and procedures.

Sustainable Development

Sustainable Development processes all planning applications, provides advice and makes decisions about development proposals that require a planning permit, it also prepares and processes amendments to the Council Planning Scheme and provides statutory building services to the Moira Shire community including processing building permits, audits of swimming pool barriers and investigations of complaints and illegal works. The service provides a safe and orderly environment within the municipality through the regulation, control and enforcement of legislation and local laws. Services provided include school crossing supervisors, domestic animal management services and fire prevention enforcement program. It develops environmental policy, implements environmental projects, delivers educational programs to the Moira community and works with other agencies to improve environment sustainability and natural resource management.

Emergency Event Management

Program represents Moira Shire's response to recent emergency events, specifically to the October 2022 flood event.

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**CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE
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2.2.2 Summary of income / revenue, expenses, assets and capital expenses by program

2024	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total Assets
	\$'000	\$'000	\$'000	\$'000	\$'000
Office of CEO	4	3,466	(3,462)	-	-
Community	1,418	8,495	(7,077)	837	-
Corporate Performance	46,076	25,514	20,562	444	75,615
Infrastructure	10,307	21,066	(10,759)	7,943	802,635
People and Culture	27	3,403	(3,376)	-	-
Sustainable Development	14,094	13,752	342	510	-
Emergency Event Management	131	1,208	(1,077)	132	-
	72,057	76,904	(4,847)	9,866	878,250

Corporate Performance includes \$35.09 million income from General Rates and Municipal Charges. The operating income in Infrastructure of \$7.81 million includes capital grant income received for acquisition or construction of property, infrastructure, plant and equipment assets.

During 2023/24, an internal restructure occurred within Moira Shire to realign our programs to improve delivery of our services to better serve the Moira community, this has resulted in a change to the structure reported in 2022/23.

2023*	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total Assets
	\$'000	\$'000	\$'000	\$'000	\$'000
Office of CEO	3	4,157	(4,154)	-	-
Chief Financial Office	62,691	16,651	46,040	11,504	85,237
Corporate, Governance and Performance	265	7,298	(7,033)	180	-
Infrastructure Services	12,933	20,622	(7,689)	10,665	785,084
Sustainable Communities	12,231	14,127	(1,896)	1,167	-
Disaster (Flood) Recovery	2,266	1,933	333	2,266	-
	90,409	64,788	25,621	25,782	870,321

* Refer to Note 8.6 for information on restatement of prior period balance.

In order to better serve the Moira community, during 2023/24 Moira Shire Council conducted a review of its administration and operations. This resulted in a change in the name of some directorates and the reporting lines within those directorates. This has resulted in a change to the reporting lines in the above tables.

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**CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE
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Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

3.1 Rates and charges

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

The valuation base used to calculate general rates for 2023/24 was \$11.84 billion (2022/23 - \$9.78 billion).

	2024	2023
	\$'000	\$'000
General rates	27,898	26,616
Municipal charge	6,534	6,293
Environmental levy	2,235	2,152
Service rates and charges	6,979	6,600
Supplementary rates and rate adjustments	772	299
Interest on rates and charges	298	340
Revenue in lieu of rates	230	292
Total rates and charges	44,946	42,492

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

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

Revenue in lieu of rates includes payments made by renewable energy generators (i.e. Solar Farms).

3.2 Statutory fees and fines

Town planning fees	1,022	913
Building services fees	430	455
Land information certificates	48	42
Septic permit fees	30	40
Business registration fees	205	158
Animal registration fees and fines	218	210
Other statutory fees and fines	49	69
Total statutory fees and fines	2,002	1,887

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

3.3 User fees*

Leisure centre and recreation	22	25
Waste management services	1,259	1,635
Public hall and park hire fees	205	188
Sundry works and works within road reserve fees	49	40
Caravan park charges	312	260
Other user fees and charges	123	76
Total user fees	1,970	2,244

* 2023 result restated, \$122,000 in Rent and property income was reclassified to Other income.

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	2024	2023
User fees by timing of revenue recognition	\$'000	\$'000
User fees recognised over time	539	493
User fees recognised at a point in time	1,431	1,751
Total user fees	1,970	2,244

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

3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of Grants

Commonwealth funded grants	7,628	21,199
State funded grants	2,237	4,584
Total grants received	9,865	25,783

(a) Operating Grants

Recurrent - Commonwealth Government

Financial Assistance Grants^a 602 16,793

Recurrent - State Government

Community health 86 82

Community safety 62 70

Economic development and tourism 22 608

Maternal and child health 742 587

Recreation, leisure and community events 36 76

Roadside weeds and pest management 85 75

School crossing supervisors 68 66

Total recurrent operating grants **1,703** **18,357**

Non-recurrent - Commonwealth Government

Recreation, leisure and community events 10 -

Disaster recovery 3 -

Non-recurrent - State Government

Economic development and tourism - 131

Community health - 75

Community safety 50 -

Community services and events 2 72

Disaster recovery 128 2,343

Waste management 236 -

Other 75 237

Total non-recurrent operating grants **504** **2,858**

Total operating grants **2,207** **21,215**

^a 98% of Council's 2023/24 Commonwealth Financial Assistance Grants was received in 2022/23, in accordance with the requirements of Australian Accounting Standard AASB 1058 Income of Not-for-Profit Entities, the payment was recognised as income in the reporting period payment was received.

(b) Capital Grants

Recurrent - Commonwealth Government

Roads to recovery 2,871 2,217

Total recurrent capital grants **2,871** **2,217**

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**CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE
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	2024	2023
Non-recurrent - Commonwealth Government	\$'000	\$'000
Roads	21	368
Buildings	175	340
Footpaths and cycle ways	287	217
Drainage	387	874
Kerb and channel	112	-
Recreation, leisure and community facilities	3,159	391
Non-recurrent - State Government		
Roads	-	(4)
Recreation, leisure and community facilities	433	168
Waste management	214	-
Total non-recurrent capital grants	4,788	2,352
Total capital grants	7,659	4,569

(c) Recognition of grant income

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

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

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies AASB 1058 Income of Not-for-Profit Entities.

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

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

General purpose	676	16,816
Specific purpose grants to acquire non-financial assets	7,285	-
Other specific purpose grants	279	3,781
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	1,050	5,177
Total income / revenue	9,490	25,784

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

Operating

Balance at start of year	3,008	984
Prior year adjustment	(1,811)	-
Received during the financial year and remained unspent at balance date	732	2,891
Received in prior years and spent during the financial year	(801)	(887)
Balance at year end	2,128	3,008

FILE NO:
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	2024	2023
	\$'000	\$'000
Capital		
Balance at start of year	8,199	5,703
Received during the financial year and remained unspent at balance date	309	3,241
Received in prior years and spent during the financial year	(2,440)	(745)
Balance at year end	6,068	8,199

3.5 Contributions

(a) Contributions - Monetary

Monetary contributions	948	709
Total monetary contributions	948	709

(b) Contributions - Non monetary*

Non monetary contributions	5,445	14,131
Total non monetary contributions	5,445	14,131
Total contributions	6,393	14,840

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

Land	-	3
Land - specialised	42	23
Buildings	6	-
Roads	1,767	3,791
Kerb and channel	985	2,730
Footpaths and cycle ways	786	3,176
Drainage	1,855	4,408
Recreation, leisure and community facilities	4	-
Total non monetary contributions	5,445	14,131

* Refer to note 8.6 for prior period adjustment

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

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

Proceeds of sale	915	614
Written down value of assets disposed	(349)	(402)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	566	212

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

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	2024	2023
	\$'000	\$'000
3.7 Other income*		
Interest on investments	3,105	1,714
Reimbursements and subsidies	114	124
Legal costs recouped	76	135
Energy rebate scheme income	98	76
Sale of recyclables income	151	39
Revaluation of intangible asset (water shares)	-	262
Recognition of assets under Council control	2,110	68
Rent and other property income	143	122
Volunteer services	337	349
Other income	93	121
Total other income	6,229	3,010

* 2023 result restated, \$122,000 in Rent and property income was reclassified from User fees.

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.

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Note 4 THE COST OF DELIVERING SERVICES

	2024	2023
4.1 (a) Employee costs	\$'000	\$'000
Wages and salaries	21,762	19,448
Apprentices and trainees	332	361
External contract employees	678	54
Superannuation	2,353	2,132
WorkCover	572	313
Fringe benefits tax	115	141
Other employee costs	343	295
Total employee costs	26,155	22,744

(b) Superannuation

Council made contributions to the following funds:

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,241	1,422
Employer contributions - other funds	1,112	710
Total	2,353	2,132
Employer contributions payable at reporting date.	45	41

Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services*

Building maintenance	1,037	917
Community and recreation	2,120	2,919
Consultants	1,269	1,261
General maintenance	9,182	4,995
Information technology	2,110	1,690
Insurance	1,202	1,098
Legal expenses	445	402
October 2022 flood event expenses	950	1,461
Office administration	2,369	2,206
Plant and fleet expenses	1,661	1,543
Regulatory services	269	243
Utilities	998	901
Waste management	6,605	5,321
Total materials and services	30,217	24,957

* 2023 result restated, a review of the materials and services classifications resulted in a change to the 2023 result including expenditure related to Council's community contributions, grants and donations and GVRLC Library contribution being reclassified as other expenses \$2,167,000.

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

4.3 Depreciation

Property	2,049	1,969
Plant and equipment	1,313	1,039
Infrastructure	12,186	9,768
Total depreciation	15,548	12,776

Refer to note 6.1 for a more detailed breakdown of depreciation charges and accounting policy.

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	\$'000	\$'000
4.4 Amortisation - intangible assets		
Landfill cell airspace	341	809
Total Amortisation - intangible assets	341	809
4.5 Depreciation - right of use assets		
IT equipment	40	52
Plant	538	606
Total Depreciation - right of use assets	578	658
4.6 Allowance for impairment losses		
Sundry debtors	23	-
Infringement debtors	27	16
Total allowance for impairment losses	50	16
Movement in allowance for impairment losses in respect of debtors		
Balance at the beginning of the year	70	67
New allowances recognised during the year	50	15
Amounts already allowed for and written off as uncollectible	(13)	(12)
Balance at end of year	107	70
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.		
4.7 Borrowing costs		
Interest - borrowings	33	24
Less capitalised borrowing costs on qualifying assets	(33)	(12)
Total borrowing costs	-	12
Borrowing costs are recognised as an expense in the period in which they are incurred.		
4.8 Finance costs - leases		
Interest - lease liabilities	98	117
Total finance costs - leases	98	117
4.9 Other expenses*		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	69	53
Auditors' remuneration - Internal audit	138	53
Community contributions, grants and sponsorships	1,410	1,347
GVRLC library contribution	836	820
Councillors and Administrators allowances	742	356
Commission of Inquiry into Moira Shire Council**	-	922
Unwinding of discount on provisions***	54	(1,274)
Refunds of rates	31	37
Volunteer services	337	349
Revaluation of intangible assets	221	-
Others	79	36
Total other expenses	3,917	2,699

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* 2023 result restated, expenditure related to Council's community contributions, grants and donations \$1,347,000 and GVRILC library contribution \$620,000 were reclassified from materials and services.

**The Commission of Inquiry Report tabled in Victorian Parliament on 7 March 2023 ordered the cost of the inquiry be met by Moira Shire Council.

*** Change in discount rate model in 2022/23 realised a credit adjustment to the future value of the provision required for Council's landfill. See Note 5.5

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	Note	2024 \$'000	2023 \$'000
Note 5 INVESTING IN AND FINANCING OUR OPERATIONS			
5.1 Financial assets			
(a) Cash and cash equivalents			
Cash on hand		5	5
Cash at bank		1,659	3,995
Deposits - at call		3,000	5,000
Total cash and cash equivalents		4,664	9,000
(b) Other financial assets			
Current			
Term deposits		51,000	57,000
Total other financial assets		51,000	57,000
Total cash and cash equivalents and other financial assets		55,664	66,000

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

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

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

(c) Trade and other receivables

Current

Statutory receivables

Rates debtors		4,704	3,521
Fire services levy debtors		428	335
Infringement debtors		84	84
Allowance for expected credit loss - infringements		(81)	(68)
Net GST receivable		274	212

Non-statutory receivables

Other debtors	5.1 (d)	351	803
Allowance for expected credit loss - other debtors		(26)	(3)

Total current trade and other receivables

5,734 **4,884**

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)		299	387
Past due by up to 30 days		20	52
Past due between 31 and 180 days		32	364
Total trade & other receivables		351	803

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(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$23,367 (2023: \$Nil) were impaired. The amount of the allowance raised against these debtors was \$23,367 (2023: \$Nil). 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.

	2024 \$'000	2023 \$'000
The ageing of receivables that have been individually determined as impaired at reporting date was:		
Past due between 31 and 180 days	23	-
Total trade & other receivables	23	-

(f) Contract assets

Contract Assets	2,080	1,105
Total contract assets	2,080	1,105

Contract assets are recognised when Council has transferred goods or services to the customer but where Council is yet to establish an unconditional right to consideration.

5.2 Non-financial assets

(a) Inventories

Inventories held for distribution	739	666
Total inventories	739	666

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) Other assets

Prepayments	197	356
Accrued income - interest	1,288	984
Moira Recreation Committees assets*	560	553
Total other assets	2,045	1,893

Accrued interest income refers to the interest receivable as at 30 June 2024 on term deposits that has not yet been paid.

* Moira Recreation Committees are assets held in the name of individual committees on behalf of Council.

(c) Intangible assets

Water share entitlements*	3,103	3,324
Landfill cell airspace	3,486	3,395
Total intangible assets	6,589	6,719

	Water share entitlements \$'000	Landfill Cell airspace \$'000	Total \$'000
Gross carrying amount			
Balance at 1 July 2023	3,324	7,487	10,811
Fair value adjustment	(221)	432	211
Balance at 30 June 2024	3,103	7,919	11,022

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	Water share entitlements \$'000	Landfill Cell airspace \$'000	Total \$'000
Accumulated amortisation and impairment			
Balance at 1 July 2023	-	4,092	4,092
Amortisation expense	-	341	341
Balance at 30 June 2024	-	4,433	4,433
Net book value at 30 June 2023	3,324	3,395	6,719
Net book value at 30 June 2024	3,103	3,486	6,589

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

* A water share entitlement is an ongoing entitlement to a share of the water available in the Goulburn and Murray systems. It gives Moira Shire a right to share of water in the system. Moira Shire's water entitlements were valued as at 30 June 2024 by Wes Ridd (API Member 62427) of Preston Rowe Paterson Shepparton.

	2024 \$'000	2023 \$'000
5.3 Payables, trust funds and deposits and contract and other liabilities		
(a) Trade and other payables		
Current		
Non-statutory payables		
Trade payables	487	341
Accrued expenses	3,365	2,303
Total current trade and other payables	3,852	2,644
(b) Trust funds and deposits		
Current		
Refundable deposits	2,208	2,182
Fire services levy	2,207	1,067
Retention amounts	105	149
Total current trust funds and deposits	4,520	3,398
(c) Contract and other liabilities		
Contract liabilities		
Current		
Grants received in advance - operating	13	60
Grants received in advance - capital	6,069	8,199
Rates creditors (rates paid in advance)	778	807
Total contract liabilities	6,860	9,066

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

Contract liabilities
Contract liabilities reflect consideration received in advance from customers in respect of capital works projects and operating programs applicable to more than one financial year. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.4

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Purpose and nature of items

Fire services 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.

	2024	2023
	\$'000	\$'000
5.4 Interest bearing liabilities		
Current		
Treasury Corporation of Victoria borrowings - secured	135	46
Other Borrowings - secured	-	-
Total current interest-bearing liabilities	<u>135</u>	<u>46</u>
Non-current		
Treasury Corporation of Victoria borrowings - secured	1,349	466
Total non-current interest-bearing liabilities	<u>1,349</u>	<u>466</u>
Total	<u>1,484</u>	<u>512</u>

Borrowings are secured by Council rate revenue. Refer to Note 5.6 for Council's financing arrangements.

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

Not later than one year	135	46
Later than one year and not later than five years	775	250
Later than five years	574	216
Total interest-bearing liabilities	<u>1,484</u>	<u>512</u>

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

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

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5.5 Provisions

	Employee	Landfill restoration	Total
	\$'000	\$'000	\$'000
2024			
Balance at beginning of the financial year	5,475	9,747	15,222
Additional provisions	659	562	1,221
Amounts used	(735)	(130)	(865)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	54	54
Balance at the end of the financial year	5,399	10,233	15,632
Provisions - current	5,085	2,062	7,147
Provisions - non-current	314	8,171	8,485
Total Provisions	5,399	10,233	15,632
	Employee	Landfill restoration	Total
	\$'000	\$'000	\$'000
2023			
Balance at beginning of the financial year	5,372	11,469	16,841
Additional provisions	788	-	788
Amounts used	(685)	-	(685)
Provision revaluation	-	(448)	(448)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	(1,274)	(1,274)
Balance at the end of the financial year	5,475	9,747	15,222
Provisions - current	5,189	1,500	6,689
Provisions - non-current	286	8,247	8,533
Total Provisions	5,475	9,747	15,222
		2024	2023
(a) Employee provisions		\$'000	\$'000
Current provisions expected to be wholly settled within 12 months			
Annual leave		1,220	1,260
Annual leave loading		150	139
Rostered days off		205	236
Long service leave		2,885	2,986
		4,440	4,621
Current provisions expected to be wholly settled after 12 months			
Annual leave		645	568
		645	568
Total current employee provisions		5,085	5,189
Non-current			
Long service leave		314	286
Total non-current employee provisions		314	286

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	2024	2023
	\$'000	\$'000
Aggregate carrying amount of employee provisions:		
Current	5,085	5,189
Non-current	314	286
Total aggregate carrying amount of employee provisions	5,399	5,475

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

Annual leave

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

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

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

Long service leave

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

	2024	2023
	%	%
Key assumptions:		
Discount rate ^a	4.431	4.063
Wage inflation rate ^b	4.450	4.350

* Source: Department of Treasury and Finance Victoria

(b) Landfill restoration

Current	2,062	1,500
Non-current	8,171	8,247
Total	10,233	9,747

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

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

	2024	2023
	%	%
Key assumptions:		
- discount rate ^a	5.039 - 5.885	5.156 - 5.926
- inflation rate ^{**}	2.75	3.00

Source: ^a Milliman Group 100 discount rates

^{**} Reserve Bank of Australia - long term inflation target

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	2024 \$'000	2023 \$'000
5.6 Financing arrangements		
Council has the following funding arrangements in place as at 30 June 2024.		
Credit card facilities	106	96
Treasury Corporation of Victoria facilities	1,483	512
Total facilities	1,591	608
Used facilities	1,502	538
Unused facilities	89	70

Council does not have an overdraft facility.

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.

Commitments for expenditure

2024	Not later than	Later than 1	Later than 2	Later than	Total
	1 year	year and not later than 2 years	years and not later than 5 years	5 years	
Operating	\$'000	\$'000	\$'000	\$'000	\$'000
Kerbside landfill, recycling and organic waste collection*	2,681	1,926	6,101	2,146	12,854
Computers and telecommunications	893	641	1,555	467	3,556
Maintenance and security of Council buildings	204	99	77	-	380
Cleaning of Council buildings	177	-	-	-	177
Environmental management	741	727	1,060	-	2,528
Recreation facilities management	1,121	1,152	1,184	-	3,457
Other	516	327	215	-	1,058
Total	6,333	4,872	10,192	2,613	24,010
Capital	\$'000	\$'000	\$'000	\$'000	\$'000
Building design and construction	8,528	-	-	-	8,528
Plant and equipment	1,326	-	-	-	1,326
Roads	3,668	2,959	789	-	7,416
Total	13,522	2,959	789	-	17,270
2023	Not later than	Later than 1	Later than 2	Later than	Total
	1 year	year and not later than 2 years	years and not later than 5 years	5 years	
Operating	\$'000	\$'000	\$'000	\$'000	\$'000
Kerbside waste collection and landfill management*	2,650	1,122	-	-	3,772
Computers and telecommunications	693	700	671	-	2,064
Maintenance and security of Council buildings	167	94	83	-	344
Cleaning of Council buildings	208	-	-	-	208
Environmental management	663	639	1,739	-	3,061
Recreation facilities management	1,314	1,327	4,059	-	6,700
Other services	388	219	26	-	633
Total	6,103	4,101	6,578	-	16,782

* A new contract entered into for Kerbside landfill, recycling and organic waste collection commencing in December 2024.

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2023	Not later than 1 year	Later than 1	Later than 2	Later than 5 years	Total
		year and not later than 2 years	years and not later than 5 years		
Capital					
Building design and construction	915	822	-	-	1,737
Roads	2,424	1,617	-	-	4,041
Total	3,339	2,439	-	-	5,778

5.8 Leases

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

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

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

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

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

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

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

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

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

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

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

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	Plant	IT Equipment	Total
	\$'000	\$'000	\$'000
Right-of-Use Assets			
Balance at 1 July 2023	2,480	94	2,574
Additions	25	-	25
Transfer to Moira assets	(145)	-	(145)
Depreciation charge	(538)	(40)	(578)
Balance at 30 June 2024	1,822	54	1,876

	2024	2023
	\$'000	\$'000
Lease Liabilities		
Maturity analysis - contractual undiscounted cash flows		
Less than one year	465	816
One to five years	1,482	2,085
More than five years	-	9
Total undiscounted lease liabilities as at 30 June:	1,947	2,910
Lease liabilities included in the Balance Sheet at 30 June:		
Current	465	718
Non-current	1,482	1,948
Total lease liabilities	1,947	2,666

Short-term and low value leases

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

Expenses relating to:

Leases of low value assets	230	141
Total	230	141

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

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

Within one year	110	71
Later than one year but not later than five years	120	70
Total lease commitments	230	141

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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	Found	Revaluation	Disposal	Write-offs	Transfers	Depreciation	Carrying amount 30 June 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property*	239,584	1,299	48	-	7,898	-	-	318	(2,049)	247,098
Plant and Equipment	5,329	3,133	-	-	-	(349)	-	65	(1,313)	6,865
Infrastructure*	531,911	6,114	5,396	2,110	4,085	-	-	2,681	(12,186)	540,111
Work in progress	8,261	4,801	-	-	-	-	(1,437)	(3,064)	-	8,561
Total	785,084	15,347	5,445	2,110	11,983	(349)	(1,437)	-	(15,548)	802,635

Summary of Work in Progress

	Opening WIP	Additions	Write Off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	2,560	2,191	-	(316)	4,433
Plant and Equipment	65	-	-	(65)	-
Infrastructure	5,636	2,610	(1,437)	(2,681)	4,128
Total	8,261	4,801	(1,437)	(3,064)	8,561

* Refer to Note 8.6 for information on restatement of prior period balance.

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(a) Property

	Land - specialised*	Land - non specialised	Land improvements	Total Land	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	22,722	117,352	94	140,168	176,753	176,753	2,560	319,481
Accumulated depreciation at 1 July 2023	-	-	(50)	(50)	(77,287)	(77,287)	-	(77,337)
	22,722	117,352	44	140,118	99,466	99,466	2,560	242,144
Movements in fair value								
Additions	-	158	-	158	1,141	1,141	2,191	3,490
Contributions*	42	-	-	42	6	6	-	48
Revaluation*	3,061	-	-	3,061	8,774	8,774	-	11,835
Disposal	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	318	318	(318)	-
	3,103	158	-	3,261	10,239	10,239	1,873	15,373
Movements in accumulated depreciation								
Depreciation charge	-	-	(4)	(4)	(2,045)	(2,045)	-	(2,049)
Revaluation	-	-	-	-	(3,937)	(3,937)	-	(3,937)
Disposal	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
	-	-	(4)	(4)	(5,982)	(5,982)	-	(5,986)
At fair value 30 June 2024	25,825	117,510	94	143,429	186,992	186,992	4,433	334,854
Accumulated depreciation at 30 June 2024	-	-	(54)	(54)	(83,269)	(83,269)	-	(83,323)
Carrying amount	25,825	117,510	40	143,375	103,723	103,723	4,433	251,531

* Refer to Note 8.6 for information on restatement of prior period balance.

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(b) Plant and Equipment

	Plant machinery and equipment	Fixtures and fittings and furniture	Computers and Telecommunicat ions	Pumps**	Work in Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	8,449	200	293	1,521	65	10,528
Accumulated depreciation at 1 July 2023	(4,057)	(117)	(218)	(742)	-	(5,134)
	4,392	83	75	779	65	5,394
Movements in fair value						
Additions	3,060	10	24	39	-	3,133
Found	-	-	-	-	-	-
Disposal	(1,323)	-	-	-	-	(1,323)
Transfers	65	-	-	-	(65)	-
	1,802	10	24	39	(65)	1,810
Movements in accumulated depreciation						
Depreciation charge	(1,205)	(19)	(33)	(56)	-	(1,313)
Disposal	974	-	-	-	-	974
Transfers	-	-	-	-	-	-
	(231)	(19)	(33)	(56)	-	(339)
At fair value 30 June 2024	10,251	210	317	1,560	-	12,338
Accumulated depreciation at 30 June 2024	(4,288)	(136)	(251)	(798)	-	(5,473)
Carrying amount	5,963	74	66	762	-	6,865

** Pumps previously classified as part of drainage

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(c) Infrastructure

	Roads	Bridges	Kerb and Channel	Footpaths and Cycleways	Drainage**	Culverts and Floodways	Recreational, leisure and community facilities	Waste Management
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	388,159	49,872	86,026	43,824	84,004	18,165	10,688	12,594
Accumulated depreciation at 1 July 2023	(88,301)	(16,546)	(21,262)	(9,420)	(23,650)	(5,481)	(8,225)	(8,422)
	299,858	33,326	64,764	34,404	60,354	12,684	11,463	4,172
Movements in fair value								
Additions	3,779	132	303	717	217	78	337	-
Found	-	-	1,419	691	-	-	-	-
Contributions*	1,767	-	985	786	1,855	-	4	-
Revaluation [†]	11,688	1,457	(29,802)	(270)	7,764	(35)	132	-
Transfers	1,146	-	177	62	168	26	435	554
	18,380	1,589	(26,918)	1,986	10,004	69	908	554
Movements in accumulated depreciation								
Depreciation charge	(7,366)	(379)	(1,168)	(904)	(894)	(175)	(746)	(193)
Found	-	-	-	-	-	-	-	-
Revaluation	965	(507)	10,220	3,570	(1,008)	16	(80)	-
Transfers	-	-	-	-	-	-	-	-
	(6,401)	(886)	9,051	2,666	(1,902)	(159)	(826)	(193)
At fair value 30 June 2024	406,519	51,461	59,108	45,810	94,008	18,234	20,596	13,148
Accumulated depreciation at 30 June 2024	(94,702)	(17,432)	(12,211)	(6,754)	(25,552)	(5,640)	(9,051)	(8,615)
Carrying amount	311,817	34,029	46,897	39,056	68,456	12,594	11,545	4,533

* Refer to Note 6.8 for information on restatement of prior period balance.

** Pumps previously classified as part of drainage

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(c) Infrastructure (cont.)

	Aerodromes	Other infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	537	16,372	5,636	724,675
Accumulated depreciation at 1 July 2023	(179)	(5,845)	-	(187,328)
	358	10,527	5,636	537,347
Movements in fair value				
Additions	-	551	2,610	6,724
Found	-	-	-	2,110
Contributions*	-	-	-	5,396
Revaluation**	-	(5)	-	(9,091)
Transfers	-	114	(4,119)	(1,437)
	-	660	(1,509)	5,702
Movements in accumulated depreciation				
Depreciation charge	(16)	(344)	-	(12,186)
Found	-	-	-	-
Revaluation**	-	-	-	13,176
Transfers	-	-	-	-
	(16)	(344)	-	990
At fair value 30 June 2024	537	17,032	4,127	730,577
Accumulated depreciation at 30 June 2024	(185)	(6,189)	-	(186,338)
Carrying amount	342	10,843	4,127	544,239

* Refer to Note 8.6 for information on restatement of prior period balance.

** Revaluation includes charges against the Asset Revaluation Reserve by asset class for some assets where a sufficient reserve balance is maintained.

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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 useful lives

	Useful Life	Threshold Limit \$'000
Property		
Land		
- Land		-
- Land under roads		-
Land Improvements	10 to 100 years	5.0
Buildings	65 to 90 years	5.0
Plant and Equipment		
Plant, machinery and equipment	7 years	2.5
Fixtures, fittings and furniture	7 to 25 years	2.0
Pumps	30 years	5.0
Infrastructure		
Sealed roads		
- road seals	19 years	5.0
- road pavement	25 to 80 years	5.0
Unsealed roads		
- road pavement	15 to 25 years	5.0
Laneways		
- concrete	100 years	5.0
- bitumen	18 years	5.0
Bridges		
- timber	80 years	5.0
- steel and concrete	150 years	5.0
Footpaths and cycle ways		
- concrete	60 years	5.0
- gravel	20 years	5.0
- bitumen	30 years	5.0
- brick	40 years	5.0
Drainage		
- main drains	50 to 100 years	5.0
Culverts and flood ways		
- culverts and flood ways	100 years	5.0

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	Useful Life	Threshold Limit \$'000
Kerb and channel		
- kerb and channel	75 years	5.0
- traffic islands	50 years	5.0
Recreational, leisure and community facilities		
- playground equipment	20 years	2.0
Parks, open space and streetscapes	10 to 100 years	5.0
Aerodromes	10 to 100 years	2.0
Waste Management	10 to 100 years	5.0
Other infrastructure assets	10 to 100 years	5.0

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation

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.

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

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.

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

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

Repairs and maintenance

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

Valuation of land and buildings

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation	Type of Valuation
Land - specialised	-	-	25,825	06/2024	Index
Land - non specialised	-	-	117,510	12/2022	Full
Land improvements	-	-	40	06/2023	Full
Buildings - non specialised	-	-	103,723	06/2024	Index
Total	-	-	247,098		

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

Land assets were valued by Marcus Hann (AAP) of LG Valuation Services Pty Ltd as at 31 December 2022. The valuation of land is at fair value being market value based on highest and best use permitted by relevant land planning provisions. The valuation process involved an inspection of each asset to identify and value each property's fair value.

Land under Roads were valued as at 30 June 2024 by a team of in-house professional staff in accordance with the "Englobo Method" of calculation provided in the Department of Planning and Community Development Circular 15/11. The Englobo Method of valuation of land under roads is a calculation based on the area of the unimproved value of all land within the municipality discounted by 90% multiplied by the area of land under roads.

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.

Buildings were valued as at 30 June 2024 based on indexation calculation. A unit rate and effective life review conducted by a team of in-house professional staff.

Valuation of infrastructure

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation	Type of Valuation
Roads	-	-	311,817	06/2024	Index
Bridges	-	-	34,029	06/2024	Index
Kerb and channel	-	-	46,897	06/2024	Full
Footpaths and cycle ways	-	-	39,066	06/2024	Full
Drainage	-	-	68,456	06/2024	Full
Culverts and Floodways	-	-	12,594	06/2023	Full
Recreational, leisure and community facilities	-	-	11,545	06/2024	Index
Waste Management	-	-	4,533	06/2020	Full
Other Infrastructure	-	-	10,843	06/2023	Index
Total	-	-	539,770		

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

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

Roads were valued as at 30 June 2024 based on indexation calculation. A unit rate and effective life review conducted by a team of in-house professional staff.

Bridges were valued as at 30 June 2024 based on indexation calculation. A unit rate and effective life review conducted by a team of in-house professional staff.

Kerb and channel were valued as at 30 June 2024 based on a condition assessment conducted by Asset Lab Pty Ltd. A unit rate and effective life review conducted by a team of in-house professional staff.

Footpaths and cycle ways were valued as at 30 June 2024 based on a condition assessment conducted by Asset Lab Pty Ltd. A unit rate and effective life review conducted by a team of in-house professional staff.

Drainage assets were valued as at 30 June 2024 based on a condition assessment conducted by Asset Lab Pty Ltd. A unit rate and effective life review conducted by a team of in-house professional staff.

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Culverts and Floodways were valued as at 30 June 2023 based on a condition assessment conducted by Shepherd Services and Council's engineering staff. A unit rate and effective life review conducted by a team of in-house professional staff.

Recreational, leisure and community facilities (playground equipment) were valued as at 30 June 2024 based on indexation calculation. A unit rate and effective life review conducted by a team of in-house professional staff.

Waste Management assets were valued as at 30 June 2020 based on a condition assessment. A unit rate and effective life review conducted by a team of in-house professional staff, under the direction of Mr Scott Draper, Manager Sustainability.

Aerodrome through the 2023/24 review of asset classes that are subject to revaluation, Council officers identified that the Aerodrome asset class has been previously carried at fair value, however this accounting policy is not deemed appropriate due to the cost vs. benefit of fair valuing this immaterial class of assets, which is predominately located underground. Refer to Note 10 for the accounting policy change pertaining to the valuation methodology applied to Aerodrome assets.

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.

Infrastructure assets are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 2 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of 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
Specialised land		
Land under roads	25,825	22,699
Total specialised land	25,825	22,699

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6.2 Investments in associates and joint arrangements

(a) Investments in associates

Goulburn Valley Regional Library Corporation

Goulburn Valley Regional Library Corporation

Background

The Goulburn Valley Regional Library Corporation is an entity which has been established to serve three northern Victorian councils; Moira Shire Council, Greater Shepparton City Council and Strathbogie Shire Council. Each Council has two committee representatives on the Board of Directors plus a community representative.

Each member council contributes financially to the operation of the Corporation based on the ratio of their population base. Contribution payments are considered a 'fee for service' on a commercial basis and are relative to the services the Corporation provides. The amount of financial contributions does not bring with it any additional voting rights or influence on the library activities and therefore greater power or control.

	2024 \$'000	2023 \$'000
Fair value of Council's investment in Goulburn Valley Regional Library Corporation	<u>888</u>	<u>906</u>
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	67	34
Revised surplus/(deficit) for prior year	(23)	16
Reported surplus/(deficit) for year	5	17
Council's share of accumulated surplus/(deficit) at end of year	<u>49</u>	<u>67</u>
Council's share of reserves		
Council's share of reserves at start of year	839	839
Council's share of reserves at end of year	<u>839</u>	<u>839</u>
Movement in carrying value of specific investment		
Carrying value of investment at start of year	906	873
Revised surplus/(deficit) for prior year	(23)	16
Share of surplus/(deficit) for year	5	17
Carrying value of investment at end of year	<u>888</u>	<u>906</u>
Council's share of expenditure commitments		
Operating commitments	40	40
Council share of expenditure commitments	<u>40</u>	<u>40</u>

(b) Joint Arrangement

Creekside Estate Nathalia - Joint Venture

Creekside Estate Nathalia - Joint Venture

Background

This was a joint venture between Moira Shire Council and Northern Victoria Finances Limited to develop land in Nathalia into a 22 lot residential estate. Moira Shire Council had a 50% share of the joint venture.

All land has been sold. The joint venture wound up operations in October 2023 and profits disbursed.

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	2024 \$'000	2023 \$'000
Fair value of Council's investment in Creekside Estate Nathalia - Joint Venture	<u>-</u>	<u>490</u>
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	-	93
Reported surplus/(deficit)	<u>103</u>	<u>(93)</u>
Council's share of accumulated surplus/(deficit) at end of year	<u>103</u>	<u>-</u>
Movement in carrying value of specific investment		
Carrying value of investment at start of year	490	563
Share of surplus/(deficit)	103	(93)
Settlement of dissolved joint venture	<u>(593)</u>	<u>-</u>
Carrying value of investment at end of year	<u>-</u>	<u>490</u>

The accounts for Creekside Estate Nathalia - Joint Venture are submitted as unaudited.

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

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

For joint operations, Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations.

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

(c) Community Asset Committees

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

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Note 7 PEOPLE AND RELATIONSHIPS

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Moira Shire Council is the parent entity.

Associates and joint ventures

Interests in associates and joint ventures are detailed in Note 6.2.

(b) Key Management Personnel

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

Administrators

Administrator John Tanner AM (Chair) 01 July 2023 to 9 June 2024
Administrator Dr Graeme Emonson PSM (Administrator) - 01 July 2023 to 9 June 2024
(Chair) - 10 June 2024 to 30 June 2024
Administrator Suzanna Sheed AM - 01 July 2023 to 30 June 2024

Executive Officers

Clara Keenan - Chief Executive Officer - 01 July 2023 to 30 August 2023*
Joshua Lewis - Acting Chief Executive Officer - 01 July 2023 to 22 October 2023
- Director Infrastructure Services - 23 October 2023 to 05 April 2024
Michael Tudball - Acting Chief Executive Officer - 23 October 2023 to 21 January 2024
Matthew Morgan - Chief Executive Officer - 22 January 2024 to 30 June 2024
Matthew Jarvis - Chief Financial Officer - 01 July 2023 to 13 October 2023
- Acting Director Sustainable Communities - 14 October 2023 to 14 January 2024
- Chief Financial Officer - 15 January 2024 to 13 February 2024
- Director Corporate Performance - 14 February 2024 to 31 May 2024
Scott Williams - Director Community - 15 January 2024 to 30 June 2024
Bryan Sword - Director Sustainable Development - 22 January 2024 to 30 June 2024
Amanda Chadwick - Acting Director Corporate, Governance and Performance - 01 July 2023 to 31 December 2023
- Executive Manager Corporate Governance - 01 January 2024 to 30 June 2024
Janet Martin - Acting Director Sustainable Communities - 01 July 2023 to 13 October 2023
Damian Burton - Acting Director Infrastructure Services - 10 July 2023 to 21 November 2023
Beau Miltner - Acting Chief Financial Officer - 13 September 2023 to 22 December 2023
Andrea Noonan - Acting Executive Manager People and Safety - 19 February 2024 to 30 June 2024
Justin Hanrahan - Acting Director Infrastructure - 08 April 2024 to 30 June 2024
Eva Salib - Acting Director Corporate Performance - 03 June 2024 to 30 June 2024

* Clara Keenan was on extended paid leave whilst in the position of Chief Executive Officer.

	2024	2023
	No.	No.
Total Number of Councillors	-	11
Total Number of Administrators	3	3
Total of Chief Executive Officer and other Key Management Personnel	14	10
Total Number of Key Management Personnel	<u>17</u>	<u>24</u>

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(c) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

	2024	2023
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	2,158	1,568
Other long-term employee benefits	5	20
Post-employment benefits	220	158
Termination benefits	661	-
Total	3,044	1,744

	2024	2023
	No.	No.
The numbers of key management personnel whose total remuneration (excluding termination benefits) from Council fall within the following bands:		
\$0 - \$9,999	-	3
\$10,000 - \$19,999	1	2
\$20,000 - \$29,999	-	7
\$30,000 - \$39,999	1	1
\$40,000 - \$49,999	1	-
\$50,000 - \$59,999	-	2
\$70,000 - \$79,999	3	1
\$80,000 - \$89,999	2	-
\$90,000 - \$99,999	1	2
\$140,000 - \$149,999	-	1
\$150,000 - \$159,999	1	-
\$170,000 - \$179,999	-	1
\$190,000 - \$199,999	1	-
\$200,000 - \$209,999	1	-
\$210,000 - \$219,999	2	1
\$220,000 - \$229,999	1	1
\$240,000 - \$249,999	-	1
\$260,000 - \$269,999	1	1
\$320,000 - \$329,999	1	-
Total	17	24

(d) Remuneration of other senior staff

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

Comparatives may not match the previous year's annual report disclosures for senior officers. The other senior staff remuneration threshold under 7.1(d) has been increased to \$170k for 2023-24.

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	2024	2023
	\$'000	\$'000
Total remuneration of other staff was as follows:		
Short-term employee benefits	462	337
Other Long-term employee benefits	24	20
Post-employment benefits	48	-
Total	534	357

	2024	2023
	No.	No.
The number of other senior staff are shown below in their relevant income bands:		
\$170,000 - \$179,999	2	1
\$180,000 - \$189,999	1	1
Total	3	2

	2024	2023
	\$'000	\$'000

7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties.

(i) Fees and charges charged to entities controlled by key management personnel	-	43
(ii) Employee expenses for close family members of key management personnel	44	77
(iii) Purchase of materials and services from associates of key management personnel	257	92
(iv) Purchase of materials and services from entities controlled by key management personnel	-	14

(i) The fees and charges charged to associates and entities controlled by key management personnel were in accordance with the schedule of fees and charges adopted by Council.

(ii) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. Council employs 250 staff of which only one is a close family member of key management

(iii) Council purchased the following material and services from associates of key management personnel. All purchases were at arm's length and were in the normal course of Council operations:

(1) Construction services - \$85,938

(2) Legal services - \$170,716

As at 30 June 2024 there was \$129,867 owed by Council to these entities.

(iv) Council did not purchase any material and services from entities that are controlled by members of key management personnel. As at 30 June 2024 there were no amounts owed by Council.

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

(i) Fees and charges charged to entities controlled by key management personnel	-	3
(ii) Employee expenses for close family members of key management personnel	1	1

No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

(c) Loans to / from related parties

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

(d) Commitments to / from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the Council to a related party are as follows:

(i) Moira Shire is committed to paying an annual contribution to Goulburn Valley Regional Library Corporation for the provision of library services at four locations and a mobile library service, 2023/24: \$836,287 (2022/23: \$819,689).

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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.

Disaster Recovery Funding Arrangements (DRFA) claims

Council has submitted 15 claims under Disaster Recovery Funding Arrangements (DRFA) for the October 2022 Flood Event (AGRN 1037) for costs incurred up to 30 June 2024, these claims totalling \$611,048 have yet to be assessed and paid. Council has also submitted a further 10 estimates under Category B Reconstruction Works for repairs to its roads network from the October 2022 Flood Event (AGRN 1037)

Non-Monetary asset contributions

Contributed non-current assets from development activities are expected to be received in 2024/25 in respect of property subdivisions under development. As the volume and type of assets to be contributed are unknown, it is not practicable for Council to disclose an estimate of the assets expected to be received.

(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:
 - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - b. the amount of the obligation cannot be measured with sufficient reliability.

Bank guarantees

Council has two open-ended bank guarantees totalling \$697,500 for landfill and quarry rehabilitation performance obligations.

Superannuation

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

Liability Mutual Insurance

Council was a participant of the MAV Liability Mutual Insurance (LMI) Scheme, concluding on 30 June 2022. 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.

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8.2 Change in accounting standards

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

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

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

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

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

8.3 Financial Instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and TCV borrowings. Details of 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 mitigates this risk by investing in fixed term deposit facilities that are rated within the credit rating thresholds as noted in Council's Investment Policy. 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.

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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 been significant during the year to have an impact on the Council's year end result, interest income on investments has increased \$1.45M on the previous financial year.

(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 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 6.1(b).

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

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- targets to maintain a minimum and average level of cash and cash equivalents;
- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitors 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 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.

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(e) Sensitivity disclosure analysis

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

- A parallel shift of +0.9% and -1.1% in market interest rates (AUD) from year-end rates of 4.35%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities. Interest income would be impacted as would borrowing costs, as funds are drawn down. It is not expected this will have a material impact on the results of Council's operations.

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

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

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

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

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

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from three to five 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.

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Asset class	Revaluation frequency
Land	4 years
Land under roads	4 years
Buildings	4 years
Bridges	4 years
Culverts and Floodways	4 years
Drainage	4 years
Footpaths and cycleways	4 years
Kerb and Channel	4 years
Parks, open space and streetscapes	4 years
Recreational, leisure and community facilities	4 years
Roads	3 years
Other Infrastructure assets	4 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 decrement 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.

Impairment Indicator - Flood Impacted Roads

In October 2022, a flood event occurred across Victoria, a Disaster Recovery event (AGRN 1037) was declared. This flood event impacted some of Council's road network, which required a condition assessment to be undertaken in order to assess the damage and restoration works required. The condition assessment had been performed by Shepherd Services and the updated condition data for Council's road network was uploaded in Council's asset management system in order to adjust asset carrying values to reflect current condition. Any impairment in carrying value as a result of declining asset condition has been applied against the revaluation reserve to offset previous revaluation increments.

8.5 Events occurring after balance date

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

8.6 Prior period adjustment

Through processing developer contributions during the 2023/24 financial year, Council identified contributed assets totalling \$10.179 million, which had practical completion sign-off date during the 2022/23 financial year.

In the year ended 30 June 2024, these contributed assets have been brought to account by retrospectively restating the closing balances recorded as at 30 June 2023.

	2022/23
Contributed property, infrastructure, plant and equipment	\$'000
Drainage	3,105
Footpaths	2,220
Kerb & Channel	1,954
Land - specialised	23
Roads	2,877
2022/23 Contributed Assets Adjustment	10,179

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(COORDINATOR FINANCE, ANDREW
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(ACTING DIRECTOR CORPORATE
PERFORMANCE EVA SALIB)

**CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE
STATEMENT (cont'd)**

ATTACHMENT No [1] - DRAFT - 2024 Annual Financial Report

Moira Shire Council
2023/24 Financial Report

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

	2022/23 Unadjusted Balance	2022/23 Adjustment increase/ (decrease)	2022/23 Adjusted Balance
	\$'000	\$'000	\$'000
<i>Reconciliation of changes to the 2022/23 Comprehensive Income Statement:</i>			
Comprehensive Income Statement			
Contributions - non monetary	3,952	10,179	14,131
Total income / revenue after adjusted balances	80,230	10,179	90,409
Surplus for the year after adjusted balances	15,442	10,179	25,621
<i>Reconciliation of changes to the 2022/23 Balance Sheet:</i>			
Balance Sheet			
Property, infrastructure, plant and equipment	774,905	10,179	785,084
Total non-current assets	785,594	10,179	795,773
Total Assets after adjusted balances	860,142	10,179	870,321
<i>Reconciliation of changes to the 2022/23 Statement of Changes in Equity</i>			
Statement of Changes in Equity			
Accumulated Surplus	258,536	10,179	268,715
Reserves	568,098	-	568,098
Total Equity	826,634	10,179	836,813
<i>Reconciliation of changes to the 2022/23 figures in Note 3.5(b) Contributions - Non Monetary</i>			
Contributions of non monetary assets			
Land	3	-	3
Land - specialised	-	23	23
Roads	914	2,877	3,791
Kerb and channel	776	1,954	2,730
Footpaths and cycle ways	956	2,220	3,176
Drainage	1,303	3,105	4,408
Total non monetary contributions	3,952	10,179	14,131
<i>Reconciliation of changes to the 2022/23 figures in Note 6.1 Property, infrastructure, plant and equipment</i>			
6.1 Property, infrastructure, plant and equipment			
Property	239,581	23	239,584
Infrastructure	522,533	10,156	532,689
Total	774,905	10,179	785,084
6.1 (a) Property			
Land - specialised	22,699	23	22,722
Total Property	239,561	23	239,584
6.1 (c) Infrastructure			
Drainage	58,028	3,105	61,133
Footpaths	32,194	2,220	34,404
Kerb & Channel	62,610	1,954	64,764
Roads	296,981	2,877	299,858
Total infrastructure*	522,533	10,156	532,689

* Balance is before the reclassification of Pumps from Infrastructure to Plant and Equipment in 2023/24 accounts.

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

Note 9 OTHER MATTERS

9.1 Reserves

(a) Asset revaluation reserves

	Balance at beginning of reporting period	Increase (decrease) ^a	Balance at end of reporting period
	\$'000	\$'000	\$'000
2024			
Property			
Land	71,714	-	71,714
Land under roads	16,750	3,061	19,811
Land Improvements	13,731	-	13,731
Buildings	74,195	4,837	79,032
	<u>176,390</u>	<u>7,898</u>	<u>184,288</u>
Infrastructure			
Roads	243,435	12,633	256,068
Bridges	24,556	950	25,506
Kerb and channel	29,789	(19,582)	10,207
Footpaths and cycle ways	33,943	3,301	37,244
Drainage	31,052	6,756	37,808
Culverts and floodways	15,819	(19)	15,800
Recreational, leisure and community facilities	1,747	52	1,799
Other infrastructure	2,215	-	2,215
	<u>382,556</u>	<u>4,091</u>	<u>386,647</u>
Total asset revaluation reserves	558,946	11,989	570,935
2023			
Property			
Land	43,371	28,343	71,714
Land under roads	4,667	12,083	16,750
Land Improvements	13,731	-	13,731
Buildings	58,297	15,898	74,195
	<u>120,066</u>	<u>56,324</u>	<u>176,390</u>
Infrastructure			
Roads	165,857	77,578	243,435
Bridges	20,623	3,933	24,556
Kerb and channel	21,976	7,813	29,789
Footpaths and cycle ways	30,726	3,217	33,943
Drainage	23,344	7,708	31,052
Culverts and floodways	9,200	6,619	15,819
Recreational, leisure and community facilities	1,749	(2)	1,747
Other infrastructure	1,077	1,138	2,215
	<u>274,552</u>	<u>108,004</u>	<u>382,556</u>
Total asset revaluation reserves	394,618	164,328	558,946

^a Increase/(decrease) includes disposal of written-off infrastructure assets where a sufficient balance is maintained in the Asset Revaluation Reserve.

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

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(b) Other reserves	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
2024				
Recreational open space reserve	1,210	837	-	2,047
Car parking reserve	140	-	-	140
Net gain native vegetation reserve	143	-	-	143
Botts Road - MV Highway intersection reserve	276	-	-	276
Yarrawonga Wetlands drainage reserve	100	-	-	100
Yarrawonga Five Ways intersection reserve	46	-	-	46
Capital works carried forward reserve	7,237	3,084	-	10,321
Total Other reserves	9,152	3,921	-	13,073
2023				
Recreational open space reserve	1,033	177	-	1,210
Car parking reserve	140	-	-	140
Net gain native vegetation reserve	143	-	-	143
Botts Road - MV Highway intersection reserve	276	-	-	276
Yarrawonga Wetlands drainage reserve	100	-	-	100
Yarrawonga Five Ways intersection reserve	46	-	-	46
Capital works carried forward reserve	34,930	-	(27,693)	7,237
Total Other reserves	36,668	177	(27,693)	9,152

Recreational open space reserve has been established in accordance with the Sub-division Act 1988 and is used to develop strategically located parks and reserves for the benefit of the residents in the municipality.

Car parking reserve has been established under the Planning and Environment Act 1987 and is used to provide adequate car parking spaces within the municipality.

Net gain native vegetation reserve has been established under the Planning and Environment Act 1987 and is used to fulfil Council's obligation in regard to planting of native vegetation.

Botts Road - MV Highway intersection reserve has been established to allocate funds provided by developers to improving the intersection of Botts Road and the Murray Valley Highway in Yarrawonga.

Yarrawonga Wetlands drainage reserve has been established to allocate funds provided by developers to improving the drainage in the Yarrawonga wetlands.

Yarrawonga Five Ways intersection reserve has been established to allocate funds provided by developers to improving the five ways intersection of Woods, South, Cahills and Old Wilby Roads and Gilmore Street Yarrawonga.

Capital works carried forward reserve represents Council funds allocated for capital works not completed as at the end of the financial year, this excludes income from capital grants, contributions or loans attributable to the capital works project.

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	2024	2023
	\$'000	\$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus / (deficit) for the year*	(4,847)	25,621
Non-cash adjustments:		
Depreciation/ amortisation	16,467	14,243
Profit/ (Loss) on disposal of property, infrastructure, plant and equipment	(566)	(212)
Contributions - Non-monetary assets*	(5,445)	(14,131)
Share of net profit / (loss) of investments in associates	(85)	60
Prior year capital works expensed	1,437	201
Fair value adjustment of intangible asset	(211)	(262)
Net value of previously unrecognised assets	(2,110)	(69)
Fair value adjustment of Employee Entitlements Provisions	-	788
Fair value adjustment of Landfill Provisions	54	(1,274)
Finance costs - Borrowings	-	12
Finance costs - Leases	98	117
Bad debts written off	50	16
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(850)	(757)
(Increase)/decrease in prepayments	159	(94)
(Increase)/decrease in contract assets	(975)	-
(Increase)/decrease in accrued income	(311)	(1,925)
(Increase)/decrease in inventories	(73)	150
(Increase)/decrease in intangible assets	-	994
Increase/(decrease) in trade and other payables	1,207	394
Increase/(decrease) in other liabilities	1,122	765
Increase/(decrease) in contract and other liabilities	(2,206)	2,461
Increase/(decrease) in provisions	410	(1,619)
Net cash provided by operating activities	3,325	25,479

* Refer to Note 8.6 for information on restatement of prior period balances.

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

9.3 Superannuation

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

Accumulation

The Fund's accumulation category, Vision MySuperVision 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 Moira Shire 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	5.7% pa
Salary information	3.5% pa
Price inflation (CPI)	2.8% pa

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

Employer contributions

(a) Regular contributions

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

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

(b) Funding calls

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

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

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

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

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

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

The 2023 triennial actuarial investigation surplus amounts

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

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

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

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2023.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2023.

The discounted accrued 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.

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

The 2020 triennial investigation

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

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

Superannuation contributions

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

Scheme	Type of Scheme	Rate	2024 \$'000	2023 \$'000
Vision super	Accumulation	11.0% (2023: 10.5%)	1,241	1,422
All other funds	Accumulation	11.0% (2023: 10.5%)	1,112	710

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

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

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

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**Notes to the Financial Report
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Note 10 Change in Accounting Policy

Through review of asset classes that are subject to revaluation, Council officers identified that the Aerodrome asset class has been previously carried at fair value. This accounting policy is not deemed appropriate due to the cost vs. benefit of revaluing this class of asset, which is predominately located underground. Therefore Council has changed its accounting policy to recognise these assets on a cost less accumulated depreciation method, rather than revaluation method.

Council officers have assess the impact of the change in accounting policy, which is deemed to be immaterial. Therefore the change in accounting policy has not been retrospectively applied.

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

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END OF REPORT

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**CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE
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ATTACHMENT No [2] - DRAFT - 2024 Performance Statement

DRAFT

Moira Shire Council

Performance Statement

For the year ended 30 June 2024

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ATTACHMENT No [2] - DRAFT - 2024 Performance Statement

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**CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE
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ATTACHMENT No [2] - DRAFT - 2024 Performance Statement

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.

Beau Mittner CA
Principal Accounting Officer
Dated: (Date)

In our opinion, the accompanying performance statement of the Moira 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.

Dr Graeme Emonson PSM
Chair Administrator
Dated: (Date)

Suzanna Sheed AM
Administrator
Dated: (Date)

Matthew Morgan
Chief Executive Officer
Dated: (Date)

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Victorian Auditor – General’s Office Audit Report

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ATTACHMENT No [2] - DRAFT - 2024 Performance Statement

Section 1. Description of municipality

Moira Shire is located in the Hume region of Victoria and stretches from Bundalong in the east to the Barmah National Park to the west. The Shire's northern boundary is defined by the Murray River and the south-west, southern and south east regions share boundaries with the municipalities of Campaspe, Greater Shepparton, Benalla, Wangaratta and Indigo. Moira is centrally located to the regional cities of Shepparton, Wangaratta and Albury-Wodonga.

Moira Shire Covers an area of 4,045 square kilometres and has a current population of 30,522 residents (2021 Census) and includes four major towns; Cobram, Nathalia, Numurkah and Yarrawonga and 22 smaller communities.

The economic strengths of the Moira Shire include intensive irrigated agricultural production, associated food processing industries and tourism. The Shire is home to a variety of agricultural industries including horticulture, cereal, oilseed, livestock and dairy production.

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**CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE
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ATTACHMENT No [2] - DRAFT - 2024 Performance Statement

Section 2. Service performance indicators

For the year ended 30 June 2024

	Results					Comments
	2021	2022	2023	2024		
	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.34	1.68	1.50	2.42	1.93	An increase in lifeguard numbers, warmer weather and minimal plant issues have contributed to a 29% increase in visits to Council's aquatic facilities.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0.00%	0.00%	0.00%	100%	0.00%	No prosecutions occurred in this reporting period.

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CERTIFICATION OF THE 2023/24 FINANCIAL REPORT AND PERFORMANCE STATEMENT (cont'd)
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<p>Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i></p> <p><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</i></p>	100.00%	100.00%	100.00%	100.00%	100.00%	No material variation.
<p>Governance Satisfaction <i>Satisfaction with community consultation and engagement (community satisfaction rating out of 100 with the consultation and engagement efforts of Council)</i></p>	55	45	41	47	37	In the development of the budget target, there was an expectation that community perception of Council's consultation and engagement would improve through new initiatives such as the Moira Matters community engagement platform. Council will continue to review its consultation and engagement processes, as well as feedback from the community, to improve the performance of this metric in the future.
<p>Libraries Participation <i>Library membership</i></p> <p><i>[percentage of the population that are registered library members] x100</i></p>	N/A	N/A	N/A	N/A	26.52%	New indicator introduced in the 2023/24 reporting period. Previously the metric considered 'active library borrowers', now the metric is based on 'library members'.
<p>Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i></p> <p><i>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</i></p>	83.18%	85.65%	83.38%	82.32%	81.44%	Vulnerable families continue to be monitored to ensure they are engaged in Council's Maternal & Child Health Service.

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<p>Participation <i>Participation in the MCH service by Aboriginal children</i></p> <p><i>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</i></p>	93.83%	93.67%	89.13%	94.18%	91.01%	Council's Maternal & Child health Service continue to monitor and facilitate engagement of indigenous families. The service attend Cumeragunja on a monthly basis to develop relationships with the community and have provided support to immunisations sessions and other community events such as Dharnya Day.
<p>Roads Condition <i>Sealed local roads below the intervention level</i></p> <p><i>(percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)</i></p>	95.88%	96.06%	98.49%	97.00%	98.47%	No material variation.
<p>Statutory Planning Service standard <i>Planning applications decided within the relevant required time</i></p> <p><i>(percentage of planning application decisions made within the relevant required time)</i></p>	58.99%	45.09%	62.87%	66.00%	69.68%	Improvements in timeliness follows a focus on recruitment for vacancies and improvements to process.
<p>Waste Management Waste diversion <i>Kerbside collection waste diverted from landfill</i></p> <p><i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i></p>	59.98%	57.44%	55.58%	57.00%	58.37%	Council undertook significant engagement as part of its Kerbside Transition Campaign, which involved directly talking to and answering resident's questions. This, plus additional education campaigns and social media posts around hard to dispose of waste materials, has led to a higher diversion of waste from landfill.

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Section 3. Financial performance indicators

For the year ended 30 June 2024

Dimension/indicator/ measure	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
	Actual	Actual	Actual	Target As per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Efficiency Expenditure level <i>Expenses per property assessment</i> <i>[Total expenses / Number of property assessments]</i>	\$3,288.41	\$3,280.43	\$3,497.89	\$3,829.00	\$4,054.62	\$4,030.43	\$4,024.02	\$4,098.92	\$4,151.57	Result impacted by higher depreciation charge of non-current assets in 2023/24 following large asset valuation movements over the past two years.
Revenue level <i>Average rate per property assessment</i> <i>[Sum of all general rates and municipal charges / Number of property assessments]</i>	\$1,731.54	\$1,761.07	\$1,792.79	\$1,851.00	\$1,855.96	\$1,935.65	\$1,976.56	\$2,005.81	\$2,028.90	Result in-line with the Victorian Government's 2023/24 rate cap.

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<p>Liquidity</p> <p>Working capital Current assets compared to current liabilities [Current assets / Current liabilities] x100</p>	259.88%	346.04%	330.43%	321.00%	288.36%	351.83%	285.90%	270.46%	233.12%	Lower cash and investments balance due to the Commonwealth Government Financial Assistance Grant previously received in advance, not received until July 2024.
<p>Unrestricted cash</p> <p>Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100</p>	208.08%	285.73%	189.29%	163.81%	131.85%	173.78%	154.71%	145.83%	105.40%	Lower cash and investments balance due to the Commonwealth Government Financial Assistance Grant previously received in advance, not received until July 2024.
<p>Obligations</p> <p>Loans and borrowings Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100</p>	2.23%	1.97%	1.20%	16.40%	3.30%	8.38%	20.75%	18.44%	16.18%	New borrowings to fund construction of the Yarrowonga Library precinct and Yarrowonga Multi Sport stadium originally budgeted in 2023/24 to be progressively drawn down over future years.

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<p><i>Loans and borrowings repayments compared to rates</i></p> <p><i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i></p>	1.80%	1.64%	0.73%	0.30%	0.32%	0.49%	1.25%	2.73%	2.67%	New borrowings to fund construction of the Yarrowonga Library precinct and Yarrowonga Multi Sport stadium originally budgeted in 2023/24 to be progressively drawn down over future years.
<p>Indebtedness</p> <p><i>Non-current liabilities compared to own source revenue</i></p> <p><i>[Non-current liabilities / Own source revenue] x100</i></p>	30.30%	28.94%	21.99%	40.30%	20.28%	22.08%	29.85%	27.00%	24.71%	Result reflects positive impact of higher interest income from investments and recognition of assets not previously included in accounts.
<p>Asset renewal and upgrade</p> <p><i>Asset renewal and upgrade compared to depreciation</i></p> <p><i>[Asset renewal and asset upgrade expense / Asset depreciation] x100</i></p>	100.48%	106.15%	97.89%	209.00%	70.65%	194.82%	97.53%	105.14%	99.95%	Result impacted by higher depreciation charge of non-current assets in 2023/24 following large asset valuation movements over the past two years. Delays in renewal works resulting for the October 2022 flood events has meant projects planned in 2023/24 have not been commenced.

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<p>Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i></p> <p><i>[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100</i></p>	2.91%	11.48%	11.75%	-4.20%	-24.59%	-4.92%	-5.33%	-6.84%	-6.94%	Result impacted by higher depreciation charge of non-current assets in 2023/24 following large asset valuation movements over the past two years and funding under the Commonwealth Government Financial Assistance Grant previously received in advance not received in 2023/24.
<p>Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i></p> <p><i>[Rate revenue / Adjusted underlying revenue] x100</i></p>	65.02%	60.55%	57.88%	65.50%	72.82%	63.95%	65.74%	66.60%	66.78%	Rates contribution to total revenue higher due to funding under the Commonwealth Government Financial Assistance Grant previously received in advance. 2024/25 funding received in July 2024 to be recognised in 2024/25 accounts.

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Rates effort										
<i>Rates compared to property values</i>	0.58%	0.53%	0.43%	0.40%	0.38%	0.39%	0.39%	0.39%	0.40%	Impact of rate capping on ability to raise rate revenue in line with increasing property values.
<i>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</i>										

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Section 4. Sustainable capacity indicators

For the year ended 30 June 2024

Indicator / measure [formula]	Results				Comments
	2021	2022	2023	2024	
	Actual	Actual	Actual	Actual	
Population <i>Expenses per head of municipal population</i>	\$1,965.62	\$2,002.20	\$2,121.41	\$2,498.91	Result impacted by higher depreciation charge of non-current assets in 2023/24 following large asset valuation movements over the past two years.
<i>Infrastructure per head of municipal population</i> <i>[Value of infrastructure / Municipal population]</i>	\$16,740.32	\$16,989.03	\$20,786.18	\$21,421.93	Metric is increasing due to recent revaluations of Council's infrastructure assets.

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<p><i>Population density per length of road</i> <i>[Municipal population / Kilometres of local roads]</i></p>	8.21	8.21	8.35	8.40	No material variation
<p>Own-source revenue <i>Own-source revenue per head of municipal population</i> <i>[Own-source revenue / Municipal population]</i></p>	\$1,494.50	\$1,569.87	\$1,630.15	\$1,813.09	Result reflects positive impact of higher interest income from investments and recognition of assets not previously included in accounts.
<p>Recurrent grants <i>Recurrent grants per head of municipal population</i> <i>[Recurrent grants / Municipal population]</i></p>	\$511.09	\$654.81	\$673.67	\$148.63	Rates contribution to total revenue higher due to funding under the Commonwealth Government Financial Assistance Grant previously received in advance. 2024/25 funding received in July 2024 to be recognised in 2024/25 accounts.

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<p>Disadvantage <i>Relative Socio-Economic Disadvantage</i></p> <p><i>[Index of Relative Socio-Economic Disadvantage by decile]</i></p>	2	2	2	2	No material variation
<p>Workforce turnover <i>Percentage of staff turnover</i></p> <p><i>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</i></p>	4.44%	18.35%	16.26%	14.83%	Reduced turnover rate due to temporary staff roles being replaced by permanent positions.

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Section 5. Notes to the accounts

5.1. Basis of preparation

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

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

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

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5.2. Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: <ul style="list-style-type: none"> • non-recurrent grants used to fund capital expenditure; and • non-monetary asset contributions; and • contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <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

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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