

FINANCIAL REPORT 2023-2024

dra Park Pavilion

GLENELG SHIRE



ACKNOWLEDGEMENT OF COUNTRY

The Glenelg Shire Council respectfully acknowledges the Gunditjmarra, Jardwadjali and Boandik people as the Traditional Owners of the land that the Glenelg Shire encompasses and we pay our respects to their Elders past, present and emerging.

We recognise that Aboriginal people have cared for and protected this land we call home since the dreaming. Their connections to the land, animals, seas and waterways was, and continues to be, a part of their being and we thank them for their significant contributions to life in Glenelg.

If you would like to receive this publication in an accessible format please contact Glenelg Shire Council Customer Service on 1300 GLENELG or email: enquiry@glenelg.vic.gov.au

Budj Bim Cultural Landscape

CONTENTS

FINANCIAL REPORT

PAGE

Certification of the Financial Statements	3
Victorian Auditor-General's Office Audit Report	4

FINANCIAL STATEMENTS

Comprehensive Income Statement	6
Balance Sheet	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Statement of Capital Works	10

NOTES TO FINANCIAL STATEMENTS

Note 1	Overview	11
Note 2	Analysis of our results	12
	2.1 Performance against Budget	12
	2.2 Analysis of Council results by program	16
Note 3	Funding for the delivery of our Services	18
	3.1 Rates and Charges	18
	3.2 Statutory Fees and Fines	18
	3.3 User Fees	18
	3.4 Funding from other levels of Government	19
	3.5 Contributions	21
	3.6 Net gain/(loss) on disposal of Property, Infrastructure, Plant and Equipment	21
	3.7 Other Income	21
Note 4	The Cost of delivering Services	22
	4.1 Employee Costs	22
	4.2 Materials and Services	22
	4.3 Depreciation	22
	4.4 Depreciation - Right of Use Assets	23
	4.5 Allowance for Impairment Losses	23
	4.6 Borrowing Costs	23
	4.7 Finance Costs - Leases	23
	4.8 Other Expenses	23

CONTENTS

NOTES TO FINANCIAL STATEMENTS CONTINUED

PAGE

Note 5	Investing in and Financing Our Operations	24
5.1	Financial Assets	24
5.2	Non-Financial Assets	25
5.3	Payables, Trust funds and deposits and contract and other liabilities	25
5.4	Interest-bearing liabilities	26
5.5	Provisions	27
5.6	Financing arrangements	28
5.7	Commitments	29
5.8	Leases	31
Note 6	Assets we manage	33
6.1	Property, Infrastructure Plant and Equipment	33
Note 7	People and Relationships	39
7.1	Council and Key Management Remuneration	39
7.2	Related Party Disclosure	41
7.3	Local Port of Portland Bay	42
Note 8	Managing Uncertainties	43
8.1	Contingent Assets and Liabilities	43
8.2	Change in Accounting Standards	44
8.3	Financial Instruments	44
8.4	Fair Value measurement	45
8.5	Events occurring after balance date	46
Note 9	Other Matters	47
9.1	Reserves	47
9.2	Reconciliation of cash flows from operating activities to surplus/(deficit)	49
9.3	Superannuation	49
Note 10	Change in Accounting Policy	52

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.



Rebecca Campbell CPA
Principal Accounting Officer

Dated : 22 October 2024
Portland

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

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

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



Councillor Karen Stephens
Councillor
Dated : 22/10/2024
Portland



Councillor Michael Carr
Councillor
Dated : 22/10/24
Portland



Helen Havercroft
Chief Executive Officer
Dated : 22/10/2024
Portland

Independent Auditor's Report

To the Councillors of Glenelg Shire Council

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

Independent Auditor's Report

To the Councillors of Glenelg Shire Council

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

Comprehensive Income Statement For the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Rates and Charges	3.1	32,594	31,559
Statutory Fees and Fines	3.2	661	917
User Fees	3.3	2,701	3,312
Grants - Operating	3.4	6,009	19,955
Grants - Capital	3.4	7,273	7,135
Contributions - Monetary	3.5	89	196
Contributions - Non Monetary	3.5	72	-
Other Income	3.7	2,211	1,854
Total Income		51,611	64,928
Expenses			
Employee Costs	4.1	25,991	26,068
Materials and Services	4.2	18,734	19,687
Depreciation	4.3	10,324	10,954
Depreciation - Right of Use Assets	4.5	221	221
Allowance for Impairment Losses	4.6	16	9
Borrowing Costs	4.7	11	2
Finance Costs - Leases	4.8	15	18
Net Loss on disposal of Property, Infrastructure, Plant and Equipment	3.6	738	1,871
Change in Landfill Provision	5.5	(5,057)	1,051
Other Expenses	4.8	2,517	2,324
Total Expenses		53,508	62,205
Surplus/(deficit) for the year		(1,897)	2,723
Other Comprehensive Income			
Items that will not be reclassified to surplus or deficit in future periods			
Net Asset Revaluation Gain/(Loss)	9.1	94,966	11,209
Total Other Comprehensive Income		94,966	11,209
Total Comprehensive Result		93,070	13,933

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

Balance Sheet As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Current Assets			
Cash and Cash Equivalents	5.1	6,503	13,280
Trade and Other Receivables	5.1	3,966	2,659
Inventories	5.2	325	214
Prepayments	5.2	571	543
Other Assets	5.2	94	195
Total Current Assets		11,459	16,891
Non-Current Assets			
Trade and Other Receivables	5.1	7	-
Property, Infrastructure, Plant and Equipment	6.1	569,762	471,897
Right-of-Use Assets	5.8	530	394
Total Non-Current Assets		570,300	472,291
Total Assets		581,759	489,181
Liabilities			
Current Liabilities			
Trade and Other Payables	5.3	4,985	2,709
Trust funds and Deposits	5.3	1,463	1,377
Contract and Other Liabilities	5.3	10,010	7,444
Interest-Bearing Liabilities	5.4	282	396
Provisions	5.5	5,419	5,794
Lease Liabilities	5.8	240	223
Total Current Liabilities		22,399	17,943
Non-Current Liabilities			
Interest-Bearing Liabilities	5.4	-	282
Provisions	5.5	5,931	10,706
Lease Liabilities	5.8	303	196
Total Non-Current Liabilities		6,234	11,184
Total Liabilities		28,633	29,127
Net Assets		553,126	460,054
Equity			
Accumulated surplus		126,000	127,895
Reserves	9.1	427,126	332,159
Total Equity		553,126	460,054

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

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

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2024					
Balance at beginning of the financial year		460,054	127,895	331,702	457
Surplus/(deficit) for the year		(1,895)	(1,895)	-	-
Net asset revaluation gain/(loss)	9.1	94,966	-	94,966	-
Balance at End of the Financial Year		553,126	126,000	426,669	457

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2023					
Balance at beginning of the financial year		446,122	125,172	320,493	457
Surplus/(deficit) for the year		2,723	2,723	-	-
Net asset revaluation gain/(loss)	6.1	11,209	-	11,209	-
Balance at End of the Financial Year		460,054	127,895	331,702	457

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

Statement of Cash Flows

For the Year Ended 30 June 2024

		2024	2023
		Inflows/ (Outflows)	Inflows/ (Outflows)
	Note	\$'000	\$'000
Cash Flows from Operating Activities			
Rates and charges		32,728	31,208
Statutory fees and fines		661	917
User fees		2,452	3,463
Grants - operating		5,359	20,159
Grants - capital		10,258	3,902
Contributions - monetary		89	196
Interest received		381	-
Other receipts		1,724	1,667
Net GST refund/payment		69	(22)
Employee costs		(25,935)	(25,980)
Materials and services		(20,086)	(21,604)
Short-term, low value and variable lease payments		(97)	-
Net Trust funds and deposits paid		(311)	-
Other payments		(2,435)	(2,707)
Net Cash provided by Operating Activities		4,859	11,199
Cash Flows from Investing Activities			
Payments for property, infrastructure, plant and equipment	6.1	(11,557)	(13,884)
Payments for Landfill rehabilitation works		(107)	(268)
Proceeds from sale of property, infrastructure, plant and equipment		557	476
Net Cash used in Investing Activities		(11,107)	(13,676)
Cash Flows from Financing Activities			
Finance costs		(11)	(2)
Repayment of borrowings		(272)	(590)
Interest paid - Lease Liability		(15)	19
Repayment of Lease Liabilities		(232)	(240)
Net Cash used in Financing Activities		(530)	(813)
Net increase (decrease) in Cash and Cash Equivalents		(6,777)	(3,291)
Cash and Cash Equivalents at the beginning of the Financial Year		13,280	16,571
Cash and Cash Equivalents at the end of the Financial Year		6,503	13,280

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

Statement of Capital Works For the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Property			
Land		-	4
Total Land		-	4
Buildings		436	659
Total Buildings		436	659
Total Property		436	663
Plant and Equipment			
Plant, Machinery and Equipment		1,666	2,590
Library Books		85	89
Total Plant and Equipment		1,751	2,679
Infrastructure			
Roads		5,335	2,644
Bridges		647	332
Footpaths and Street Furniture		75	270
Drainage		108	58
Recreational, Leisure and Community Facilities		159	604
Waste Management		9	13
Parks, Open Space and Streetscapes		5,284	5,827
Aerodromes		71	308
Off Street Car Parks		49	-
Other Infrastructure		5	486
Total Infrastructure		11,742	10,542
Total Capital Works Expenditure		13,930	13,884
Represented by:			
New Asset Expenditure		7,947	7,753
Asset Renewal Expenditure		5,852	5,737
Asset Upgrade Expenditure		131	394
Total Capital Works Expenditure		13,930	13,884

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

Notes to the Financial Report

For the Year Ended 30 June 2024

NOTE 1: OVERVIEW

Introduction

The Glenelg Shire Council was established by an Order of the Governor in Council on 23 September 1994 and is a body corporate. The Council's main office is located at 71 Cliff St, Portland.

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.

Council is aware of the short term cash/asset deficiency in its Balance Sheet at 30 June 2024. Current Assets are \$11.5M and Current Liabilities are \$22.4M. Current Liabilities include approx \$10M of Grant funding (Unearned income at 30 June) for Capital Works projects in prior financial years that are uncompleted at 30 June 2024. To deliver these projects, as per the 2024/25 Adopted Budget, Council is preparing to draw down a \$7M loan which is part of the \$14.1M unused loan facilities at 30 June 2024. In addressing further liquidity issues, Council has determined to reduce the Capital Works program for 2024/25. In line with historical trends, Council forecasts of its \$5.1M employee entitlements, current employee entitlement provision \$2.1M will be utilised in the twelve month period. In July 2024, \$9.3M was received for the first instalment of the 2024/25 Commonwealth Financial Assistance Grant. It is on this basis the financial statements are prepared on a going concern basis in 2023/24.

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.b)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.b)
- 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)
- other areas requiring judgements

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

Goods and Services Tax (GST)

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

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

NOTE 2: ANALYSIS OF OUR RESULTS

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

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

2.1.1 Income and Expenditure

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
Income					
Rates and Charges	32,618	32,594	(24)	0%	
Statutory Fees and Fines	835	661	(174)	-21%	
User Fees	2,761	2,701	(60)	-2%	
Grants - Operating	15,164	6,009	(9,155)	-60%	1
Grants - Capital	7,989	7,273	(716)	-9%	
Contributions - Monetary	90	89	(1)	-1%	
Contributions - Non Monetary	-	72	72	100%	
Net Gain/(Loss) on disposal of Property, Infrastructure, Plant and Equipment	340	-	(340)	-100%	
Other Income	789	2,211	1,422	180%	2
Total Income / Revenue	60,586	51,611	(8,975)	-15%	
Expenses					
Employee costs	26,536	25,991	(545)	-2%	
Materials and services	19,027	18,734	(293)	-2%	
Depreciation	12,520	10,324	(2,196)	-18%	3
Depreciation - right of use assets	228	221	(7)	100%	
Allowance for impairment losses	-	16	16	100%	
Borrowing costs	-	11	11	100%	
Finance costs - leases	17	15	(2)	-13%	
Net Loss on disposal of Property, Infrastructure, Plant and Equipment	-	738	738	100%	4
Other Expenses - Landfill Provision adjustment	-	(5,057)	(5,057)	100%	5
Other Expenses	1,172	2,517	1,345	115%	6
Total Expenses	59,500	53,508	(5,992)	-10%	
Surplus/(deficit) for the year	1,086	(1,897)	(2,983)	-275%	

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

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Grants - Operating	Operating Grants were \$9.2M lower than the 2023/24 Adopted Budget due to the following: Commonwealth Financial Assistance Grants were less than the Adopted Budget due to receiving \$10M of the 2023/24 allocation early in 2022/23. Financial Assistance Grants are recognised in the Financial Year that they are received. This variance was offset by \$389k of Children's Services income due to Free Kinder and increased Child Care subsidies, and \$250k for an Economy & Investment study.
2	Other Income	Other Income was \$1.42M higher than Adopted Budget due to the following: Interest received - \$231k higher as a result of higher cash balances and interest rates; Insurance income - \$178k higher due to Insurance proceeds being received; Unplanned additional income of \$101k was received from the Department of Transport for works undertaken; and \$595k of Asset recognition income due to the increase in Property Plant and Equipment values due to newly recognised assets in 2023/24 being \$562k of Major Culverts, \$26k in Road Formation costs and \$6k of Heavy plant.
3	Depreciation	Depreciation expenditure varies from the Adopted Budget predominantly due to asset valuation adjustments in 2023-24. Consistent with prior years, revaluations of major asset classes affect the total depreciation expenditure which is unbudgeted.
3	Net Loss on disposal of Property, Infrastructure, Plant and Equipment	Net Loss on disposal of assets is not budgeted annually. This amount represents the difference between the carrying amount (written down value) of assets sold or written off during the period - and the amount received as proceeds on sale. The net loss is predominantly due to the write-off of roads renewed during 2023/24 (\$589k). Other items of Heavy Plant disposed during 2023/24 make up the remainder of the balance.
4	Other Expenses - Landfill Provision adjustment	The adjustment to the Landfill Provision is not budgeted due to the complex nature of the Landfill Rehabilitation works. The adjustment amount recognised is the movement in the current provision due to a reduction in the CPI factor used for 2023/24 compared to 2022/23, and a reduction in the number of years required for the Provision due to time elapsed since the Landfill was closed.
5	Other Expenses	Other Expenses are \$1.3M higher than the 2023/24 Adopted Budget due to a change of classification in the Income Statement of materials cost allocations. These cost allocations were categorised as Other Expenses in the Adopted Budget but have been recategorised as materials in the 2023/24 Financial Statements. The Internal Cost allocations are a result of reallocating materials expenditure accross operational and capital projects.

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

2.1.2 Capital Works

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
Property					
Buildings	375	436	61	16%	
Total Buildings	375	436	61	16%	
Total Property	375	436	61	16%	
Plant and Equipment					
Plant, Machinery and Equipment	1,145	1,666	521	46%	1
Fixtures, Fittings and Furniture	10	-	(10)	-100%	
Library Books	95	85	(10)	-11%	
Total Plant and Equipment	1,250	1,751	501	40%	
Infrastructure					
Roads	4,216	5,335	1,119	27%	2
Bridges	200	647	447	223%	3
Footpaths and Cycleways	100	75	(25)	-25%	
Drainage	100	108	8	8%	
Recreational, Leisure and Community Facilities	200	159	(41)	-21%	
Waste Management	20	9	(11)	-53%	
Parks, Open Space and Streetscapes	160	5,284	5,124	3203%	4
Aerodromes	50	71	21	42%	
Off Street Car Parks	50	49	(1)	-1%	
Other Infrastructure	5,274	5	(5,270)	-100%	5
Total Infrastructure	10,370	11,742	1,372	13%	
Total Capital Works Expenditure	11,995	13,930	1,935	16%	
Represented by:					
New Asset Expenditure	5,274	7,947	2,673	51%	
Asset Renewal Expenditure	6,721	5,852	(869)	-13%	
Asset Upgrade Expenditure	-	131	131	100%	
Total Capital Works Expenditure	11,995	13,930	1,935	16%	

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

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Plant, Machinery and Equipment	Actual spend for Plant, Machinery and Equipment is \$521k higher than Adopted Budget due to capitalising \$511k of items that are capital in nature that were purchased in Operational Service budgets.
2	Roads	Actual spend for Roads was \$1.1M higher than Adopted Budget. This variance was due to \$1.9M spent on the Local Freight Roads project (fully funded by Grants). This additional expenditure was offset by \$1.3M of Local Roads and Community Infrastructure (LRCI) projects uncompleted at 30 June 2024.
3	Bridges	For 2023/24, actual spend for Bridge projects was \$647k. This spend was \$447k higher than the Adopted Budget, but \$421k lower than the Forecast Budget. There was no uncompleted works at 30 June 2024. \$185k of expenditure that was unable to be capitalised was reallocated to the Income Statement.
4	Parks, Open Space and Streetscapes	Actual spend for Parks, Open Space and Streetscapes was \$5.1M above Adopted Budget. A Forecast Budget increase was applied during 2023/24 due to unused budget carried forward from 2022/23 and additional funding received. The Forecast Budget was \$6M. \$1.6M was expended on the Bridgewater Bay Masterplan project; \$2.2M was expended on the Alexandra Park project; \$586k was spent on the Local Roads and Community Infrastructure (LRCI) projects; and \$600k was spent on the Portland Foreshore Lighting and Ceremonial Space Project.
5	Other Infrastructure	Other Infrastructure projects were expected to cost \$5.3M in the 2023/24 Adopted Budget. Projects included in this budget were: \$3M for a Priority Project which has been discontinued; and \$2.3M for Local Roads and Community Infrastructure (LRCI) phase 4 projects which are yet to be commenced.

Notes to the Financial Report

For the Year Ended 30 June 2024

2.2 Analysis of Council results by Program

Council delivers its functions and activities through the following programs.

2.2.1 Summary of Council Programs

Chief Executive Department

The CEO provides high level strategic advice to the Mayor and Councillors and oversees the administrative function of Council ensuring good governance and sustainable financial practices. Assisted by the Executive Team, the CEO is responsible for the day to day operations of the organisation, ensuring the health and safety of staff and implementing the policies and decisions of Council. With a focus on good governance and financial sustainability, the CEO works with the Council and its staff to bring about positive change and growth for the benefit of the Glenelg Shire community. Teams within the CEO's department are Communications & Media, People & Culture and Council Support.

Corporate Services

The Corporate Services Director is accountable for the leadership and management of a multi-disciplinary team providing efficient operation in accordance with the values, objectives and goals of the organisation. This team includes Corporate Governance, Finance and Rates, Emergency Management, OHS, Local Laws, Building Services and Environmental Health.

Glenelg Futures

Glenelg Futures comprises Digital Glenelg, Information Technology, and Information and Data Management. The Chief Information Officer leads initiatives that improve business processes, increases productivity, and enhances customer experiences whilst overseeing the management of information and communication technology IT infrastructure, cybersecurity, and data privacy.

Community Services

Community Services delivers a range of services for the community and provides support to projects which promote community capacity building and enhance community wellbeing. The key service units include Community Wellbeing, Sport & Recreation, Children's Services, Library and Information Services, Planning, Economic Development and Tourism, Community Grants, Visitor Information Centres, Strategic Reporting and Arts and Culture.

Infrastructure Services

The Infrastructure Services Department comprises Projects & Engineering, Environment & Facilities, Roads & Infrastructure Maintenance, Local Port Operations and Airport Operations service areas. The Director of Infrastructure Services also supports the Executive Team in undertaking policy development, financial management, community engagement, providing customer service and overall business management to ensure that Council objectives can be achieved.

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

2.2.2 Summary of Income, Expenses, Assets and Capital expenses by Program

	Income	Expenses	Surplus/ (Deficit)	Grants included in Income	Total Assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Chief Executive Department	47	2,556	(2,510)	28	31,940
Corporate Services	32,491	8,501	23,989	498	112,031
Glenelg Futures	-	3,717	(3,717)	-	29,971
Community Services	6,429	12,565	(6,136)	5,312	193,723
Infrastructure Services	12,645	26,150	(13,505)	7,445	214,093
Other	-	18	(18)	-	-
	51,611	53,508	(1,897)	13,282	581,759

	Income	Expenses	Surplus/ (Deficit)	Grants included in Income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Chief Executive Department	150	3,445	(3,295)	78	826
Corporate Services	38,849	10,071	28,778	8,049	3,975
Glenelg Futures	99	3,596	(3,497)	-	859
Community Services	7,329	11,581	(4,252)	5,566	6,403
Assets	5,628	21,523	(15,895)	13,397	477,118
Other	12,873	11,989	884	-	-
	64,928	62,205	2,723	27,090	489,181

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

NOTE 3: FUNDING FOR THE DELIVERY OF OUR SERVICES

2024	2023
\$'000	\$'000

3.1 Rates and Charges

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

The valuation base used to calculate general rates for 2023/24 was \$9.064 billion (2022/23 \$8.127 billion).

General Rates - Residential	13,221	12,602
General Rates - Commercial/Industrial Land	1,751	1,728
General Rates - Primary Production Land	10,057	9,774
User Fees and Charges - Kerbside Collection	2,610	2,554
Special Rates and Charges - Industrial Agreement	4,928	4,874
Service Rates and Charges - Cultural and Recreational Land	28	27
Total Rates and Charges	32,594	31,559

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2024 and the valuation was first applied in the rating year commencing 1 July 2024. Annual rates and charges are recognised as income when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

3.2 Statutory Fees and Fines

Animal Registrations	188	200
Building Fees	52	309
Infringements and costs	56	15
Town Planning fees	365	392
Total Statutory Fees and Fines	661	917

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

Aerodromes	33	33
Aged and Disability Services	79	756
Children's Services	445	612
Caravan Parks	247	188
Council owned Local Port	175	167
Lease & Licence Income	105	77
Saleyards	11	13
Waste Management Services	1,112	1,236
Other fees and charges	494	230
Total User Fees	2,701	3,312

User Fees by timing of revenue recognition

User fees recognised at a point in time	2,701	3,312
Total User Fees	2,701	3,312

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

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

3.4 Funding from other levels of Government

	2024 \$'000	2023 \$'000
Grants were received in respect of the following:		
Summary of Grants		
Commonwealth funded grants	6,589	18,921
State funded grants	6,693	8,169
Total Grants received	13,282	27,090
(a) Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grants	474	13,205
Aged & Disability Services	280	1,248
<i>Recurrent - State Government</i>		
Children's Services	884	934
Aged & Disability Services	55	367
Community Wellbeing	77	-
Library Services	210	210
Maternal and Child Health	578	462
Youth Services	-	110
Emergency Response (MECC)	120	120
Portland Bay Local Port	186	186
Environmental Health	12	13
Total Recurrent Operating Grants	2,874	16,855
<i>Non-recurrent - Commonwealth Government</i>		
Childrens Services	1,405	1,217
Planning	28	55
Aged & Disability Services*	(45)	45
Arts & Culture	9	-
<i>Non-recurrent - State Government</i>		
Aged & Disability Services	-	10
Arts & Culture	139	106
Childrens Services	1,173	716
Community Wellbeing	52	66
Economy & Investment *	250	(154)
Emergency Response Funding	31	-
Environmental Health	10	-
Environmental Planning	77	234
Flood Funding *	(400)	500
Library Services	90	16
Local Laws	-	2
Local Port Better Boating	84	84
People & Culture	28	8
Planning	74	-
School Crossing Supervisors	76	74
Special Projects	-	69
Youth Services	52	52
Total Non-Recurrent Operating Grants	3,135	3,100
Total Operating Grants	6,009	19,955

* Note - Refunds are due to unexpended grant funding recognised in a prior year being returned to Grantor in subsequent years. Relates to COVID and Flood funding provided where certain criteria had to be met.

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

3.4 Funding from other levels of Government (continued)

	2024 \$'000	2023 \$'000
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to Recovery	4,172	-
Total Recurrent Capital Grants	4,172	-
<i>Non-Recurrent - Commonwealth Government</i>		
Airports	-	243
Infrastructure	266	74
Recreational & Community Facilities	-	2,834
<i>Non-Recurrent - State Government</i>		
Roads	2,045	487
Infrastructure	474	365
Recreational & Community Facilities	318	3,132
Total Non-Recurrent Capital Grants	3,102	7,135
Total Capital Grants	7,273	7,135

(c) Recognition of Grant Income

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	610	14,255
Specific purpose grants to acquire non-financial assets	7,273	7,135
Other specific purpose grants	3,155	3,149

Revenue recognised under AASB 15 Revenue from Contracts with Customers

Specific purpose grants	2,244	2,551
	13,282	27,090

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

Operating		
Balance at start of year	1,292	986
Received during the financial year and remained unspent at balance date	401	901
Received in prior years and spent during the financial year	(803)	(595)
Balance at year end	890	1,292
Capital		
Balance at start of year	6,027	9,761
Received during the financial year and remained unspent at balance date	4,793	1,964
Received in prior years and spent during the financial year	(1,808)	(5,698)
Balance at year end	9,012	6,027

Unspent grants are determined and disclosed on a cash basis.

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

3.5 Contributions

	2024 \$'000	2023 \$'000
Monetary	89	196
Non-Monetary	72	-
Total Contributions	161	196

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	557	476
Written down value of assets disposed	(1,294)	(2,347)
Total Net Gain/(Loss) on disposal of Property, Infrastructure, Plant and Equipment	(738)	(1,871)

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

3.7 Other Income

Interest	378	255
Reimbursements	696	388
Sales and Commission	402	382
Other Miscellaneous	736	829
Total Other Income	2,211	1,854

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.

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

	2024	2023
	\$'000	\$'000

NOTE 4: THE COST OF DELIVERING SERVICES

4.1 (a) Employee costs

Wages and salaries	20,470	20,730
WorkCover	548	399
Superannuation	2,331	2,297
Fringe benefits tax	172	172
Other employee costs	2,648	2,642
Salary expenses capitalised	(177)	(172)
Total Employee Costs	25,991	26,068

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	75	86
	75	86
Employer contributions payable at reporting date.	-	-

Accumulation funds

Employer contributions - Local Authorities Superannuation Fund (Vision Super)	1,169	1,160
Employer contributions - Ausuper	203	172
Employer contributions - Hostplus	135	114
Employer contributions - CBUS	125	99
Employer contributions - Rest	62	55
Employer contributions - other funds	562	527
	2,256	2,127
Employer contributions payable at reporting date	-	84

All Employee Super Contributions had been paid prior to 30 June. There were no amounts owing at balance date. Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and Services

Consulting, Contract & Materials	13,166	13,371
Other Material Expenditure	2,221	2,994
Utilities	1,484	1,530
Office Administration	183	196
Information Technology	815	757
Insurance	865	839
Total Materials and Services	18,734	19,687

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

4.3 Depreciation

Property	2,406	2,148
Plant and Equipment	874	948
Infrastructure	7,044	7,858
Total Depreciation	10,324	10,954

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

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

	2024 \$'000	2023 \$'000
4.4 Depreciation - Right of Use Assets		
Plant and Equipment	221	221
Total Depreciation - Right of Use Assets	221	221
4.5 Allowance for Impairment Losses		
Other Debtors	16	9
Total Allowance for Impairment Losses	16	9
Movement in Allowance for Impairment losses in respect of debtors		
Balance at the beginning of the year	6	48
New allowances recognised during the year	-	6
Amounts allowed in a prior year but no longer assessed as an impairment	(6)	(48)
Balance at End of Year	-	6
An allowance for impairment losses in respect of debtors is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.		
4.6 Borrowing Costs		
Bank Interest	11	2
Total Borrowing Costs	11	2
Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.		
4.7 Finance Costs - Leases		
Interest - Lease Liabilities	15	18
Total Finance Costs - Leases	15	18
4.8 Other Expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	47	42
Councillors' allowances	292	290
Seminars and training course fees	288	268
Memberships	353	373
Communication expenses	331	313
Advertising	118	159
Travel and accomodation	133	63
Statutory expenses	356	315
Bank Fees	51	48
Other Expenses	65	(25)
Contributions and Donations	483	478
Total Other Expenses	2,517	2,324

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

NOTE 5: INVESTING IN AND FINANCING OUR OPERATIONS

2024	2023
\$'000	\$'000

5.1 Financial Assets

(a) Cash and Cash equivalents

Cash on Hand	8	8
Cash at Bank	6,495	13,272
Total Cash and Cash equivalents	6,503	13,280

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.

(b) Trade and Other Receivables

Current

Statutory Receivables

Rates Debtors	1,803	1,386
Net GST receivable	519	553

Non Statutory Receivables

Other Debtors	1,641	711
Other Assets	4	4
Allowance for expected credit loss - other debtors	-	(6)

Total current trade and other receivables	3,966	2,648
--	--------------	--------------

Non-Current

Statutory Receivables

Special rate scheme	7	11
---------------------	---	----

Total Non-Current Trade and Other Receivables	7	11
--	----------	-----------

Total Trade and Other Receivables	3,973	2,659
--	--------------	--------------

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.

(c) Ageing of Receivables

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

Current (not yet due)	1,169	502
Past due by up to 30 days	9	47
Past due between 31 and 180 days	320	9
Past due between 181 and 365 days	8	33
Past due by more than 1 year	136	120
Total Trade and Other Receivables	1,641	711

(d) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$0 (2023: \$6) were impaired. The amount of the allowance raised against these debtors was \$0 (2023: \$6). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	6
Past due by more than 1 year	-	-
Total Trade and Other Receivables	-	6

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

5.2 Non-Financial Assets

	2024	2023
	\$'000	\$'000
(a) Inventories		
Inventories held for distribution	325	214
Total Inventories	325	214

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

(b) Other Assets

Prepayments	571	543
Other Assets	94	195
Total Other Assets	665	738

	2024	2023
	\$'000	\$'000

5.3 Payables, Trust Funds and Deposits and Contract and Other Liabilities

(a) Trade and Other Payables

Current		
Non-Statutory Payables		
Trade Payables	2,896	2,338
Accrued Expenses	1,520	322
Statutory Payables		
Rates Prepayments	569	-
Net GST Payable	-	49
Total Trade and Other Payables	4,985	2,709

(b) Trust Funds and Deposits

Current		
Refundable Deposits	837	746
Fire Services Levy	258	208
Retention amounts	368	423
Total Trust Funds and Deposits	1,463	1,377

Trust funds and deposits

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

Purpose and nature of Items:

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

Fire 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.

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

5.3 Payables, Trust Funds and Deposits and Contract and Other Liabilities (continued)

(c) Contract and Other Liabilities

Grants Received in Advance

Current		
Grants Received in Advance - Operating	890	1,292
Grants Received in Advance - Capital	9,012	6,027
Other - Income in Advance	108	125
Total Grants Received in Advance	10,010	7,444
Total Contract and Other Liabilities	10,010	7,444

Grants Received in Advance

Grant consideration was received from funding bodies to support the construction of Operational and Capital projects. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed or project completed. Income is recognised to the extent of costs incurred-to-date. As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations. Refer to Note 3.4c.

Other - Income in Advance

Contract and Other Liabilities includes consideration received in advance from customers. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer.

5.4 Interest-Bearing Liabilities

Current		
Other Borrowings - Secured	282	396
Total Current Interest-Bearing Liabilities	282	396
Non-Current		
Other Borrowings - Secured	-	282
Total Non-Current Interest-Bearing Liabilities	-	282
Total	282	678

Borrowings are secured by a charge over Council's Rate Revenue.

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

Not later than one year	282	396
Later than one year and not later than five years	-	282
Later than five years	-	-
	282	678

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

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities based on contractual repayment terms at every balance date.

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

5.5 Provisions

	Employee	Landfill restoration	Other	Total
	\$ '000	\$ '000	\$ '000	\$ '000
2024				
Balance at beginning of the Financial Year	5,602	10,446	452	16,500
Additional provisions	2,897	-	-	2,897
Amounts used	(2,654)	(107)	-	(2,761)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(6)	(5,057)	(223)	(5,286)
Balance at the End of the Financial Year	5,839	5,282	229	11,350
<i>Provisions - current</i>	4,941	249	229	5,419
<i>Provisions - non-current</i>	898	5,033	-	5,931
2023				
Balance at beginning of the Financial Year	5,513	9,663	308	15,484
Additional provisions	1,963	-	83	2,046
Amounts used	(1,933)	(268)	(60)	(2,261)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	59	1,051	121	1,231
Balance at the End of the Financial Year	5,602	10,446	452	16,500
<i>Provisions - current</i>	5,082	260	452	5,794
<i>Provisions - non-current</i>	520	10,186	-	10,706
(a) Employee Provisions			2024	2023
			\$'000	\$'000
Current provisions expected to be wholly settled within 12 months				
Annual Leave			1,685	1,529
Long Service Leave			435	332
			2,120	1,861
Current provisions expected to be wholly settled after 12 months				
Annual Leave			658	877
Employee Gratuity Scheme			1	1
Long Service Leave			2,162	2,343
			2,821	3,221
Total Current Employee Provisions			4,941	5,082
Non-Current				
Long Service Leave			898	520
Total Non-Current Employee Provisions			898	520
Aggregate carrying amount of Employee Provisions:				
Current			4,941	5,082
Non-Current			898	520
Total aggregate carrying amount of Employee Provisions			5,839	5,602

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

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

	2024	2023
	\$'000	\$'000

5.5 Provisions (continued)

Annual leave

A liability for Annual Leave is recognised in the Provision for Employee Benefits as a Current Liability because Council does not have an unconditional right to defer settlement of the liability. Liabilities for Annual Leave are measured at nominal value as employees have a present entitlement to the Annual Leave benefit.

Long Service leave

Liability for Long Service Leave (LSL) is recognised in the Provision for Employee Benefits. Unconditional LSL is disclosed as a Current Liability as Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at Nominal Value. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a Non-Current Liability and measured at Present Value.

Key assumptions:

- discount rate	4.35%	4.06%
- index rate	4.45%	4.35%

(b) Landfill Restoration Provision

Current	249	260
Non-Current	5,033	10,186
Total Landfill Restoration Provision	5,282	10,446

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

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

Key assumptions:

- discount rate	4.35%	4.06%
- index rate	3.62%	6.80%

(c) Gravel Pit Restoration provision

Current	229	452
Non-current	-	-
Total Gravel Pit Restoration provision	229	452

Key assumptions:

- discount rate	4.35%	4.06%
- index rate	4.45%	7.02%

5.6 Financing arrangements

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

Bank Overdraft	-	4,000
Loan Facilities - NAB	5,882	678
Loan Facilities - TCV	7,835	-
Credit Card Facilities	300	200
Lease Facilities	1,000	1,000
Total Facilities	15,017	5,878
Used Facilities	884	1,139
Unused Facilities	14,133	4,739

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

5.7 Commitments

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

(a) Commitments for expenditure

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Operating					
Aquatic Facilities	765	255	-	-	1,021
Cleaning/Other Contracts	10	10	3	-	23
Consultancies	120	6	-	-	126
IT	332	8	-	-	341
Landfill	220	220	147	-	587
Leases	37	-	-	-	37
Maintenance Contracts	2,265	32	32	-	2,329
Maternal Child Health	621	621	1,086	-	2,328
Other	308	308	103	-	718
Plant & Equipment	2,521	2,521	2,521	-	7,564
Pound Services	184	-	-	-	184
Quarry Product	200	200	-	-	400
Security Services	5	-	-	-	5
Street Sweeping	130	-	-	-	130
Waste Management	759	759	2,278	876	4,672
Total	8,478	4,941	6,170	876	20,464
	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Capital					
Casterton Pathways	105	-	-	-	105
Light Fleet	262	265	794	-	1,320
Local Freight Roads	2,985	-	-	-	2,985
Local Port Fuel Facility	417	-	-	-	417
LRCI Phase 3	1,020	-	-	-	1,020
LRCI Phase 4 various	3,651	-	-	-	3,651
Portland Forshore Lighting & Cermonial Space	289	-	-	-	289
Portland North Employment Precinct	2,605	-	-	-	2,605
Roads	320	27	-	-	346
Upgrade Buildings	1,369	-	-	-	1,369
Total	13,023	291	794	-	14,107

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

5.7 Commitments (continued)

2023	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Aquatic Facilities	767	255	-	-	1,022
Cleaning/Other Contracts	103	-	-	-	103
Consultancies	178	56	-	-	234
IT	97	32	-	-	129
Leases	365	131	70	-	566
Maintenance Contracts	2,430	197	87	-	2,714
Maternal Child Health	354	-	-	-	354
Other	308	308	77	-	693
Security Services	5	-	-	-	5
Tourism & Events	167	-	-	-	167
Waste Management	260	260	780	444	1,744
Total	5,034	1,239	1,014	444	7,731
Capital					
Airport Infrastructure	50	27	-	-	77
Alexandra Park Master Plan	2,764	-	-	-	2,764
Backup Generators	48	-	-	-	48
Bridgewater Bay Infrastructure	802	-	-	-	802
Light Fleet	196	-	-	-	196
Local Freight Roads	2,582	2,068	-	-	4,650
Local Roads & Infrastructure (LRCI) - Phase 2	17	-	-	-	17
Local Roads & Infrastructure (LRCI) - Phase 3	2,198	-	-	-	2,198
Other - Building Infrastructure	76	-	-	-	76
Roads	1,203	83	7	-	1,293
Portland North Precinct	-	2,528	-	-	2,528
Port of Portland Bay Infrastructure	404	-	-	-	404
Total	10,340	4,706	7	-	15,053

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

5.8 Leases

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

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

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

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

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

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

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

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

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

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

Right-of-Use Assets

	Plant & Equipment \$'000	Total \$'000
Balance at 1 July 2023	394	394
Additions	357	357
Depreciation charge	(221)	(221)
Balance at 30 June 2024	530	530

Balance at 1 July 2022	442	442
Additions	173	173
Depreciation charge	(221)	(221)
Balance at 30 June 2023	394	394

Lease Liabilities

	2024 \$'000	2023 \$'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	262	226
One to five years	319	201
More than five years	-	-
Total Undiscounted Lease Liabilities as at 30 June:	581	427

Lease Liabilities included in the Balance Sheet at 30 June:

Current	240	223
Non-Current	303	196
Total Lease Liabilities	543	419

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

5.8 Leases (continued)

Short-term and Low Value Leases:

There were no Short-Term and Low Value Leases reported for 2022/23

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.

	2024
	\$'000
Expenses relating to:	
Short-term leases	82
Leases of low value assets	9
Total	90
	<hr/>
	2024
	\$'000
Variable lease payments (not included in measurement of lease liabilities)	
Variable lease payments	7
Total	7
	<hr/>

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

NOTE 6: ASSETS WE MANAGE

6.1 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of Property, Infrastructure, Plant and Equipment

	Carrying amount 30 June 2023 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	Carrying amount 30 June 2024 \$'000
Property Plant and Equipment	89,638	-	-	-	(2,406)	(9)	-	5,929	93,153
Infrastructure	11,132	-	6	-	(874)	(511)	-	1,399	11,152
Work in Progress	365,213	-	589	94,966	(7,044)	(185)	(590)	10,018	462,968
	5,914	13,930	-	-	-	-	(8)	(17,347)	2,489
Total	471,897	13,930	595	94,966	(10,324)	(704)	(598)	(0)	569,762

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property Plant and Equipment	(620)	436	(1)	708	523
Infrastructure	1,476	1,751	-	(3,227)	(0)
	5,058	11,742	(7)	(14,827)	1,967
Total	5,914	13,930	(8)	(17,346)	2,489

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

(a) Property

	Land - specialised	Land - non specialised	Land improvements	Total Land & Land Improvements	Heritage buildings	Buildings - specialised	Buildings - non specialised	Building improvements	Leasehold improvements	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At Fair Value 1 July 2023	21,135	14,099	-	35,234	13,606	101,363	14,842	-	-	129,811	(620)	164,425
Accumulated Depreciation at 1 July 2023	-	-	-	-	(8,891)	(58,637)	(7,882)	-	-	(75,410)	-	(75,410)
Movements in Fair Value	21,135	14,099	-	35,234	4,715	42,726	6,960	-	-	54,401	(620)	89,015
Additions	-	-	-	-	-	-	-	-	-	-	436	436
Disposal	-	-	-	-	-	(15)	-	-	-	(15)	-	(15)
Write-off	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Transfers	-	-	-	-	70	5,826	35	-	-	5,932	708	6,640
	-	-	-	-	70	5,811	35	-	-	5,917	1,143	7,060
Movements in Accumulated Depreciation												
Depreciation and Amortisation	-	-	-	-	(283)	(1,944)	(179)	-	-	(2,406)	-	(2,406)
Accumulated Depreciation of Disposals	-	-	-	-	-	6	-	-	-	6	-	6
	-	-	-	-	(283)	(1,938)	(179)	-	-	(2,400)	-	(2,400)
At Fair Value 30 June 2024	21,135	14,099	-	35,234	13,676	107,174	14,877	-	-	135,728	523	171,485
Accumulated Depreciation at 30 June 2024	-	-	-	-	(9,174)	(60,575)	(8,061)	-	-	(77,809)	-	(77,809)
Carrying amount	21,135	14,099	-	35,234	4,502	46,599	6,817	-	-	57,918	523	93,675

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

(b) Plant and Equipment

At Fair Value 1 July 2023
Accumulated Depreciation at 1 July 2023

	Heritage plant and equipment \$'000	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Library books \$'000	Work In Progress \$'000	Total plant and equipment \$'000
	3,225	18,126	2,186	1,896	1,469	26,902
	-	(10,724)	(2,010)	(1,567)	-	(14,301)
	3,225	7,402	176	329	1,469	12,601
Movements in Fair Value						
Additions	-	-	-	-	1,751	1,751
Contributions	-	6	-	-	7	13
Disposal	-	(1,629)	(21)	-	-	(1,650)
Transfers	3	1,268	44	85	(3,227)	(1,827)
	3	(355)	22	85	(1,469)	(1,714)

Movements in Accumulated Depreciation
Depreciation and Amortisation
Accumulated Depreciation of Disposals

	-	(734)	(44)	(97)	-	(874)
	-	1,120	19	-	-	1,139
	-	387	(24)	(97)	-	265
	3,228	17,771	2,208	1,981	(0)	25,188
	-	(10,337)	(2,034)	(1,664)	-	(14,036)
	3,228	7,434	174	316	(0)	11,152

At Fair Value 30 June 2024
Accumulated Depreciation at 30 June 2024
Carrying amount

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

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community facilities	Waste Management	Parks open space and streetscapes	Aerodromes	Off street car parks	Work in Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At Fair Value 1 July 2023	326,031	46,434	36,889	79,685	54,117	3,969	485	19,314	1,856	5,064	573,844
Accumulated Depreciation at 1 July 2023	(90,429)	(22,182)	(19,814)	(39,250)	(22,330)	(1,238)	(285)	(7,195)	(844)	-	(203,567)
	235,602	24,252	17,075	40,435	31,787	2,731	200	12,119	1,012	5,064	370,277
Movements in fair value											
Additions	-	-	-	-	-	-	-	-	-	11,742	11,742
Contributions	26	516	-	46	-	-	-	-	-	-	589
Revaluation	48,094	9,457	5,882	14,131	12,218	958	140	3,750	336	-	94,966
Disposal	(96)	-	(24)	(66)	(120)	-	-	-	-	-	(305)
Write-off	(2,185)	-	-	-	-	-	-	-	-	(7)	(2,192)
Transfers	5,685	2,483	1,442	357	879	-	192	(1,953)	933	(14,833)	(4,815)
	51,524	12,456	7,301	14,468	12,977	958	332	1,797	1,270	(3,097)	99,986
Movements in Accumulated Depreciation											
Depreciation and Amortisation	(3,021)	(588)	(713)	(1,025)	(1,247)	(104)	(21)	(281)	(44)	-	(7,044)
Accumulated Depreciation of Disposals	20	-	23	27	49	-	-	-	-	-	120
Accumulated Depreciation of Write Offs	1,595	-	-	-	-	-	-	-	-	-	1,595
Transfers	-	(1,155)	(5)	7	-	-	-	1,153	-	-	(0)
	(1,405)	(1,743)	(694)	(991)	(1,198)	(104)	(21)	872	(44)	-	(5,328)
At Fair Value 30 June 2024	377,555	58,890	44,190	94,153	67,094	4,927	817	21,111	3,126	1,967	673,830
Accumulated Depreciation at 30 June 2024	(91,834)	(23,925)	(20,508)	(40,241)	(23,528)	(1,342)	(306)	(6,323)	(888)	-	(208,895)
Carrying amount	285,721	34,965	23,682	53,912	43,566	3,585	511	14,787	2,238	1,967	464,935

For the Year Ended 30 June 2024

Acquisition

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

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

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

Asset recognition thresholds and depreciation periods	Depreciation Period	Threshold Limit \$000
Land & land improvements		
Land	-	1
Buildings		
Buildings	50-100 years	1
Plant and Equipment		
Heritage Plant and Equipment	100 years	1
Plant, Machinery and Equipment	3-20 years	1
Others	5-20 years	1
Infrastructure		
Roads	25-100 years	10
Bridges	70-100 years	10
Footpaths & Street Furniture	15-60 years	1
Drainage	50-100 years	10
Recreational, Leisure and Community	30-100 years	1
Waste Management	5-40 years	10
Parks, Open Spaces and Streetscapes	10-100 years	10
Aerodromes	10-100 years	10
Off Street Car Parks	10-100 years	10

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

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

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer (Preston Rowe Paterson - Gareth Kent AAPI CPV#63378).

The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

For the Year Ended 30 June 2024

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

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Land - Non Specialised	-	14,099	-	Jun-23	Independent
Specialised Land	-	-	21,135	Jun-23	Independent
Heritage Buildings	-	-	4,502	Jun-23	Independent
Buildings	-	6,960	53,416	Jun-23	Independent
Total	-	21,059	79,053		

Valuation of infrastructure

An indexed based revaluation was conducted in the current year. This revaluation was based on ABS Producer Price Indexes for Roads and Bridge Construction and Building Construction in Victoria. A full revaluation of all infrastructure assets will be conducted during the 2024/25 Financial Year which will take into account the conditions impact assessments specific to these infrastructure asset categories.

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

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Roads	-	-	285,721	Jun-24	Indexed
Bridges	-	-	34,965	Jun-24	Indexed
Footpaths and Cycleways	-	-	23,682	Jun-24	Indexed
Drainage	-	-	53,912	Jun-24	Indexed
Recreational, Leisure and Community Facilities	-	-	43,566	Jun-24	Indexed
Waste Management	-	-	3,585	Jun-24	Indexed
Parks, Open Space and Streetscapes	-	-	511	Jun-24	Indexed
Aerodromes	-	-	14,787	Jun-24	Indexed
Other Infrastructure	-	-	2,238	Jun-24	Indexed
Total	-	-	462,968		

	2024	2023
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	63	63
Parks and reserves	21,072	21,072
Total specialised land	21,135	21,135

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

Note 7: PEOPLE AND RELATIONSHIPS

7.1 Council and Key Management Remuneration

(a) Related Parties

Parent entity

Glenelg Shire Council is the parent entity.

Related entity

Local Port of Portland Bay is a Related entity.

Subsidiaries and Associates

Glenelg Shire Council has no subsidiaries and associates.

(b) Key Management Personnel

Key Management Personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Glenelg Shire Council. The Councillors, Chief Executive Officer and Executive Team are deemed KMP.

Details of KMP at any time during the year are:

		2024 No.	2023 No.
Councillors	Councillor Karen Stephens (Mayor for the period 9/11/2023 - 30/06/2024)	1	1
	Councillor Scott Martin (Mayor for the period 1/7/2023 - 8/11/2023)	1	1
	Councillor Gilbert Wilson	1	1
	Councillor Michael Carr	1	1
	Councillor Alistair McDonald (Councillor for the period 5/12/2023 - 30/06/2024)	1	-
	Councillor Robyn McDonald (Councillor for the period 5/12/2023 - 30/06/2024)	1	-
	Councillor John Northcott (Councillor for the period 29/08/2023 - 30/06/2024)	1	-
	Councillor Chrissy Hawker (Councillor for the period 1/7/2023 - 20/10/2023)	1	1
	Councillor Jayden Smith (Councillor for the period 1/7/2023 - 18/10/2023)	1	1
	Councillor Anita Rank	-	1
	Chief Executive Officer	1	2
Executive	Director - Corporate Services	1	1
	Director - Community Services	1	2
	Director - Infrastructure Services	1	2
	Chief Information Officer	1	1
	Chief Finance Officer	1	-
	Executive Manager of People & Culture	1	1
Total Number of Councillors		9	7
Total of Chief Executive Officer and other Key Management Personnel		7	9
Total Number of Key Management Personnel		16	16

(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 \$'000	2023 \$'000
Total Remuneration of Key Management Personnel was as follows:		
Short-Term Employee Benefits	1,573	1,441
Other Long-Term Employee Benefits	9	19
Post-Employment Benefits	224	112
Termination Benefits	82	190
Total	1,887	1,762

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

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

	No.	No.
\$0 - \$9,999	1	-
\$10,000 - \$19,999	1	-
\$20,000 - \$29,999	3	2
\$30,000 - \$39,999	2	2
\$40,000 - \$49,999	-	3
\$50,000 - \$59,999	1	1
\$80,000 - \$89,999	-	1
\$90,000 - \$99,999	-	1
\$100,000 - \$109,999	1	-
\$140,000 - \$149,999	-	1
\$150,000 - \$159,999	1	-
\$170,000 - \$179,999	1	-
\$180,000 - \$189,999	-	1
\$200,000 - \$209,999	1	1
\$210,000 - \$219,999	1	1
\$220,000 - \$229,999	2	-
\$260,000 - \$269,999	-	1
\$290,000 - \$299,999	-	1
\$360,000 - \$369,999	1	-
	<u>16</u>	<u>16</u>

(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.

	2024 \$'000	2023 \$'000
Total Remuneration of other Senior Staff was as follows:		
Short-Term Employee Benefits	327	452
Other Long-Term Employee Benefits	7	11
Post-Employment Benefits	34	47
Termination Benefits	-	-
Total	<u>368</u>	<u>510</u>

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

	2024 No.	2023 No.
Income Range:		
\$160,000 - \$169,999	-	1
\$170,000 - \$179,999	-	2
\$180,000 - \$189,999	2	-
	<u>2</u>	<u>3</u>

Total remuneration for the reporting year for other senior staff included above, amounted to:	368	510
---	-----	-----

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

	2024 \$'000	2023 \$'000
7.2 Related Party disclosure		
(a) Transactions with related parties		
During the period Council entered into the following transactions with related parties.		
<u>Transactions between Council and KMP -</u>		
<i>There were no transactions between Council and KMP's other than the remuneration disclosed in note 7.1 & 7.2 and reimbursement of expenses</i>		
<u>Transactions between Council and close Family Members of KMP -</u>		
<i>There were no transactions between Council and KMP's other than the remuneration disclosed in note 7.1 & 7.2 and reimbursement of expenses</i>		
<u>Transactions between Council and Entities controlled or jointly controlled by KMP or Close Family Members</u>		
Councillor Scott Martin - SL & DA Martin controlled by Scott & close Family Member	21	21
Councillor Gilbert Wilson - Hollands Picture Framing controlled by close Family Member	2	1
Councillor Michael Carr - G R Carr Pty Ltd controlled by a close Family Member		
- Capital Contract Payments	2,068	1,310
- Non Contract Payments	-	17
KMP Ann Kirkham - McIntyre Clan Investments Pty Ltd is controlled by Family Members	34	37
All dealings are in the normal course of business and are on normal commercial terms and conditions.		
(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		
Councillor Scott Martin - SL & DA Martin - Balance owed to Council	1	1
Councillor Michael Carr - G R Carr Pty Ltd - Amount payable by Council	222	9
<i>Include aggregate details and disclose each type of transaction, the nature of the terms and conditions relating to the transaction and the aggregate amount of each type of transaction.</i>		
(c) Loans to/from related parties		
The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a related party are as follows:		
There were no loans in existence at balance date to/from related parties		
(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:		
Councillor Michael Carr - G R Carr Pty Ltd controlled by close Family Member		
Contract 2021-22-08 - Cape Bridgewater Master plan - Stage 2 - Pathways etc	-	1605
Contract 2023-24-37 Portland North Pathway Project	264	-

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

7.3 Local Port of Portland Bay

	2024 \$'000	2023 \$'000
Assets		
Current Assets		
Cash and Cash Equivalents	-	-
Trade and Other Receivables	100	66
Total Current Assets	100	66
Non-Current Assets		
Property, Infrastructure, Plant and Equipment	943	963
Total Non-Current Assets	943	963
Total Assets	1,043	1,028
Liabilities	1,043	1,028
Current Liabilities		
Trade and Other Payables	2	-
Total Current Liabilities	2	-
Net Assets	1,041	1,028
Represented by:		
Accumulated Surplus	1,041	1,028
Equity	1,041	1,028

The Operation of the Local Port of Portland Bay (Trawler Wharf) is an agreement between the Glenelg Shire Council and the Department of Transport and Planning (DTP). Any assets are returnable on cessation of the agreement. The current agreement commenced 1 February 2024 and is due to expire at 30 September 2028.

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 8 MANAGING UNCERTAINTIES

8.1 Contingent Assets and Liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

(a) Contingent Assets

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

At balance date, Council is not aware of any contingent assets.

(b) Contingent Liabilities

Contingent liabilities are:

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

Superannuation

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

Quarries

Council manages quarries to source materials to maintain and construct Road Infrastructure. Council will have to carry out site rehabilitation works in the future.

Liability Mutual Insurance

Council is (was) a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

MAV Workcare

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

(c) Guarantees for loans to other entities

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

Council has 6 x security deposit guarantees totalling \$121,000 for the Ministry for Energy & Resources in association with the operation of the quarry sites.

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

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

8.2 Change in Accounting Standards

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

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

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

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

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank and/or TCV borrowings. Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

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

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

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

(c) Credit risk

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

- council have a policy for establishing credit limits for the entities council deal with;
- council may require collateral where appropriate; and
- council only invest surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

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

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(e) Sensitivity disclosure analysis

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

- A parallel shift of + .5% and -.5% in market interest rates (AUD) from year-end rates of 4.35%.

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

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy. Instead 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.

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

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 be approximate fair value given its short useful life. 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 2 to 6 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset Revaluation did not occur within the timeframe prescribed for infrastructure assets, and an index adjustment was performed, and a full revaluation will be performed in 2024/25.

Asset class	Revaluation frequency
Land	1-2 years
Buildings	1-2 years
Roads	3 years
Bridges	3 years
Footpaths and cycleways	3 years
Drainage	4 years
Recreational, leisure and community facilities	3 years
Waste management	3 years
Parks, open space and streetscapes	3 to 6 years
Aerodromes	3 years
Other infrastructure	6 years

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

Impairment of assets

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

8.5 Events occurring after balance date

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

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 9 OTHER MATTERS

9.1 Reserves

(a) Asset revaluation reserves

2024

Property

Land and land improvements

Buildings

Infrastructure

Roads

Bridges

Footpaths and cycleways

Drainage

Recreational, leisure and community facilities

Waste Management

Parks, open space and streetscapes

Aerodromes

Off street carpark

Total Asset Revaluation Reserves

2023

Property

Land and land improvements

Buildings

Infrastructure

Roads

Bridges

Footpaths and cycleways

Drainage

Recreational, leisure and community facilities

Waste management

Parks, open space and streetscapes

Aerodromes

Total asset revaluation reserves

	Balance at beginning of reporting period \$'000	Increase (decrease) \$'000	Share of increase (decrease) on revaluation by an associate \$'000	Balance at end of reporting period \$'000
2024				
Property				
Land and land improvements	32,405	-	-	32,405
Buildings	53,804	-	-	53,804
	86,209	-	-	86,209
Infrastructure				
Roads	166,132	48,094	-	214,226
Bridges	6,217	9,457	-	15,674
Footpaths and cycleways	4,555	5,882	-	10,437
Drainage	49,567	14,131	-	63,698
Recreational, leisure and community facilities	10,515	12,218	-	22,733
Waste Management	659	958	-	1,617
Parks, open space and streetscapes	6,258	140	-	6,398
Aerodromes	1,590	3,750	-	5,340
Off street carpark	-	336	-	336
	245,493	94,966	-	340,459
Total Asset Revaluation Reserves	331,702	94,966	-	426,668
2023				
Property				
Land and land improvements	27,744	4,661	-	32,405
Buildings	47,496	6,308	-	53,804
	75,240	10,969	-	86,209
Infrastructure				
Roads	165,892	240	-	166,132
Bridges	6,217	-	-	6,217
Footpaths and cycleways	4,555	-	-	4,555
Drainage	49,567	-	-	49,567
Recreational, leisure and community facilities	10,515	-	-	10,515
Waste management	659	-	-	659
Parks, open space and streetscapes	6,258	-	-	6,258
Aerodromes	1,590	-	-	1,590
	245,253	240	-	245,493
Total asset revaluation reserves	320,493	11,209	-	331,702

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

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

(b) Public Open Space Reserve

2024

Public Open Space Reserve

Total Other Reserves

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
	457	-	-	457
Total Other Reserves	457	-	-	457

2023

Public Open Space Reserve

Total Other reserves

	457	-	-	457
Total Other reserves	457	-	-	457

The collection of Public Open Space fees is through land or monetary contributions and is governed under Section 18 of the Subdivision Act 1988. Any collection of monies under this Act must be spent on Public Open Space - either improving or acquiring land for that purpose.

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

	2024	2023
	\$'000	\$'000
9.2 Reconciliation of Cash Flows from Operating Activities to Surplus/(deficit)		
Deficit for the year	(1,897)	2,723
Non-cash adjustments:		
Depreciation and amortisation	10,544	11,175
Net loss on disposal of property, infrastructure, plant and equipment	738	1,871
Impairment Losses	16	-
Borrowing Costs	11	-
Finance Costs - Leases	15	20
Internal Cost Allocations	(874)	(72)
Contributions - Non-monetary assets	(72)	-
Landfill Provision adjustment	(4,951)	1,051
Gravel Pit Royalty Costs	294	-
Employee Leave Entitlement Provisions	-	-
GST Refund/Payment	69	-
Change in Assets and Liabilities:		
(Increase)/decrease in trade and other receivables	(1,314)	(222)
(Increase)/decrease in prepayments	(28)	(158)
(Increase)/decrease in inventories	(111)	(22)
Increase/(decrease) in Trade and Other Payables	2,276	(1,250)
(Decrease)/increase in contract and other liabilities	2,566	(3,408)
(Increase)/decrease in other assets	101	-
(Decrease)/increase in other liabilities	(114)	(600)
(Increase)/decrease in Trust Funds	86	-
(Decrease)/increase in provisions	(2,496)	89
Net cash provided by/(used in) Operating Activities	4,859	11,199

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

Defined Benefit

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

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

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

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 97%.

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

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

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

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

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

The 2023 triennial actuarial investigation surplus amounts

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

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

	2023 (Triennial) \$m	2022 (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

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

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

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

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

The 2024 interim actuarial investigation

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

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

Net investment returns 5.6% pa

Salary information 3.5% pa

Price inflation (CPI) 2.7% pa

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

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

The 2020 triennial investigation

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

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

Superannuation contributions

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

Scheme	Type of Scheme	Rate	2024 \$'000	2023 \$'000
Vision super	Defined benefits	11.0% (2023: 10.5%)	75	86
Vision super	Accumulation	11.0% (2023: 10.5%)	1,169	1,160

In addition to the above contributions, Council has paid unfunded liability payments to Vision Super totalling \$1,087,000 (2022/23 \$967,000).

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

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2025 is \$72.212.

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 10 CHANGE IN ACCOUNTING POLICY

Material accounting policy information

Council adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statements.

Australian Accounting Standards issued that are not yet effective

Certain new Australian Accounting Standards (AAS) have been published that are not mandatory for the 30 June 2024 reporting period. Council has not and does not intend to adopt these standards early.

The following are considered to have limited impact on Council's reporting:

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2022-8 Amendments to Australian Accounting Standards - Insurance Contracts: Consequential Amendments
- AASB 2022-9 Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Amendments to AASB101
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback - Amendments to AASB16
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities
- AASB 2022-6 Non-current Liabilities with Covenants
- AASB 2023-1 Supplier Finance Arrangements



GLENELG SHIRE



**PORTLAND CUSTOMER
SERVICE CENTRE**

71 Cliff Street, Portland



**CASTERTON CUSTOMER
SERVICE CENTRE**

67 Henty Street, Casterton



**HEYWOOD CUSTOMER
SERVICE CENTRE**

77 Edgar Street, Heywood



PO Box 152 Portland 3305



1300 GLENELG (1300 453 635)



enquiry@glenelg.vic.gov.au



www.glenelg.vic.gov.au

