

Agenda

Ordinary Meeting of Council

10:30am, Wednesday 25 September 2024
Council Chamber, Tallangatta Council Office
32 Towong Street, Tallangatta, Victoria

Our Community Vision

Towong Shire will be the ideal place to be: welcoming, vibrant and diverse communities with quality facilities and services.

This information is available in alternative formats on request.

**Agenda for the Ordinary Meeting of Council to be held at
32 Towong Street, Tallangatta, Victoria
on Wednesday 25 September 2024 commencing at 10:30am**

Commonly Used Acronyms

Abbreviation	Title
Council Officers	
CEO	Chief Executive Officer
DIE	Director Infrastructure and Environment
DCP	Director Community and Planning
DCOD	Director Corporate and Organisational Development
MF	Manager Finance
SAE	Senior Asset Engineer
Government/Organisation	
CH	Corryong Health (formerly Upper Murray Health and Community Services)
DFFH	Department of Families, Fairness and Housing
DJSIR	Department of Jobs, Skills, Industry and Regions
DTP	Department of Transport and Planning
DEECA	Department of Energy, Environment and Climate Action
GMW	Goulburn Murray Water
HRGLN	Hume Region Local Government Network
MAV	Municipal Association of Victoria
NECMA	North East Catchment Management Authority
NERPEN	North East Regional Procurement Excellence Network
NEW	North East Water
NEWRRG	North East Waste and Resource Recovery Group
RCV	Rural Councils Victoria
RDA	Regional Development Australia
RDV	Regional Development Victoria
THS	Tallangatta Health Service
VGC	Victorian Grants Commission
WBNC	Walwa Bush Nursing Centre

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1 Opening Prayer

“Almighty God, we ask that you be present at this meeting to assist us in our service to the Community through Local Government.

We pray that our decisions will be wise and taken with goodwill and clear conscience.

Amen.”

2 Councillor and Officer Presence at the Meeting

Councillor Attendance

Crs Whitehead, Anderson, Scales, Wortmann and Dikschei

Officer Attendance:	Title:
Ms Phelps	Chief Executive Officer
Ms Taylor	Director Corporate and Organisational Development

3 Apologies and Granting of Leave of Absence

4 Disclosure of Conflicts of Interest

Section 130 of the Act requires that a ‘Relevant person’ (which means a person who is a Councillor, a member of a delegated committee who is not a Councillor or a member of Council staff) disclose any conflict of interest in the manner required by Council’s Governance Rules and exclude themselves from the decision making process in relation to the matter including any discussion or vote on the matter at any Council meeting.

Council’s *Governance Rules* state as follows:

A2 Obligations with regards to conflict of interest

Councillors, members of delegated committee, and Council staff are required to:

- a. Avoid all situations which may give rise to conflicts of interest;*
- b. Identify any conflicts of interest; and*
- c. Disclose or declare all conflicts of interest.*

A3 Disclosure of a conflict of interest at a Council meeting

A Councillor who has a conflict of interest in a matter being considered at a Council meeting at which he or she:

A3.1 is present must disclose that conflict of interest by explaining the nature of the conflict of interest to those present at the Council meeting immediately before the matter is considered; or

A3.2 intends to be present must disclose that conflict of interest by providing to the Chief Executive Officer before the Council meeting commences a written notice:

A3.2.1 advising of the conflict of interest;

A3.2.2 explaining the nature of the conflict of interest; and

A3.2.3 detailing, if the nature of the conflict of interest involves a Councillor's relationship with or a gift from another person, the:

a. name of the other person;

b. nature of the relationship with that other person or the date of receipt, value and type of gift received from the other person; and

c. nature of that other person's interest in the matter, and then immediately before the matter is considered at the meeting announcing to those present that he or she has a conflict of interest and that a written notice has been given to the Chief Executive Officer under this sub-Rule.

The Councillor must, in either event, leave the Council meeting immediately after giving the explanation or making the announcement (as the case may be) and not return to the meeting until after the matter has been disposed of.

5 Confirmation of Minutes

The minutes of the meetings listed below were circulated to Councillors following each respective meeting. Confirmation of the minutes is now sought.

- Special Council Meeting held on 6 August 2024
- Ordinary Council Meeting held on 28 August 2024

Recommendation:

That the Minutes of the Special Council Meeting held on the 6 August 2024 and Ordinary Council Meeting held on 28 August 2024, be confirmed.

6 Petitions and Joint Letters

Nil

7 Public Question Time

In accordance with Council's Governance Rules, Public Question Time will not be held during the election period. Any questions submitted will be addressed at the next Council meeting after the election period.

8 Informal Meetings of Councillors

In accordance with Council's *Governance Rules*, a written summary of the matters discussed at each informal meeting of Councillors is to be tabled at the next convenient Council meeting and recorded in the minutes of that meeting.

The Meeting Records from the Informal Meeting of Councillors held on 10 July 2024, 24 July 2024, 14 August 2024 and 28 August 2024 are attached as follows:

1. Workshop Meeting Records 10 July 2024 [**8.1.1** - 2 pages]
2. Workshop Meeting Records 24 July 2024 [**8.1.2** - 3 pages]
3. Workshop Meeting Records 14 August 2024 [**8.1.3** - 2 pages]
4. Workshop Meeting Records 28 August 2024 [**8.1.4** - 2 pages]

Recommendation:

That the information be noted.

9 Organisational Improvement

9.1 Action Sheet Report (CEO-06/06/0010)

Election Period Statement:

The recommendation is not a prohibited decision as defined by s69(2) or s69(3) of the *Local Government Act 2020*, nor is it a decision that could be reasonably deferred, or should not be made in accordance with Council's *Election Period Policy*.

Disclosure of Interests (S.130):

This report was prepared by Mr Justin Troy, Coordinator Governance and Compliance.

At the time of preparation of this report, the officer did not have a general or material conflict of interest in any matter to which the report or advice relates.

Purpose of Report:

The purpose of this report is to provide information.

Summary:

The attached report shows the progress made in relation to the resolutions from the 28 August 2024 Ordinary Council meeting.

Recommendation:

That the report be noted.

Attachment:

1. Action Sheet from Ordinary Council Meeting 28 August 2024 [9.1.1 - 6 pages]

Background/History:

Not applicable.

Relevant Law (s.9(2)(a)):

Not applicable.

Options – Best Outcomes for the Community (s.9(2)(b)):

Not applicable.

Sustainability Implications (s.9(2)(c)):

Not applicable.

Community Engagement (s.9(2)(d)):

Not applicable.

Innovation and Continuous Improvement (s.9(2)(e)):

Not applicable.

Collaboration (s.9(2)(f)):

Not applicable.

Financial Viability/Budget Impact (s.9(2)(g)):

Not applicable.

Regional, State and National Plans and Policies (s.9(2)(h)):

Not applicable.

Council Plans and Policies:

Not applicable.

Transparency of Decision (s.9(2)(i)) :

It is the officer's view that it is appropriate to consider this matter in a Council meeting that is open to the public.

Risk Assessment:

Not applicable.

Officer's View:

It is the officer's view that good progress has been made by the responsible officers.

9.2 Quarterly Budget Report (DCOD)

Election Period Statement:

The recommendation is not a prohibited decision as defined by s69(2) or s69(3) of the *Local Government Act 2020*, nor is it a decision that could be reasonably deferred, or should not be made in accordance with Council's *Election Period Policy*.

Disclosure of Interests (S.130):

This report was prepared by Mr Dylan Howard, Manager Finance.

At the time of preparation of this report, the officer did not have a general or material conflict of interest in any matter to which the report or advice relates.

Purpose of Report:

To present the Quarterly Budget Report in accordance with the requirements of the *Local Government Act 2020*.

Summary:

The quarterly budget report presented in the appendix demonstrates that Council has finished up the year with a deficit of \$2.47 million for the year end 30 June 2023/24 against budget of \$7.3 million deficit. The main reason for the significantly reduced deficit is the higher amount of income received against budget, in particular Capital Grants and other income.

Recommendation:

That the report be noted.

Attachment:

1. Quarterly Budget Report as at 30 June 2024 [9.2.1 - 8 pages]

Background/History:

This report provides a quarterly update on the financial performance of the organisation.

Relevant Law (s.9(2)(a)):

Section 97 of the *Local Government Act 2020* requires the following:

- (1) *As soon as practicable after the end of each quarter of the financial year, the Chief Executive Officer must ensure that a quarterly budget report is presented to the Council at a Council meeting which is open to the public.*
- (2) *A quarterly budget report must include –*
 - (1) *a comparison of the actual and budgeted results to date; and*
 - (2) *an explanation of any material variations; and*
 - (3) *any other matters prescribed by the regulations.*

This report meets the requirements of the Act.

Options – Best Outcomes for the Community (s.9(2)(b)):

Not Applicable.

Sustainability Implications (s.9(2)(c)):

Not applicable.

Community Engagement (s.9(2)(d)):

Not Applicable.

Innovation and Continuous Improvement (s.9(2)(e)):

Not Applicable.

Collaboration (s.9(2)(f)):

Not Applicable.

Financial Viability/Budget Impact (s.9(2)(g)):

Council has achieved a net operating deficit that is less than anticipated primarily due to the increase in capital grant income and other income relating to insurance payments, resulting in Council exceeding the budgeted income. There is still a significant deficit with future deficits forecast, highlighting the need for our operating results to be balanced into the future.

Regional, State and National Plans and Policies (s.9(2)(h)):

Not Applicable.

Council Plans and Policies:

Council Plans:
Not applicable.

Council Policies:
Not applicable.

Transparency of Decision (s.9(2)(i)):

It is the officer's view that it is appropriate to consider this matter in a Council meeting that is open to the public.

Risk Assessment:

Whilst the quarterly budget report presents a positive operating result and the cash position remains strong, a large portion of this is committed to projects (operating and capital) for which the funding was obtained.

Officer's View:

The organisation is still in a strong financial position, however a significant portion of Council resources are committed to budgeted capital works and services such as flood recovery funding. The presentation of the budget for 2024/25 highlighted that into the future, Council remains dependent on the receipt of one-off grant funding to support renewal of its aging infrastructure into the future. Significantly, the funding being supplied by State and Federal governments is more often tied to construction of new infrastructure, as opposed to the renewal of roads, bridges and drainage assets. An increase in untied government grant support is required to facilitate this asset renewal, as Council will be unable to commit Council funds to the to the extent that we are budgeting for in the next financial year.

9.3 Quarterly Performance Reporting Graphs (07/05/0022 - DCOD)

Election Period Statement:

The recommendation is not a prohibited decision as defined by s69(2) or s69(3) of the *Local Government Act 2020*, nor is it a decision that could be reasonably deferred, or should not be made in accordance with Council's *Election Period Policy*.

Disclosure of Interests (S.130):

This report was prepared by Ms Narelle Taylor, Director Corporate and Organisational Development.

At the time of preparation of this report, the officer did not have a general or material conflict of interest in any matter to which the report or advice relates.

Purpose of Report:

The purpose of the report is to provide information.

Summary:

The performance reporting graphs are provided to Council on a quarterly basis to provide a high-level picture of the key areas of Council operations.

A graph is provided for each of the following areas:

- Council Plan Priorities
- Top 5 Service Request Types
- Service Requests Closed and Open
- Corryong Visitor Information Centre Visitation
- Capital Expenditure
- Cash Position
- Rates Debtors
- Incident Reports
- Building Permits Issued
- Planning Applications Lodged
- Council Resolutions
- Technical Service Inspections

Recommendation:

That the report be noted.

Attachment:

1. Monthly Council Reporting Graphs - 2024-25 [9.3.1 - 1 page]

Background/History:

Not applicable.

Relevant Law (s.9(2)(a)):

Not applicable.

Options – Best Outcomes for the Community (s.9(2)(b)):

Not applicable.

Sustainability Implications (s.9(2)(c)):

Not applicable.

Community Engagement (s.9(2)(d)):

In accordance with our *Community Engagement policy* this matter did not require community engagement.

Innovation and Continuous Improvement (s.9(2)(e)):

This report provides information relevant to our progress in performance and continuous improvement against key areas of Council's operations.

Collaboration (s.9(2)(f)):

Not applicable.

Financial Viability/Budget Impact (s.9(2)(g)):

Cash balances indicate that the Council is currently in a strong liquid position; the capital forecast also indicates that the cash reserves are committed, and that beyond the forecast budget for 12 months the financial position is less secure.

Regional, State and National Plans and Policies (s.9(2)(h)):

This report does not relate to Regional, State and National Plans and Policies.

Council Plans and Policies:

Not applicable.

Transparency of Decision (s.9(2)(i)) :

It is the officer's view that it is appropriate to consider this matter in a Council meeting that is open to the public.

Risk Assessment:

The Performance Reporting Graphs provide a snapshot of how Council is tracking against its key operational objectives, helping to provide a high-level guide as to any emerging risks.

Officer's View:

The Performance Reporting Graphs are provided to illustrate key aspects of Council's performance and results. This data indicates Council officers' efforts to achieve strong outcomes for the community are coming to fruition.

9.4 Annual Financial Statements and Performance Statements (06/02/0054-DCOD)

Election Period Statement:

The recommendation is not a prohibited decision as defined by s69(2) or s69(3) of the *Local Government Act 2020*, nor is it a decision that could be reasonably deferred, or should not be made in accordance with Council's *Election Period Policy*.

Disclosure of Interests (S.130):

This report was prepared by Mr Dylan Howard, Manager Finance.

At the time of preparation of this report, the officer did not have a general or material conflict of interest in any matter to which the report or advice relates.

Purpose of Report:

The purpose of this report is to present the draft annual Financial Statements and Performance Statement for the year ended 30 June 2024 for review and in-principle approval.

Summary:

The *Local Government Act 2020* (LGA 2020) requires Council to prepare Financial Statements and a Performance Statement in respect of each financial year. The statements must be approved in principle by Council prior to submission to the auditor. Council officers have prepared the draft Financial Statements and a draft Performance Statement in line with legislative and regulatory requirements and they are now ready to be considered for in-principle approval.

Recommendation:

That:

1. The draft Annual Financial Statements and the draft Performance Statement for the year ended 30 June 2024 be approved in-principle; and
2. Two Councillors be authorised to certify the Financial Statements and the Performance Statement for the year ended 30 June 2024 on behalf of Council once any amendments or changes are made as requested by the Victorian Auditor General.

Attachment:

1. TSC Financial Report 2023-24 DRAFT [9.4.1 - 54 pages]
2. Performance Statement 2023 24 DRAFT [9.4.2 - 24 pages]

Background/History:*Legislative Context*

Section 98 of the LGA 2020 requires Council to prepare an Annual Report in respect of each financial year, which must contain:

- *report of operations of the Council;*
- *an audited performance statement;*
- *audited financial statements;*
- *a copy of the auditor's report on the performance statement;*
- *a copy of the auditor's report on the financial statements under Part 3 of the Audit Act 1994;*
- *any other matters prescribed by the regulations.*

Items a), b) and c) are to take the form described by Section 98 of the LGA 2020 and any supporting regulations.

Section 99 of the LGA 2020 specifies that Council must prepare the financial statements and performance statement as soon as practicable after the end of the financial year. Council must pass a resolution approving the financial statements and the performance statement in principle prior to submitting them to the auditor. Council must ensure that the statements in their final form and after any changes recommended or agreed by the auditor have been made, are certified by two Councillors, prior to final certification by the auditor. The auditor must then submit reports on the statements to the Minister for Local Government, and the Mayor must present the Annual Report at a Council meeting open to the public.

Financial Statements

The financial statements show Council's financial performance, financial position and cash flows against the previous year.

Council achieved a deficit of \$2.47 million for the year ended 30 June 2024, compared to a budgeted deficit of \$7.3 million. The higher than anticipated result was primarily due to:

- Receipt of \$1.5 million insurance settlement relating to the 2019/20 Bushfire

damage and increased cost of working at the Corryong Resource Recovery Centre;

- Interest income of \$1.1 million over what was included in the budget, due to additional funds being received and invested throughout the year; and
- Non-recurrent grant income exceeding budget by \$3 million.

Performance Statement

The Performance Statement provides an overview of Council's progress against key performance indicators. The Local Government Performance Reporting Framework (LGPRF) provides the basis of these indicators to enable a uniform Performance Statement across all Victorian councils.

Relevant Law (s.9(2)(a)):

The Financial Statements and the Performance Statement have been prepared in accordance with the requirements section 98 of the LGA 2020 and the associated *Local Government (Planning and Reporting) Regulations 2020*.

Both statements are now ready for consideration for approval in principle in accordance with section 99 of the LGA 2020.

Options – Best Outcomes for the Community (s.9(2)(b)):

Not applicable.

Sustainability Implications (s.9(2)(c)):

Not applicable.

Community Engagement (s.9(2)(d)):

Not applicable.

Innovation and Continuous Improvement (s.9(2)(e)):

Not applicable.

Collaboration (s.9(2)(f)):

Not applicable.

Financial Viability/Budget Impact (s.9(2)(g)):

The financial result for the year ended 30 June 2024 reflects a deficit, noting that it is a smaller deficit than was forecast.

Long term financial sustainability continues to remain dependent on the receipt of one-off grants to fund renewal of Council's aging infrastructure. The decrease in availability of state and federal funding is cause for concern in regard to our ability to attain such funding into the future.

Regional, State and National Plans and Policies (s.9(2)(h)):

Not applicable.

Council Plans and Policies:

Council Plans:
Not applicable.

Council Policies:
Not applicable.

Transparency of Decision (s.9(2)(i)):

It is the officer's view that it is appropriate to consider this matter in a Council meeting that is open to the public.

Risk Assessment:

At the time of submitting this report the Financial Statements and the Performance Statement have been substantially reviewed by the auditor. They will be presented to the Audit and Risk Committee at the October meeting.

It is noted that this report relates to Council's in-principle approval only and that the final statements may still vary as any final auditor recommendations are addressed.

Officer's View:

The Financial Statements and Performance Statement for the financial year ending 30 June 2024 have been prepared in accordance with all relevant legislation and regulations and have been subject to substantial auditor review. It is the officer's view that the Financial Statements and Performance Statement as presented should be approved in principle.

9.5 Chief Executive Officer - Annual Performance Review (Mayor)

Election Period Statement:

The recommendation is not a prohibited decision as defined by s69(2) or s69(3) of the *Local Government Act 2020*, nor is it a decision that could be reasonably deferred, or should not be made in accordance with Council's *Election Period Policy*.

Disclosure of Interests (S.130):

This report was prepared by Cr Andrew Whitehead, Mayor.

At the time of preparation of this report, the officer did not have a general or material conflict of interest in any matter to which the report or advice relates.

Purpose of Report:

The purpose of this report is to present for consideration the annual Performance Review of the Chief Executive Officer for the period 1 December 2023 to 31 July 2024.

Summary:

The Chief Executive Officer's performance is reviewed annually in line with the requirements of the *Local Government Act 2020* and the Chief Executive Officer's *Contract of Employment*. Given that the twelve month review period occurs less than one month after the swearing in of the new Council (following the election on 26 October 2024), Council considered it appropriate to conduct the performance review in advance of the election. This approach was considered appropriate as the Chief Executive Officer's Key Performance Indicators had been set by the current Councillors and it was felt that a newly elected Council would not have firsthand experience over a reasonable period of time of the Chief Executive Officer's performance and therefore be able to conduct a far and informed view of the performance.

The Performance Review for the period 1 December 2023 to 31 July 2024 was conducted during August 2024 by the Chief Executive Officer Employment and Remuneration Committee, with the review process facilitated by independent consultant, Mr Sean Callanan, General Manager – McArthur Talent Architects VIC.

Recommendation:

That:

1. The Performance Review for Council's Chief Executive Officer Ms Juliana Phelps, for the period 1 December 2023 to 31 July 2024, be adopted;
2. The Chief Executive Officer be congratulated on her performance; and
3. A recommendation be made to the incoming Council that the Chief Executive Officer's remuneration package be increased by at least CPI as at 1 December 2024.

Attachment:

The Performance Review has been provided to Councillors prior to the meeting.

Background/History:

Section 45 of the *Local Government Act 2020* requires that Council maintain a Chief Executive Officer Employment and Remuneration Policy that provides for, amongst other things, performance monitoring and an annual review of the Chief Executive Officer.

In accordance with Council's Chief Executive Officer Employment and Remuneration Policy, the annual review of the Chief Executive Officer's performance was overseen by the Chief Executive Officer Employment and Remuneration Committee comprising and Independent Chairperson and all Councillors. The Committee conducted a Request For Quotation process and recommended the selection of the independent consultant, Mr Sean Callanan, General Manager – McArthur Talent Architects VIC to lead the review.

Mr Callan subsequently facilitated the review and provided a report to the Committee and the Chief Executive Officer. The appraisal was made against the Performance Criteria set out in the Chief Executive Officer's *Contract of Employment*.

It is also a requirement of the Chief Executive Officer's *Contract of Employment* that a review of the Chief Executive Officer's Remuneration Package be reviewed annually within one month following the Performance Review having regard to:

- a) the Employment and Remuneration Policy;

and, to the extent the following are not inconsistent with the Employment and Remuneration Policy,

- b) the Officer's achievement of the Performance Criteria;
- c) the extent of any increase over the preceding 12 months in the Consumer Price Index (All Groups, Melbourne) as issued by the Australian Statistician;
- d) market rates for comparable positions; and
- e) the acquisition and satisfactory utilisation of new or enhanced skills by the Officer is beneficial to or required by the Council.

Given that the contract of employment anniversary falls on 1 December 2024, the Council is not recommending any alternation to the remuneration package at this time, but rather recommend to the incoming Council that that the Chief Executive Officer's remuneration package be increased by at least CPI as at 1 December 2024.

Relevant Law (s.9(2)(a)):

The *Local Government Act 2020*, section 45(2)(b)(iv) states that Council must undertake an annual review of the Chief Executive Officer's employment and remuneration.

Options – Best Outcomes for the Community (s.9(2)(b)):

Not applicable.

Sustainability Implications (s.9(2)(c)):

Not applicable.

Community Engagement (s.9(2)(d)):

Not applicable.

Innovation and Continuous Improvement (s.9(2)(e)):

The establishment of the Chief Executive Officer Employment and Remuneration Committee, led by an Independent Chairperson, has strengthened the robustness and independence of the annual review of the Chief Executive Officer.

Collaboration (s.9(2)(f)):

Not applicable.

Financial Viability/Budget Impact (s.9(2)(g)):

The total cost of the Performance Review is estimated to be \$9,000 (excluding GST).

Regional, State and National Plans and Policies (s.9(2)(h)):

Not applicable.

Council Plans and Policies:

The Performance Review was conducted in accordance with the Chief Executive Officer Employment and Remuneration Policy.

Transparency of Decision (s.9(2)(i)):

It is the Mayor's view that it is appropriate to consider this matter in a Council meeting that is open to the public.

Risk Assessment:

The Local Government Inspectorate highlights several risks in their 2019 report "Protecting Integrity: Leading the way – Managing the employment cycle of a council CEO" given that there has historically been a lack of sector guidance for Councillors regarding how the employment cycle of the Chief Executive Officer is to be managed.

The *Local Government Act 2020* has introduced additional controls by requiring that councils adopt a Chief Executive Officer Employment and Remuneration Policy. Further, Council's policy requires that the employment cycle is overseen by a Chief Executive Officer Employment and Remuneration Committee which is led by an Independent Chairperson, providing additional independence and assurance.

Mayor's View:

The performance of our CEO over the review period has once again been of a high standard and the independent review process demonstrated that Juliana has performed well against the Key Performance Indicators that we set last year.

Juliana continues to be a hardworking, loyal and dedicated employee of the Council who uses her experience and knowledge to benefit both the Council and our Towong communities. This has been particularly evident over recent months with the vacancies we have in key positions. We are fortunate to have a CEO who is prepared

to do whatever it takes to ensure the work gets done, often to the detriment of her work-life balance.

It is my recommendation that the Performance Review for the period 1 December 2023 to 31 July 2024 be adopted and Juliana be congratulated on her performance.

10 Community Wellbeing

There are no Community Wellbeing reports to present this meeting.

11 Asset Management

There are no Asset Management reports to present this meeting.

12 Land Use Planning

There are no Land Use Planning reports to present this meeting.

13 Environmental Sustainability

13.1 Circular Economy and Environment Report (CEO)

Election Period Statement:

The recommendation is not a prohibited decision as defined by s69(2) or s69(3) of the *Local Government Act 2020*, nor is it a decision that could be reasonably deferred, or should not be made in accordance with Council's *Election Period Policy*.

Disclosure of Interests (S.130):

This report was prepared by Mr Greg Karlson, Coordinator Circular Economy and Environment.

At the time of preparation of this report, the officer did not have a general or material conflict of interest in any matter to which the report or advice relates.

Purpose of Report:

The purpose of this report is to provide information.

Summary:

This report provides a quarterly update on environmental sustainability activities throughout the Shire for the period March to June 2024.

Council's environmental sustainability activities continue to be focused on the management of recycling operations at resource recovery centres along with actions related to the circular economy waste and recycling transition processes.

Recommendation:

That the report be noted.

Attachment:

Nil

Background/History:**Waste and recycling services**

Over the quarter to June 2024 the team continuously engaged with Cleanaway regarding the introduction of the new Glass and Food Organics and Garden Organics (FOGO) kerbside collection service ahead of service transition that commenced in the first week of June 2024. Collection routes have been finalised which resulted in a change in collection dates.

Information packs, which included a calendar and waste management information, were mailed out to households. Activities also focused on the development and distribution of digital and print media as part of the community education program. The above activities were partly funded through Circular Economy and Household Education Fund.

Households in rural residential, farming and rural living zones had the opportunity to opt out of the FOGO kerbside collection service on the proviso that adequate evidence of alternative arrangements for correctly managing FOGO on their properties was supplied in support. Approx 73% or 850 rural households have opted out of the FOGO Bin service.

Container Deposit Scheme (CDS)

Local business and community groups in Tallangatta and Corryong were successfully established as operators for the State Government's 10c Container Deposit Scheme for eligible glass, plastic, aluminium and cardboard drink containers.

Resource Recovery Centres

The retaining wall upgrades at both Recovery Resource Centres (RRC) were successfully completed in June 2024. The new walls have a modified configuration to accommodate additional skip bins. These new bins will allow for FOGO drop off for households throughout the Shire. This project was supported by the State Government's Transfer Station Upgrade Fund.

The Tallangatta RRC booth office was damaged after severe weather and was replaced in March.

Corryong Landfill status – the facility has reached full capacity and public access has been closed since October 2023. An external consultant has prepared a suitable capping design for the closed cell and prepared an Aftercare and Environmental Management Plan which has been ratified by the EPA.

Proposed capital project works are to be released for tender submission shortly.

Climate Action

A Climate Action Plan has been produced by Ironbark Sustainability Group who recommended investment in environmental sustainability with changes to Council vehicle fleet and landfill management practices. The removal of putrescible waste was strongly recommended which has now been addressed partly following the introduction of Food and Garden Organics Bins Kerbside collection service.

Passenger fleet vehicles are also recommended to be transitioned to electric vehicles or hybrids to reduce carbon emissions. This will be further explored vehicles come due for renewal/replacement.

To measure emission levels in 2019, Council adopted the Trellis software tool which primarily enabled a method to measure emission levels from Council owned assets. Broadly it allowed Council to manage data relating to its consumption of utilities, including electricity, gas, water, waste disposal, business travel and other resources such as fuel and refrigerant gas.

For the 23/24 financial year carbon emission levels measured 2,568TCo2-e generated across Council-owned assets which is up 18.4% on prior year.

Main resource contributor to emission levels was derived from waste 55.49% or 1425TCo2-e with fuel consumption measured at 29.26%.

Tree and Weed Programs

The roadside weed and pest program was finalised and completed in May 2024 with approximately 1500km of roadside areas across four (4) defined areas treated.

Tree planting within the Shire commenced in early June and to date there have been:

- 20 Chinese elms planted along Strezelecki Way, Corryong;
- 30 Chinese pistachios And Eucalyptus leucoxydon at Walwa Recreation Reserve; and
- 40 trees across 12 species at Playles Hill, Corryong.

An audit count of the elm trees with the Shire has identified approximately 100 trees that will require treatment for Dutch elm beetle disease. A request for quote is being prepared for these works. Treatment is anticipated to commence mid-October.

Relevant Law (s.9(2)(a)):

All environmental sustainability actions have been undertaken in accordance with the service performance principles outlined in the *Local Government Act 2020*, *Environmental Protection Act 2017* and the *Circular Economy (Waste Reduction and Recycling Act) 2021*.

Options – Best Outcomes for the Community (s.9(2)(b)):

Not Applicable.

Sustainability Implications (s.9(2)(c)):

Economic

Enhanced recycling methods will diminish the volume of waste sent to landfills, while adopting a four-stream waste system enhances the circular economy framework for waste management in Victoria.

Social

The projects mentioned in this report promote sustainability education for the community.

Environmental/Climate Change

Actions undertaken on recycling of materials and ongoing review of tree management practice and climate adaption will contribute positively towards the mitigation of Council's impact on the environment and adherence to risk management best practice.

Community Engagement (s.9(2)(d)):

Community Education on Recycling: Council received grant funding from Sustainability Victoria under the Circular Economy Household Education Fund (CEHEF). The community education package includes digital and print material as well as a program for the delivery of community engagement activities in the months leading up to the start of the 3 bin FOGO service delivery.

Innovation and Continuous Improvement (s.9(2)(e)):

Not Applicable.

Collaboration (s.9(2)(f)):

Council officers liaise regularly with representatives of the Goulburn Murray Climate Alliance, waste management officers from councils in the Hume region and government representatives from the Department of Energy, Environment and Climate Action (DEECA), Environmental Protection Authority (EPA) and Sustainability Victoria relating to environmental and sustainability activities..

Financial Viability/Budget Impact (s.9(2)(g)):

		Jun 2024 YTD	Jun 2024 YTD	Jun 2024 YTD	Jun 2024 YTD	2023/24 Full Year
	Note	(Actual) \$	(Budget) \$	(Variance) \$	(Variance) %	(Budget) \$
Income						
Kerbside collection		1,506,125	1,500,000	6,125	0%	1,500,000
Waste facilities management	1	492,780	534,000	(41,220)	(8%)	534,000
Total Income		1,998,905	2,034,000	(35,095)	(2%)	2,034,000
Expenditure						
Kerbside collection	2	966,197	1,384,120	417,923	30%	1,384,120
Waste facilities management		691,124	724,670	33,546	5%	724,670
Total Expenditure		1,657,321	2,108,790	451,469	21%	2,108,790
Net Income / (Expenditure)		341,584	(74,790)	416,374	(557%)	(74,790)

1. Lower than expected fee revenues from resource recovery centres.
2. Lower than anticipated waste collection expenses. Not yet billed for caddies and implementation costs associated with 3 bin transition which will be reflected in first half FY 2024.

Regional, State and National Plans and Policies (s.9(2)(h)):

Not Applicable.

Council Plans and Policies:

Council Plans:

This report supports the following *Council Plan 2021-2025* priorities.

5.0 Environmental Sustainability - Integrate sustainable environmental management practices into all of our activities.

- 5.8 Continue to implement noxious weed control and monitoring along roadsides within available funding
- 5.9 Continue to implement the tree planting strategy to achieve 40% canopy coverage in urban streets by 2025
- 5.12 Develop a climate change action plan (including actions to reduce carbon emissions, electric vehicle charging, etc)
- 5.13 Transition waste and recycling services operations as per Victorian Government Circular Economy Strategy to deliver a four bin system for waste and recycling collection including separation of glass, green waste and organics
- 5.14 Invest in community education programs and a waste services survey to improve waste and recycling separation
- 5.16 Replace the retaining wall at the Tallangatta Transfer Station
- 5.17 Investigate options for the future of the Corryong Landfill
- 5.18 Implement required measures to ensure management of closed landfills is compliant with EPA requirements

Council Policies:

- *Climate Adaptation Policy;*
- *Kerbside Refuse and Recycling Collection Policy*
- *Tree Policy*

Transparency of Decision (s.9(2)(i)):

It is the officer's view that it is appropriate to consider this matter in a Council meeting that is open to the public.

Risk Assessment:

Not Applicable.

Officer's View:

Good progress has been made in relation to the *Council Plan 2021-2025* Environmental Sustainability strategic priorities.

14 Economic and Tourism Development

There are no Economic and Tourism Development reports to present this meeting.

15 Councillor Reports

An opportunity is provided for Councillors to table or present a Delegate's report.

16 Urgent Business

In accordance with Council's Governance Rules, matters of urgent business can only be considered if:

- a) It relates to or arises out of a matter which has arisen since distribution of the agenda; and
- b) It cannot safely or conveniently be deferred until the next Council meeting; and
- c) The Council resolves to admit an item considered to be urgent business.

17 Committee Minutes

There are no Committee Meeting minutes for review or confirmation this meeting.

18 Council Policies

There are no policies for review or adoption.

19 Sealing of Documents

Nil.

20 Confidential

Section 66 of the *Local Government Act 2020* declares that meetings are to be open to the public unless the following specified circumstances apply:

1. *A Council or delegated committee must keep a meeting open to the public unless the Council or delegated committee considers it necessary to close the meeting to the public because a circumstance specified in subsection (2) applies.*
2. *The circumstances are –*
 - a) *the meeting is to consider confidential information; or*
 - b) *security reasons; or*
 - c) *it is necessary to do so to enable the meeting to proceed in an orderly manner.*
3. *If the circumstance specified in subsection (2)(b) or (2)(c) applies, the meeting can only be closed to the public if the Council or delegated committee has made arrangements to enable the proceedings of the meeting to be viewed by members of the public as the meeting is being held.*
4. *For the purposes of subsection (3), the arrangements may include provision to view the proceedings on the Internet or on closed circuit television.*
5. *If a Council or delegated committee determines that a meeting is to be closed to the public to consider confidential information, the Council or delegated committee must record in the minutes of the meeting that are available for public inspection –*
 - a) *the ground or grounds for determining to close the meeting to the public by reference to the grounds specified in the definition of confidential information in section 3(1); and*
 - b) *an explanation of why the specified ground or grounds applied.*

As defined in section 3(1) of the Local Government Act 2020 "confidential information" means the following information

- a. *Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released;*
- b. *Security information, being information that if released is likely to endanger the security of Council property or the safety of any person;*
- c. *Land use planning information, being information that if prematurely released is likely to encourage speculation in land values;*

- d. *Law enforcement information, being information which if released would be reasonably likely to prejudice the investigation in an alleged breach of the law or the fair trial or hearing of any person;*
- e. *Legal privileged information, being information to which legal professional privilege or client legal privilege applies;*
- f. *Personal information, being information which if released would result in the unreasonable disclosure of information about any person or their personal affairs;*
- g. *Private commercial information, being information provided by a business, commercial or financial undertaking that –*
 - (i) *relates to trade secrets; or*
 - (ii) *if released, would unreasonably expose the business, commercial or financial undertaking to disadvantage;*
- h. *Confidential meeting information, being the records of meetings closed to the public under section 66(2)(a);*
- i. *Internal arbitration information, being information specified in section 145;*
- j. *Councillor Conduct Panel confidential information, being information specified in section 169;*
- k. *Information prescribed by the regulations to be confidential information for the purposes of this definition; and*

Information that was confidential information for the purposes of section 77 of the Local Government Act 1989.

Nil.

21 Closure of Meeting

Council Meeting - 25 September 2024 Attachments

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Meeting Record

Councillor Workshop

Wednesday 10 July 2024 – Tallangatta

Attendees: Crs Whitehead, Anderson, Scales and Dikschei
Ms Juliana Phelps Chief Executive Officer and officers as listed below.

Apologies: Cr Wortmann

Disclosures of Conflicts of Interest: Nil

1.00pm Lunch

1.20pm Councillor feedback/issues/questions

2.00pm Acting Director Community and Planning (Mark Florence)

Ms Kerissa Heritage briefed Councillors on the following:

RTIF application
Tallangatta Visitor Centre

Mr Florence provided an update on the following:

Tallangatta Estate
Emergency Accommodation Buildings 2019/20 Bushfire
Corryong Junior Campus
Corryong Recreation Reserve – North East Water
Border Trust

2.30pm Special Council Meeting

Our Community Vision

Towong Shire will be the ideal place to be: Welcoming, vibrant and diverse communities with quality facilities and services.



2.45pm Acting Director Community and Planning continued

Mr Florence continued with the Community and Planning briefing.

3.15pm Acting Director Corporate and Organisational Development (Dylan Howard)

Mr Howard provided information in relation to:

Stock grid policy – s173 agreement

3.30pm Acting Director Infrastructure and Environment (Vilfred Correa)

Mr Correa provided an update in relation to:

Corryong CBD – works update

Talgarno tennis courts

4.00pm Chief Executive Officer (Juliana Phelps)

Ms Phelps provided a briefing on the following:

Director recruitment update

Joint Council meeting – 11am Tuesday 13 August 2024

Signage in rural areas

Rural Councils Victoria

4.15pm Councillor only time

4.30pm Close

Our Community Vision

Towong Shire will be the ideal place to be: Welcoming, vibrant and diverse communities with quality facilities and services.



Meeting Record

Councillor Workshop

Wednesday 24 July 2024 – Corryong

Attendees: Crs Whitehead, Anderson, Dikschei and Wortmann
Ms Juliana Phelps Chief Executive Officer and officers as listed below.

Apologies: Cr Scales

Disclosures of Conflicts of Interest: Nil

9.30am Council Plan Priorities update

Director Infrastructure and Environment (*Rachael Gadd*)

Ms Gadd presented the Asset management Council Plan update.

Director Corporate and Organisational Development (*Narelle Taylor*)

Ms Taylor presented the Organisational improvement Council Plan update.

10.30am Council Meeting

11.30am Council Plan Priorities update (*continued*)

Director Infrastructure and Environment (*Rachael Gadd*)

Ms Gadd presented the Environmental sustainability Council Plan update.

Our Community Vision

Towong Shire will be the ideal place to be: Welcoming, vibrant and diverse communities with quality facilities and services.



- 12.00pm Project Manager update** *(Craig Heiner)*
Mr Heiner provided a briefing on the following:
- Corryong CBD parking progress report
 - Colac Colac Caravan Park
- 12.30pm Lunch**
- 1.00pm Director Infrastructure and Environment** *(Rachael Gadd)*
Ms Gadd provided an update on the following:
- Capital Works update
 - Hanson Street (west) project
 - Talgarno tennis courts and public toilet
 - Corryong CBD – works update
- 2.00pm Council Plan Priorities update** *(Continued)*
- Acting Director Community and Planning** *(Mark Florence)*
- Mr Florence presented the Community wellbeing Council Plan update, the Economic and tourism development Council Plan update and the Land-use planning Council Plan update*
- 3.00pm Acting Director Community and Planning** *(Mark Florence)*
Ms Heritage provided a briefing on the following:
- RTIF application (Kerissa Heritage)
- Mr Florence provided a briefing on the following:*
- Tallandoon tennis project funding
 - Tango event – funding request
- 3.30pm Director Corporate and Organizational Development** *(Narelle Taylor)*
Ms Georgina Curtis presented the Communication and Engagement update.
Ms Taylor provided a briefing on the following:

Innovation : technology : sustainability

Our Community Vision

Towong Shire will be the ideal place to be: Welcoming, vibrant and diverse communities with quality facilities and services.



Debt collection
Requirements and timelines for renaming Playles Hill

4.00pm **Chief Executive Officer** (*Juliana Phelps*)

Ms Phelps provided a briefing on the following:

Director recruitment update
Extra workshop 31 July 2024 -Resilient Buildings

4.15pm **Councillor only time**

4.45pm **Close**

Our Community Vision

Towong Shire will be the ideal place to be: Welcoming, vibrant and diverse communities with quality facilities and services.



Meeting Records

Councillor Workshop

Wednesday 14 August 2024 – Tallangatta

Attendees: Crs Whitehead, Anderson, Dikschei and Wortmann
Ms Juliana Phelps Chief Executive Officer and officers as listed below.

Apologies: Cr Scales (will join from 12.30-1.30pm)

Disclosures of Conflicts of Interest: Nil

9.30am **Director Corporate and Organisational Development** (*Narelle Taylor*)

Ms Taylor provided an update on the following:

Colac Colac Caravan Park
Early Years update

10.00am **Councillor feedback/issues/questions (spreadsheet)**

10.30am **Planning** (*Margaret Fox*)

Ms Fox provided a briefing in relation to a recommendation to refuse a Planning Permit

11.00am **North East Water presentation (virtual)**

A presentation was provided by Dr Jill Fagan, Manager Planning and Liveability for North East Water and Mr Guy Wilkinson.

Our Community Vision

Towong Shire will be the ideal place to be: Welcoming, vibrant and diverse communities with quality facilities and services.



12.00pm Chief Executive Officer *(Juliana Phelps)*

Ms Phelps provided an update in relation to the following matters:

Corryong CBD – works update

- garden beds
- fuel tanks
- budget

Hanson Street (west) project

Adventure tourism

Pine Mountain Wayside Stop

Mount Elliott Masterplan public exhibition

Hall's Pit extraction contract

Resealing contract

Dust strip contract

Towong Planning Scheme Review

Excavator purchase

Walwa drainage issue

Dry Creek Road bridge

Corryong Aerodrome

Joint meeting of Indigo/Alpine/Towong – next steps

Playles Hill visit and end of term lunch

Director recruitment update

12.30pm Lunch and Councillor time

1.30pm Chief Executive Officer *(continued)*

Ms Phelps continued to present Chief Executive Officer items (As above).

3.00pm Close

Innovation : technology : sustainability

Our Community Vision

Towong Shire will be the ideal place to be: Welcoming, vibrant and diverse communities with quality facilities and services.



Meeting Records

Councillor Workshop

Wednesday 28 August 2024 – Tallangatta

Attendees: Crs Whitehead (virtual), Anderson, Dikschei, Scales and Wortmann
Ms Juliana Phelps Chief Executive Officer and officers as listed below.

Apologies: Nil

Disclosures of Conflicts of Interest: Nil

9.30am **Caretaker Period** (*Justin Troy*)

Ms Narelle Taylor and Mr Justin Troy provided a briefing on the upcoming election caretaker period restrictions.

9.45am **Councillor feedback/issues/questions (spreadsheet)**

10.30am **Council Meeting**

12.30pm **Lunch**

1.00pm **Corryong Cemeteries Trust Meeting**

1.30pm **OHS Framework** (*Loren Murray*)

Ms Loren Murray provided a briefing on the proposed organisational OHS Framework being developed.

2.30pm **Chief Executive Officer** (*Juliana Phelps*) and **Economic Development Tourism Officer** (*Kerissa Heritage*)

Our Community Vision

Towong Shire will be the ideal place to be: Welcoming, vibrant and diverse communities with quality facilities and services.



Ms Phelps and Ms Heritage provided information in relation to the following:

Great Outdoors Task Force meeting and priorities
 Tiny Towns grant program
 Growing Regions grant program – Bellbridge Boathouse
 High Country Rail Trail (CHMP and NVA)

3.30pm **Chief Executive Officer** (*Juliana Phelps*) and **Civil Asset Engineer** (*Syed Abdullah*)

Ms Phelps and Mr Abdullah discussed the following:

Dust strip request
 Perkins Road bridge (HVP)
 Fire access track request

4.00pm **Chief Executive Officer** (*Juliana Phelps*)

Ms Natalie Butler discussed the following:

Bethanga playground

Ms Juliana Phelps provided an update on the following:

Waste water – Mitta
 Corryong CBD – works update
 - shop fronts
 - RSL Hall path

Hanson Street project
 Wheeler Street Corryong
 Works within a road reserve permit
 Burrowye Recreation Reserve lease
 BESS – Cudgewa
 Koetong telecommunications tower
 Director recruitment update

5.00pm **Councillor only time**

5.30pm **Close**

Innovation : technology : sustainability

Our Community Vision

Towong Shire will be the ideal place to be: Welcoming, vibrant and diverse communities with quality facilities and services.

**ACTION SHEET
FROM 28 AUGUST 2024 ORDINARY COUNCIL MEETING**

ITEM	DESCRIPTION	RESPONSIBLE OFFICER	PROGRESS/ COMPLETE
5	<p><u>Confirmation of Minutes</u></p> <p>That the Minutes of the Ordinary Council Meeting held on the 24 July 2024, be confirmed.</p>	Coordinator Governance and Compliance	Confirmed Minutes added to Council's website. Complete
11.1	<p><u>Purchase of Excavator</u></p> <p>That:</p> <ol style="list-style-type: none"> 1. Contract No. 2023/24-070 for the supply of a Kobelco SK135SR-7 excavator and attachments be awarded to Capital Construction Equipment for the lump sum of \$223,000 excluding GST; 2. The Chief Executive Officer be authorised to sign and seal the contract document in accordance with Local Law 1 – Common Seal and Miscellaneous Penalties; and 3. The Chief Executive Officer be authorised to approve contract variations up to the total value of the allocated budget. 	Chief Executive Officer	In progress Contract is being drafted for signing.
11.2	<p><u>Resealing of TSC Roads Contract 2024/25</u></p> <p>That:</p> <ol style="list-style-type: none"> 1. Council award Contract No. 2023/24-073 for the resealing of Council roads to Boral Resources (VIC) Pty Ltd for the lump sum of \$651,180.66 excluding GST; 	Chief Executive Officer	In progress Contract is being drafted for signing.

**ACTION SHEET
FROM 28 AUGUST 2024 ORDINARY COUNCIL MEETING**

	<p>2. The Chief Executive Officer be authorised to sign and seal Contract No. 2023/24-073 in accordance with Local Law 1 – Common seal and Miscellaneous Penalties; and</p> <p>3. The Chief Executive Officer be authorised to approve contract variations up to the total value of the allocated project budget.</p>		
11.5	<p><u>Hall’s Pit Talgarno - Provision of services – Rock Extraction, Crushing, Screening and Blending – Tender Evaluation Report 2024/25-003</u></p> <p>That Council:</p> <p>1. Award contract No. 2024/25 - 003 Provision of services – Rock Extraction, Crushing, Screening and Blending – Hall’s Pit Talgarno to Tallangatta Construction and Maintenance (TCM) Quarries Pty Ltd for the lump sum of \$194,928 excluding GST and provisional items;</p> <p>2. Authorise the Chief Executive Officer to sign and seal Contract No. 2024/25 - 003 in accordance with Local Law 1 – Common seal and Miscellaneous Penalties; and</p> <p>3. Authorise the Chief Executive Officer to approve contract variations up to the total value of the allocated project budget.</p>	<p>Chief Executive Officer</p>	<p>Complete</p>

**ACTION SHEET
FROM 28 AUGUST 2024 ORDINARY COUNCIL MEETING**

<p>12.1</p>	<p><u>2023-064 Cascade Road Tallangatta Valley</u></p> <p>That Council determine to refuse the application under Section 60(1)d and 65(2) of the <i>Planning & Environment Act 1987</i> on the following grounds:</p> <ol style="list-style-type: none"> 1. The CFA has objected to the issue of a permit on the following basis: <ol style="list-style-type: none"> a. The application requirements of Clause 44.06-3 have not been provided. b. The application has not met the Subdivision Objectives of Clause 53.02-4.4. c. The application has not met the requirements of Approved Measure 5.1. This approved measure requires an application to subdivide land where AM 5.2 applies, demonstrates that each proposed lot is capable of meeting: <ol style="list-style-type: none"> d. the defensible space requirements in accordance with Table 2 Columns A, B or C and Table 6 to Clause 53.02-5. e. The approved measures in Clause 53.02-4.1 and Clause 53.02-4.3. 2. Subdivision of the land would establish an expectation that Lots could be developed for a dwelling in the future, an expectation that would be contrary to bushfire planning policy objectives. 3. Council seek urgent clarification 	<p>Chief Executive Officer</p>	<p>In progress</p> <p>Relevant document is being prepared and clarification is being sought as per resolution.</p>
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**ACTION SHEET
FROM 28 AUGUST 2024 ORDINARY COUNCIL MEETING**

	from the CFA regarding the objection to this subdivision application, given that no dwelling is proposed and the applicant is agreeable to a 173 Agreement would be in place.		
12.2	<p><u>Towong Planning Scheme Review</u></p> <p>That:</p> <ol style="list-style-type: none"> 1. Council notes and forwards the Towong Planning Scheme Review June 2024 to the Minister for Planning in accordance with Section 12B (5) of the Planning and Environment Act 1987; 2. Adopts the Towong Shire Settlement and Rural Planning Report August 2024; 3. Prepares and exhibits a planning scheme amendment to implement the Planning Scheme Review June 2024 and Towong Shire Settlement and Rural Planning Report August 2024 into the Towong Planning Scheme; and 4. The Chief Executive Officer be authorised to make any further changes to the amendment (and the Strategy and Ordinance) to comply with the Minister for Planning’s authorisation conditions. 	Chief Executive Officer	In progress
14.1	<p><u>Mount Elliot Masterplan Public Exhibition</u></p> <p>That:</p>	Economic Development	Complete

**ACTION SHEET
FROM 28 AUGUST 2024 ORDINARY COUNCIL MEETING**

	<ol style="list-style-type: none"> 1. The Chief Executive Officer be authorised to make the draft Mount Elliot Adventure Park Masterplan available for public inspection and invite submissions, with submissions closing at 5 pm on Sunday 15 October 2024; and 2. At the Council Meeting on 27 November 2024: <ol style="list-style-type: none"> a. Any submissions in relation to the proposed draft Mount Elliot Adventure Park Masterplan be considered; b. Any person or their representative who wishes to speak in support of their submission be heard; and c. The proposed draft Mount Elliot Adventure Park Masterplan be considered for adoption. 	Officer Tourism.	
18.1	<p><u>Policies for Adoption</u></p> <p>That the Procurement Policy as amended and presented be adopted, with the Chief Executive Officer authorised to make minor administrative changes where necessary.</p>	Coordinator Governance and Compliance	Complete
18.1	<p><u>Policies for Review</u></p> <p>That the policies tabled for review be noted.</p>	Coordinator Governance and Compliance	Complete
18.1	<p><u>Prequalified Suppler Panel – Recommendation of approval of supplier</u></p> <p>That Council approve the inclusion of</p>	Chief Executive Officer	Complete

**ACTION SHEET
FROM 28 AUGUST 2024 ORDINARY COUNCIL MEETING**

	Tallangatta Construction & Maintenance Pty Ltd (TCM) on the Prequalified Supplier Panel.		
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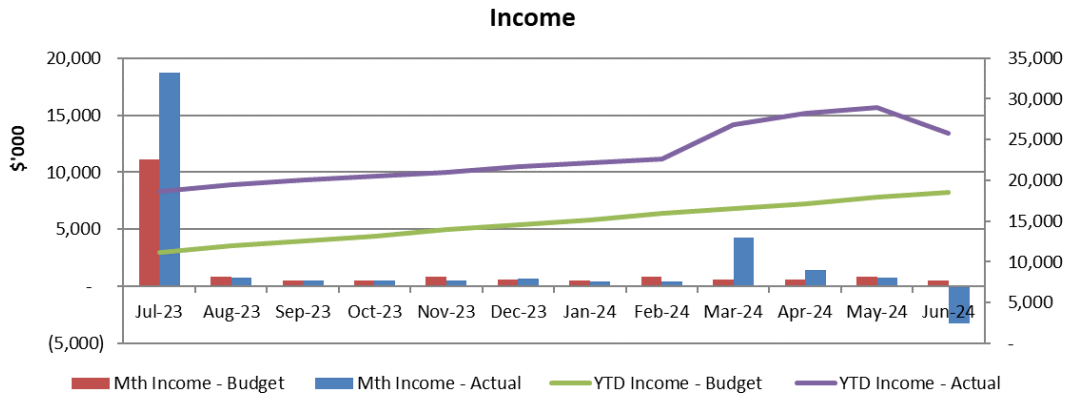
Quarterly Budget Report as at 30 June 2024

SUMMARY INCOME STATEMENT

	ACTUAL (YTD)	ADOPTED BUDGET 2023/24	%
Income			
Rates & Charges	10,566,343	10,575,000	100%
Statutory Fees & Fines	308,878	338,000	91%
User Fees	1,251,038	1,252,000	100%
Grants - Operating	3,245,922	3,770,000	86%
Grants - Capital	5,268,525	1,166,000	452%
Contributions - Monetary	72,481	-	
Net Gain / Loss on PIPE	16,429	-	
Fair Value Adjustment to Investment Properties	25,000	-	
Other Income	4,991,038	1,438,000	347%
Total Income	25,745,655	18,539,000	139%
Expenses			
Employee Costs	10,485,362	11,214,000	94%
Material and Services	10,618,579	9,322,000	114%
Depreciation	6,831,277	5,075,000	135%
Finance Costs	22,970	14,000	164%
Other Expenses	259,378	236,000	110%
Total Expenses	28,217,565	25,861,000	109%
Surplus / Deficit	(2,471,910)	(7,322,000)	



INCOME



Notes:

Income for the year was \$25.8M which is \$7.2M in excess of the budget of \$18.5M. Income for the quarter ending 30 June 2024 was \$3.05M (excluding grants due to year end adjustments) made up of:

- \$400K in user fees
- \$276K in rates and charges
- \$1.1M in investment income

Rates and Charges and User Fees landed close to budget for the year, with only a minor variance in estimated revenue in lieu of rates. Uther income was greater than the budget in due to:

- unexpended cash balances continuing to generate high interest returns;
- \$1.5M of insurance settlement income not budgetted;
- \$990K of disaster recovery funding that was not budgetted;

The insurance and disaster recovery income was not budgetted as there was insufficient certainty at the time of completing budgets that this income would be received.

The shortfall in reaching the budget for Statutory fees and Fines was due to lower than expected income from planning, however total income for these items was up 3% on the prior year.

GRANT INCOME



	Note	Jun-24	YTD	YTD	YTD	YTD	2023/24	2023/24
		(Actual)	(Actual)	(Budget)	(Variance)	(Variance)	Full Year	Full Year
		\$'000	\$'000	\$'000	\$'000	%	\$'000	%
Recurrent	1	261	4,024	3,769	255	7%	3,769	107%
Non-Recurrent	2	(5,177)	4,490	1,167	3,323	285%	1,167	385%
Total		(4,916)	8,514	4,936	3,578	72%	4,936	172%

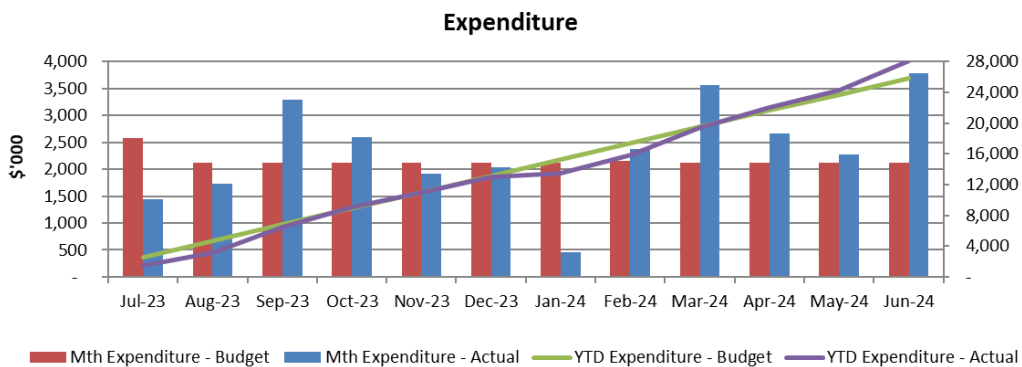
(note - this data excludes the impact of the reversal of year end journal adjustments)

Notes:

Of the recurrent grants, the Financial Assistance Grant (FAGS) for 2023/24 was included in the budget to be received in this financial year. 100% of this grant was paid to Council in June 2023, and therefore recognised as income in the 2022/23 financial year. The majority of 2024/25 FAGS was received in first week of July 2024 and therefore will be treated as income during 2024/25 giving us a more accurate picture.

The non-recurrent grant income is over budget predominantly due to the recognition of the income from grants received in prior years that are expended over multiple years. Estimating the timing of income recognition of large grants is always uncertain. The recognition of the income typically matches the timing of the expenditure of those grant funds, which represents the completion of the activity to which the grant relates.

EXPENDITURE



Notes:

Operating expenditure for the quarter ending 30 June 2024 was \$8.7M. The total year to date expenditure was \$28M compared to the budget of \$26M. The year to date expenditure includes depreciation of \$6.8M which is \$1.75M higher than budget.

Significant expenditure this quarter included:

- \$3.3M in material and services



- \$3M in employee costs

Our Equivalent Full Time (EFT) staffing level at 30 June 2024 was 110 compared to the annual budget of 125 FTE. Vacant positions include:

- Library Customer Service Officer (filled August 2024)
- School Crossing Supervisor (filled August 2024)
- Early Years/Kindergarten/Preschool/OSHC Educator – Multiple Roles (partially filled and remains ongoing).

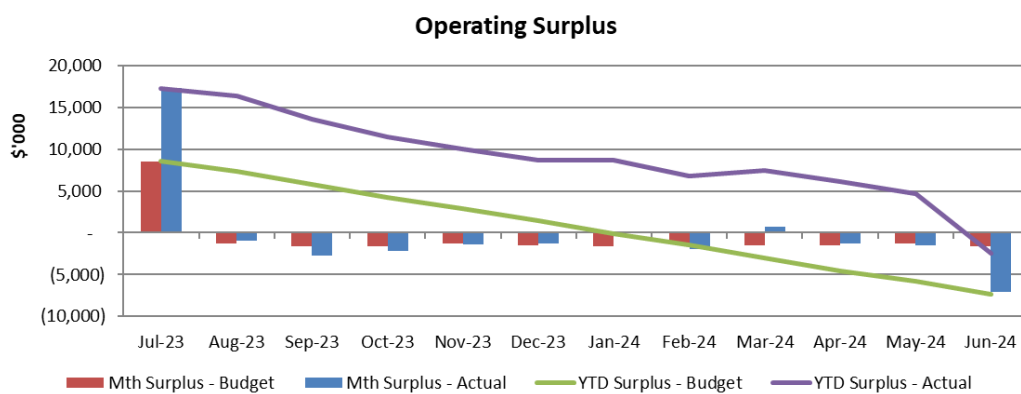
To year end, expenditure on employee costs was 6% lower than the adopted 2023/24 budget.



OPERATING RESULT

The above review of income and expenditure explains the operating result shown below. The result for the year was a deficit of \$1.5M compared to the budgeted deficit of \$7M. In summary, expenditure exceeded budget by \$2M and income exceeded budget by \$7M.

	Note	Jun-24 (Actual) \$'000	Jun-24 (Budget) \$'000	YTD (Actual) \$'000	YTD (Budget) \$'000	YTD (Variance) \$'000	YTD (Variance) %	2023/24 Full Year (Budget) \$'000	2023/24 Full Year (Achieved) %
Income	1	(3,273)	547	25,729	18,541	7,188	39%	18,541	139%
Expenditure	2	3,786	2,113	28,132	25,861	(2,271)	-9%	25,861	109%
Surplus/ (Deficit)		(7,059)	(1,566)	(2,403)	(7,320)	4,917	(67%)	(7,320)	33%



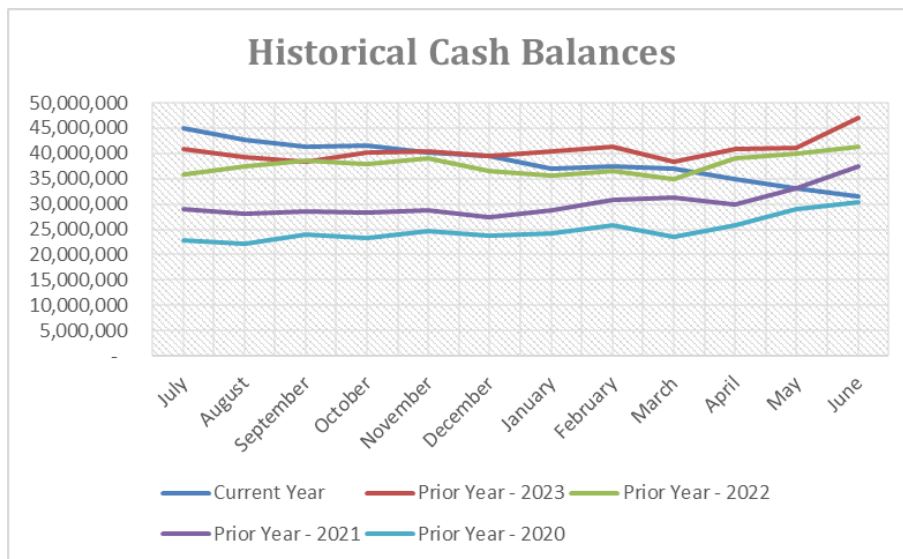


CASH POSITION

Total cash and investments as at 30 June 2024 was **\$31.61M**

Current 12 Month Term Deposit Interest Yield: 4.70% p.a

Current Cash & Investments (\$M)	
Total Cash	\$ 5,077
Total Investments < 12 months	\$ 26,536
Total Investments > 12 months	\$ -
	\$ 31,613
Interest Received YTD (\$,000)	\$ 1,836

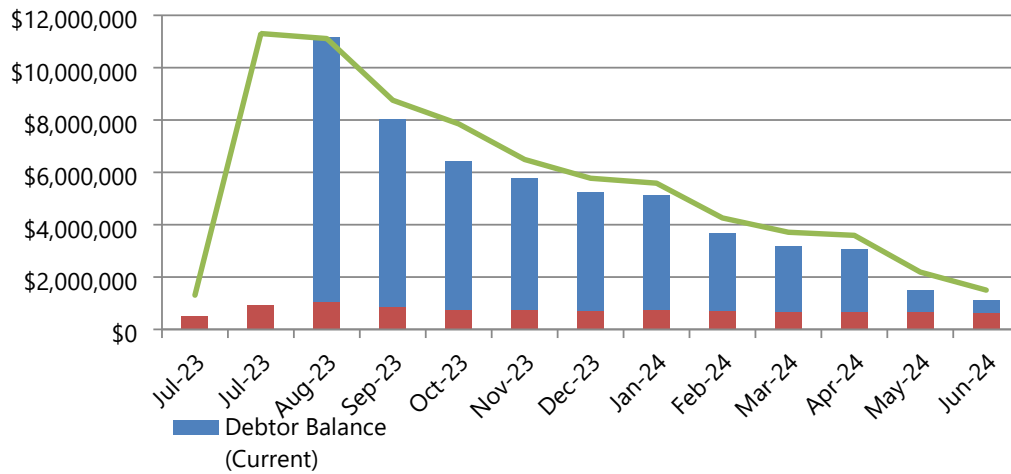




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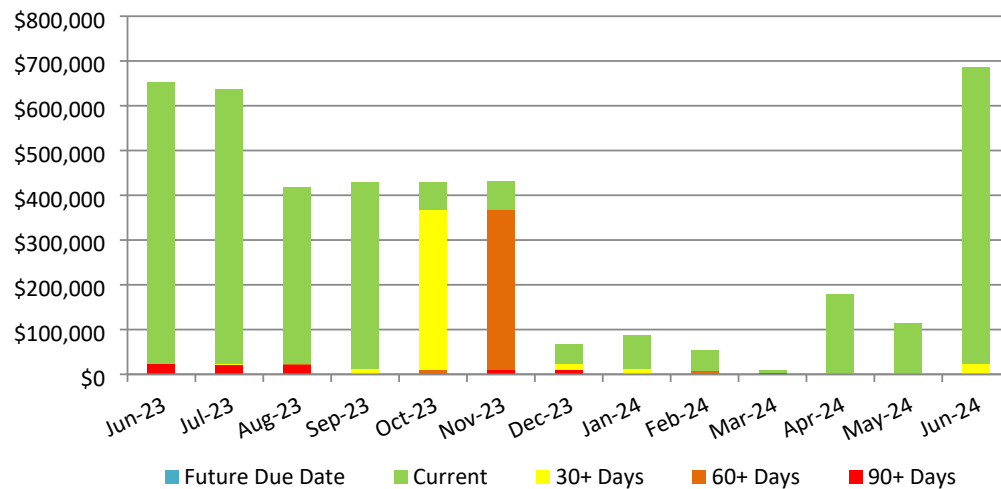
Rates debtors

Rates debtors reduced from \$3.8M in March to \$1.5M at the end of June with the prior year arrears accounting for \$568K (38% of total rates debts).



Sundry Debtors

The Sundry Debtors outstanding at year end is at its highest amount for the year and includes accrual of the AGL Revenue in Lieu of Rates invoice as well as milestone grant invoices raised in June.



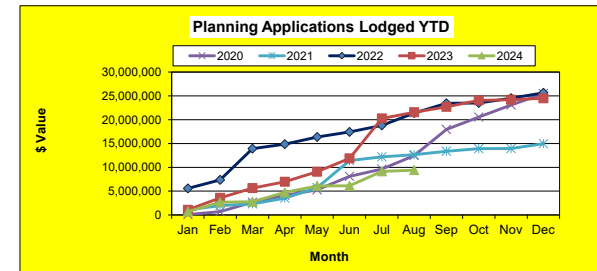
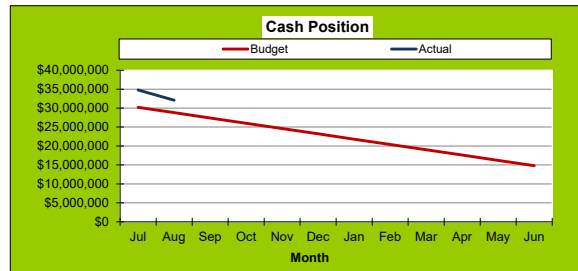
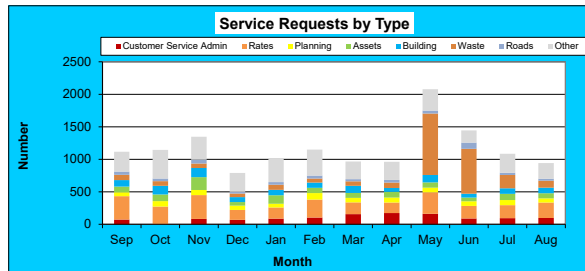
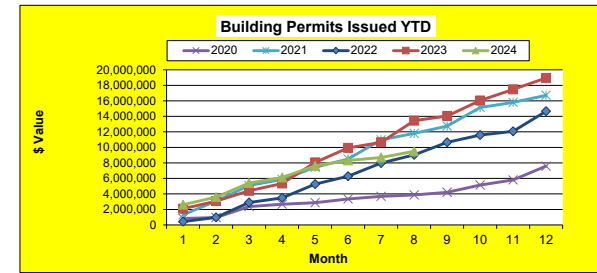
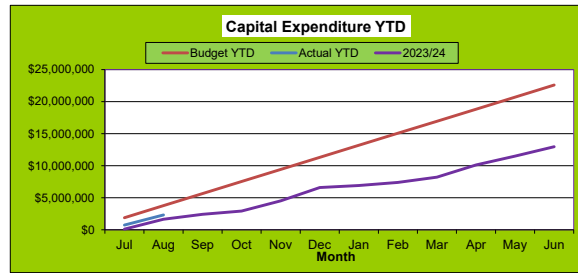
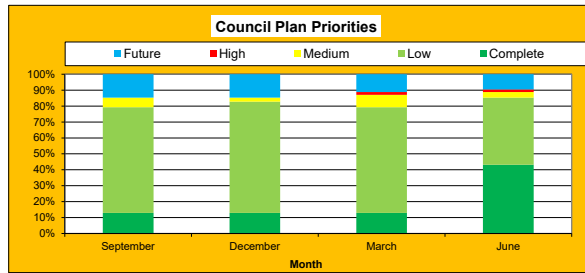
Sundry Debtors



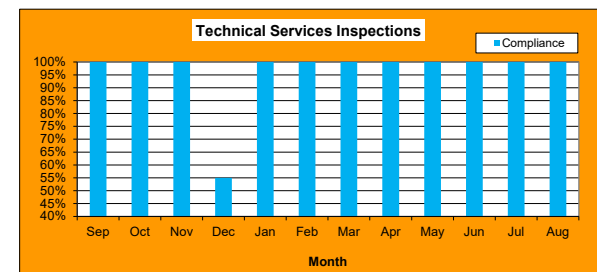
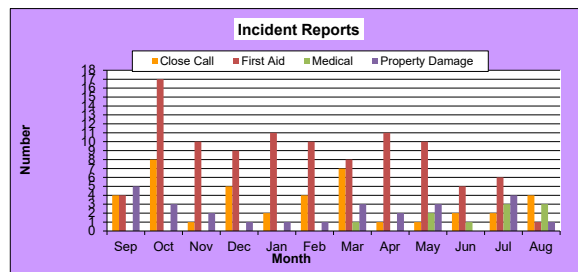
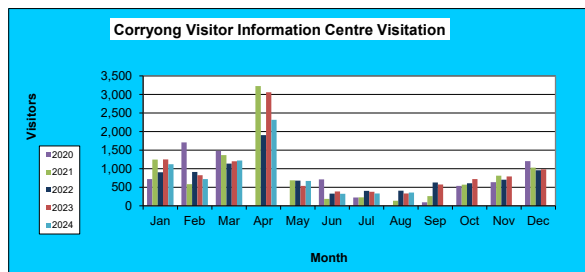
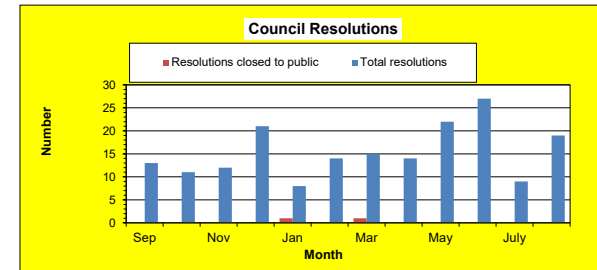
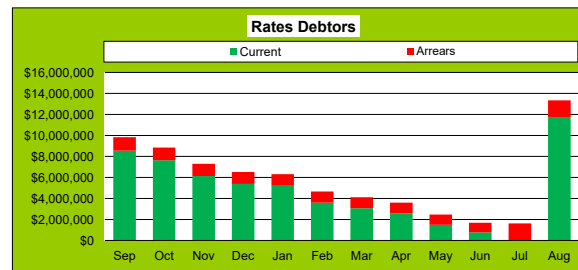
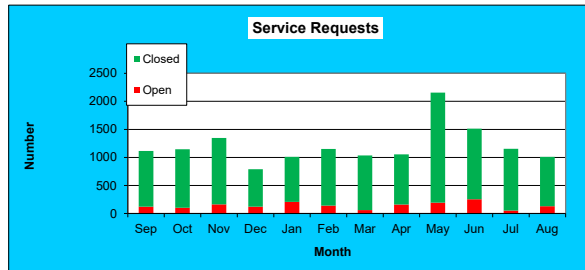
CAPITAL WORKS

June 2024 Capital Works Quarterly Budget is prepared and presented separately in a Capital Works report to Council which is presented bi-monthly.

Quarterly Performance Graphs



Note: Due to a reporting error, SR data for November is currently unavailable



Towong Shire Council
ANNUAL FINANCIAL REPORT
For the Year Ended 30 June 2024

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Certification of the Financial Statements

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, the Australian Accounting Standards and other mandatory professional reporting requirements.

Narelle Taylor
Principal Accounting Officer

Dated : <Date>
Tallangatta

In our opinion, the accompanying financial statements present fairly the financial transactions of the Towong 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.

Andrew Whitehead
Councillor
Dated : <Date>
Tallangatta

Denise Anderson
Councillor
Dated : <Date>
Tallangatta

Juliana Phelps
Chief Executive Officer
Dated : <Date>
Tallangatta

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Comprehensive Income Statement For the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income / Revenue			
Rates and charges	3.1	10,568	10,005
Statutory fees and fines	3.2	310	300
User fees	3.3	1,250	1,180
Grants - operating	3.4	3,245	12,648
Grants - capital	3.4	5,269	5,762
Contributions - monetary	3.5	72	22
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	16	(430)
Fair value adjustments for investment property	6.3	25	75
Other income	3.7	4,991	2,721
Total income / revenue		25,746	32,283
Expenses			
Employee costs	4.1	10,485	9,916
Materials and services	4.2	10,615	9,606
Depreciation	4.3	6,832	5,959
Depreciation - right of use assets	4.4	-	52
Borrowing costs	4.5	23	17
Other expenses	4.6	263	238
Total expenses		28,218	25,788
Surplus/(deficit) for the year		(2,472)	6,495
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	6.2	913	24,713
Items that may be reclassified to surplus or deficit in future periods			
Total other comprehensive income		913	24,713
Total comprehensive result		(1,559)	31,208

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 (a)	5,052	13,510
Trade and other receivables	5.1 (c)	3,327	2,949
Other financial assets	5.1 (b)	26,536	31,500
Inventories	5.2 (a)	464	576
Prepayments	5.2 (b)	66	52
Non-current assets classified as held for sale	6.1	62	-
Other assets	5.2 (b)	1,223	839
Total current assets		<u>36,730</u>	<u>49,426</u>
Non-current assets			
Investments in associates, joint arrangements and subsidiaries	6.3	43	43
Property, infrastructure, plant and equipment	6.2	274,135	266,487
Investment property	6.4	1,275	1,250
Total non-current assets		<u>275,453</u>	<u>267,780</u>
Total assets		<u>312,183</u>	<u>317,206</u>
Liabilities			
Current liabilities			
Trade and other payables	5.3 (a)	2,092	1,796
Trust funds and deposits	5.3 (b)	886	1,623
Contract and other liabilities	5.3 (c)	5,426	8,479
Provisions	5.4	1,781	1,788
Total current liabilities		<u>10,185</u>	<u>13,686</u>
Non-current liabilities			
Provisions	5.4	824	788
Total non-current liabilities		<u>824</u>	<u>788</u>
Total liabilities		<u>11,009</u>	<u>14,474</u>
Net assets		<u>301,174</u>	<u>302,732</u>
Equity			
Accumulated surplus		129,403	131,875
Reserves	9.1	171,771	170,857
Total Equity		<u>301,174</u>	<u>302,732</u>

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

Towong Shire Council
2023/2024 Financial Report

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

2024	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000
Balance at beginning of the financial year		302,732	131,875	170,857
Surplus/(deficit) for the year		(2,472)	(2,472)	-
Net asset revaluation gain/(loss)	6.2	913	-	913
Balance at end of the financial year		301,174	129,403	171,771

2023		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000
Balance at beginning of the financial year		271,524	125,380	146,144
Surplus/(deficit) for the year		6,495	6,495	-
Net asset revaluation gain/(loss)	6.2	24,713	-	24,713
Balance at end of the financial year		302,732	131,875	170,857

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

Towong Shire Council
2023/2024 Financial Report

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	10,373	9,112
Statutory fees and fines	310	301
User fees	1,782	1,179
Grants - operating	2,239	16,234
Grants - capital	3,223	3,022
Contributions - monetary	51	22
Interest received	1,968	620
Other receipts	2,584	1,289
Net GST refund/payment	22	583
Employee costs	(10,469)	(9,906)
Materials and services	(10,326)	(8,411)
Trust funds and deposits repaid	(737)	1,180
Other payments	(263)	-
Net cash provided by/(used in) operating activities	9.2 <u>757</u>	15,225
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	6.2 (13,649)	(12,171)
Proceeds from sale of property, infrastructure, plant and equipment	35	294
Decrease in other financial assets	4,422	4,032
Net cash provided by/(used in) investing activities	<u>(9,192)</u>	<u>(7,845)</u>
Cash flows from financing activities		
Finance costs	(23)	(17)
Repayment of lease liabilities	-	(127)
Net cash provided by/(used in) financing activities	<u>(23)</u>	<u>(144)</u>
Net increase (decrease) in cash and cash equivalents	(8,458)	7,236
Cash and cash equivalents at the beginning of the financial year	13,510	6,274
Cash and cash equivalents at the end of the financial year	5,052	13,510
Financing arrangements	5.5	

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		71	-
Land improvements		912	-
Total land		<u>983</u>	<u>-</u>
Buildings			
Building improvements		1,178	663
Site Improvements		-	3,019
Total buildings		<u>1,178</u>	<u>3,682</u>
Total property		<u>2,161</u>	<u>3,682</u>
Plant and equipment			
Plant, machinery and equipment		457	942
Computers and telecommunications		24	101
Library books		11	18
Total plant and equipment		<u>492</u>	<u>1,061</u>
Infrastructure			
Roads		6,568	4,515
Bridges		569	1,123
Footpaths and cycleways		1,082	194
Drainage		72	-
Recreational, leisure and community facilities		176	-
Waste management		258	11
Parks, open space and streetscapes		2,031	1,585
Other infrastructure		241	-
Total infrastructure		<u>10,996</u>	<u>7,428</u>
Total capital works expenditure		<u>13,649</u>	<u>12,171</u>
Represented by:			
New asset expenditure		2,570	2,545
Asset renewal expenditure		4,035	2,695
Asset upgrade expenditure		7,044	6,931
Total capital works expenditure		<u>13,649</u>	<u>12,171</u>

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

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

Note 1 OVERVIEW

Introduction

Towong Shire Council was established by an Order of the Governor in Council on 18 November 1994 and is a body corporate. The Council's main office is located at 32 Towong Street, Tallangatta, Victoria.

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

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.4)
- the determination of landfill provisions (refer to Note 5.4)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- other areas requiring judgements

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

Goods and Services Tax (GST)

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

1.2 Impact of Covid-19

Council has determined that the initial Covid-19 outbreak in the 2020/21 and 2021/22 financial years is no longer impacting Council's operations. There are no observable financial impacts on Council's operations.

Towong Shire Council

2023/2024 Financial Report

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 the lower of 10 percent or \$100,000, where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

2.1.1 Income / Revenue and expenditure

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
Income / Revenue					
Rates and charges	10,575	10,568	(7)	0%	
Statutory fees and fines	338	310	(28)	-8%	1
User fees	1,252	1,250	(2)	0%	
Grants - operating	3,770	3,245	(525)	-14%	2
Grants - capital	1,166	5,269	4,103	352%	3
Contributions - monetary	-	72	72	0%	4
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	16	16	0%	5
Fair value adjustments for investment property	-	25	25	0%	6
Share of net profits/(losses) of associates and joint ventures	-	-	-	0%	
Other income	1,438	4,991	3,553	247%	7
Total income / revenue	18,539	25,746	7,207	39%	
Expenses					
Employee costs	11,214	10,485	(729)	-7%	8
Materials and services	9,322	10,615	1,293	14%	9
Depreciation	5,075	6,832	1,757	35%	10
Borrowing costs	14	23	9	0%	
Other expenses	236	263	27	11%	11
Total expenses	25,861	28,218	2,357	9%	
Surplus/(deficit) for the year	(7,322)	(2,472)	4,850	-66%	

Towong Shire Council
2023/2024 Financial Report

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

(i) Explanation of material variations

1	Statutory fees and fines	Town planning fees down \$30K on budget of \$122K.
2	Grants - operating	The timing of payment of the Financial Assistance Grant contributed to the shortfall against budget. The majority of the grant amount was received by Council in the last week of the 2022/23 financial year and therefore recognised as income in the prior year.
3	Grants - capital	Higher than budget due to awarding of capital grants during year not previously anticipated.
4	Contributions - monetary	\$50K donation received for playground works and \$22K of further contributions that were not budgeted for.
5	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Overall profit made on trade in of fleet vehicles. Small loss on demolition of council building, neither were budgeted for.
6	Fair value adjustments for investment property	Increase in valuation of Council investment properties, not budgeted for.
7	Other income	Insurance reimbursements and disaster funding were \$2.9M both of which were unbudgeted for. Interest income was \$1.9M.
8	Employee costs	Employee costs were well under budget by \$728K due to inability to fill vacant positions.
9	Materials and services	Overall expenses in this category was naturally higher than budget due to expenditure that was incurred in relation to funding grants not previously budgeted or anticipated for. High contributors to this item were road maintenance (\$753,000) garbage and waste collection, contractors and events (\$352,664). One reason for higher contractor costs is due to unfulfilled employment positions.
10	Depreciation	Capital costs were less than forecasted at time of budget preparation, which contributed to an onflow of higher depreciation costs being shifted into the next year.
11	Other expenses	Audit fees in relation to 2022/23 received during the year accounted for small variance over budget.

Towong Shire Council
2023/2024 Financial Report

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					
Land	-	71	71	0%	1
Land improvements	-	912	912	0%	2
Total land	-	982	983	0%	
Buildings					
Building improvements	2,022	1,178	(844)	-42%	3
Total buildings	2,022	1,178	(844)	-42%	
Total property	2,022	2,160	139	7%	
Plant and equipment					
Plant, machinery and equipment	2,605	457	(2,148)	-82%	4
Computers and telecommunications	-	24	24	0%	
Library books	-	11	11	0%	
Total plant and equipment	2,605	491	(2,113)	-81%	
Infrastructure					
Roads	11,939	6,568	(5,371)	-45%	5
Bridges	1,169	569	(600)	-51%	6
Footpaths and cycleways	3,093	1,082	(2,011)	-65%	7
Drainage	-	72	72	0%	
Recreational, leisure and community facilities	-	176	176	0%	8
Waste management	-	258	258	0%	9
Parks, open space and streetscapes	5,023	2,031	(2,992)	-60%	10
Other infrastructure	1,754	241	(1,513)	-86%	11
Total infrastructure	22,978	10,998	(11,981)	-52%	
Total capital works expenditure	27,605	13,649	(13,955)	-51%	
Represented by:					
New asset expenditure	27,605	2,570	(25,035)	-91%	
Asset renewal expenditure	-	4,035	4,035	0%	
Asset upgrade expenditure	-	7,044	7,044	0%	
Total capital works expenditure	27,605	13,649	(13,956)	-51%	

Towong Shire Council

2023/2024 Financial Report

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

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Unbudgeted additional costs incurred towards land component of the Corryong Stock Route (\$71,000).
2	Land Improvements	Corryong Circuit Trail (\$437,000) was incurred as a result of allocation of the Local Roads Community Infrastructure Program funding as well as Weighbridge Corryong (\$475,000)
3	Building improvements	Additional fundings allowed us to expend on works towards public toilet blocks (\$277,000), Cemetery Works (\$19,000), Walwa Recreation Reserve (\$587,000) and various Building Renewals \$234,000). Due to resource constraints, overall expenditure was down on budget and has been carried forward.
4	Plant, machinery and equipment	Expenditure on upgrading aging Council fleet (\$108,000) and Plant replacements (\$345,000). Remaining budget carried forward into next financial year due to resource constraints.
5	Roads	Resourcing constraints hampered the achievement of the budgets with the deficit carried forward however works were achieved towards Corryong Stock Route, various reseal, digouts and major patching programs.
6	Bridges	Half of the budget achieved with remaining carried forward. Major works incurred on Bridge Replacement works at Smythes Road, Little Snowy Creek and McHargs Bridge.
7	Footpaths and cycleways	Funding towards Great River Road Stage 2 allowed for works to progress as well as Bellbridge Walking Path, Tallangatta Creek Crossings. Delays on projects shifted the costs forward into the new year as carried forward works due to actual expenditure being down on budget.
8	Recreational, leisure and community facilities	Grant funds were received for the works on Playles Hill allowing for works to commence. There weren't previously budget for due to the successful grant application not having been announced at time of budget.
9	Waste management	Retaining Wall at both Corryong and Tallangatta Transfer Stations commenced during year in response to unbudgeted grant funding received.
10	Parks, open space and streetscapes	Continuing resourcing constraints delayed important project works, however major expenditure included Cudgewa Avenue of Honour, Corryong CBD Revitalisation, Roy Williams Park, Corryong Skate Park, Mitta Streetscaes and Dartmouth Splash Park.
11	Other infrastructure	Unfinished works carried forward, however completed works included Bellbrige Early Years Building Blocks and minor projects on playground works.

Towong Shire Council

2023/2024 Financial Report

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 Asset Management

Maintain and improve our Shire's infrastructure to meet the levels of service established in consultation with our communities.

Community Wellbeing

Encourage and support all people in our Shire to be healthy, happy, connected and resilient.

Economic and Tourism Development

Expand economic and employment opportunities across our Shire in a sustainable way.

Land-use Planning

Ensure that Council's planning, building and environmental health services support all aspects of liveability and sustainable population growth.

Environmental Sustainability

Integrate sustainable environmental management practices into all of our activities.

Organisational Improvement

Maintain a high performing customer-centred organisation that works with the community to develop and deliver priorities.

Relief and Recovery

Coordinate services to meet the relief and recovery needs of our communities following the 2019/20 bushfires.

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

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

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Asset Management	5,558	14,226	(8,668)	5,353	238,298
Community Wellbeing	3,075	3,933	(858)	2,093	13,399
Economic & Tourism Development	152	1,019	(867)	130	8,648
Land-use Planning	258	1,025	(767)	6	-
Environmental Sustainability	3,041	2,504	537	38	1,831
Organisational Improvement	12,989	4,154	8,835	228	49,940
Relief & Recovery	673	1,357	(684)	666	67
	25,746	28,218	(2,472)	8,514	312,183

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Asset Management	8,562	13,065	(4,503)	8,561	238,820
Community Wellbeing	3,900	3,234	667	2,995	14,215
Economic & Tourism Development	453	588	(135)	423	9,175
Land-use Planning	302	881	(579)	44	-
Environmental Sustainability	790	2,085	(1,296)	537	1,943
Organisational Improvement	16,422	4,612	11,811	4,875	52,982
Relief & Recovery	1,853	1,322	531	974	71
	32,282	25,787	6,496	18,409	317,206

Towong Shire Council

2023/2024 Financial Report

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

Note 3 FUNDING FOR THE DELIVERY OF OUR SERVICES

	2024	2023
3.1 Rates and charges	\$'000	\$'000

Council uses capital improved values (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and capital improvements on the land.

The valuation base used to calculate general rates for 2023/24 was \$3,545 (2022/23 \$2,663 million). The 2023/24 rate in the CIV dollar was .1811 cents to .7243 (2022/23 .2426 cents to .9702 cents).

General rates	7,008	6,804
Municipal charge	1,315	1,274
Kerbside collection charge	1,506	1,200
Waste Facilities management charge	404	403
Revenue in lieu of rates	334	324
Total rates and charges	10,568	10,005

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 2023.

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

3.2 Statutory fees and fines

Infringements and costs	20	18
Health Registration Fees	27	25
Town planning fees	94	105
Land information certificates	10	10
Permits	158	142
Total statutory fees and fines	310	300

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

Children's program fees	908	841
External private works	-	1
Refuse disposal fees	111	165
Saleyard dues	16	18
Septic tank fees	24	22
Swimming pool fees	39	45
Other fees and charges	152	88
Total user fees	1,250	1,180

User fees by timing of revenue recognition

User fees recognised over time	-	-
User fees recognised at a point in time	1,250	1,180
Total user fees	1,250	1,180

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.

Towong Shire Council

2023/2024 Financial Report

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

	2024 \$'000	2023 \$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	3,002	8,877
State funded grants	5,512	9,533
Total grants received	8,514	18,410
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants - General Purpose	163	4,756
Financial Assistance Grants - Local Roads	100	2,786
Recurrent - State Government		
Family & Children	1,304	1,001
Community	120	119
Emergency Services	-	60
School Crossing Supervisors	15	14
Total recurrent operating grants	1,702	8,736
Non-recurrent - Commonwealth Government		
Economic development	81	44
Non-recurrent - State Government		
Community	273	572
Family and children	363	524
Infrastructure	-	215
Environment	38	-
Recreation	-	22
Waste	20	20
Bushfire relief & recovery	524	1,711
Economic development	54	280
Information Technology	-	23
Emergency Support	190	500
Total non-recurrent operating grants	1,543	3,912
Total operating grants	3,245	12,648
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	2,322	1,232
Total recurrent capital grants	2,322	1,232
Non-recurrent - Commonwealth Government		
Infrastructure	336	-
Non-recurrent - State Government		
Other Infrastructure	2,611	4,530
Total non-recurrent capital grants	2,947	4,530
Total capital grants	5,269	5,762

Towong Shire Council

2023/2024 Financial Report

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

(c) Recognition of grant income

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

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

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

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

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

General purpose	4,827	7,601
Specific purpose grants to acquire non-financial assets	-	-
Other specific purpose grants	402	8,249

Revenue recognised under AASB 15 Revenue from Contracts with Customers

Specific purpose grants	3,286	2,559
	<u>8,514</u>	<u>18,410</u>
	2024	2023
	\$'000	\$'000

(d) Unspent grants received on condition that they be spent in a specific manner**Operating**

Balance at start of year	4,395	-
Received during the financial year and remained unspent at balance date	23	-
Received in prior years and spent during the financial year	(1,182)	-
Balance at year end	<u>3,236</u>	<u>-</u>

Capital

Balance at start of year	5,939	-
Received during the financial year and remained unspent at balance date	463	-
Received in prior years and spent during the financial year	(4,196)	-
Balance at year end	<u>2,206</u>	<u>-</u>

Unspent grants are determined and disclosed on a cash basis.

	2024	2023
	\$'000	\$'000
3.5 Contributions		
Monetary	72	22
Non-monetary	-	-
Total contributions	<u>72</u>	<u>22</u>

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

Proceeds of sale	35	132
Written down value of assets disposed	(19)	(562)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>16</u>	<u>(430)</u>

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

Towong Shire Council

2023/2024 Financial Report

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

3.7 Other income

Interest	1,875	1,301
Interest on rates	153	131
Shared services	114	89
Other rent	157	142
Insurance reimbursement	1,589	875
Disaster recovery funding arrangements	996	68
Other	107	115
Total other income	<u>4,991</u>	<u>2,721</u>

Interest is recognised as it is earned.

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

Towong Shire Council

2023/2024 Financial Report

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	8,221	7,898
WorkCover	219	182
Annual leave and long service leave	1,076	930
Superannuation	956	888
Fringe benefits tax	14	18
Total employee costs	10,485	9,916
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	27	32
Employer contributions - other funds	-	-
	27	32
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	312	306
Employer contributions - other funds	722	499
	1,034	805
Employer contributions payable at reporting date.	117	129

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

4.2 Materials and services

Materials and services	4,016	4,146
Contract payments	3,541	2,479
Maintenance-buildings, towns, parks and gardens	2,016	2,028
Plant and equipment maintenance	826	780
Utilities	216	173
Total materials and services	10,615	9,606

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

4.3 Depreciation

Property	1,249	1,069
Plant and equipment	827	761
Infrastructure	4,756	4,129
Total depreciation	6,832	5,959

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

Towong Shire Council
2023/2024 Financial Report

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

	2024 \$'000	2023 \$'000
4.4 Depreciation - Right of use assets		
Vehicles	-	52
Total Depreciation - Right of use assets	<u>-</u>	<u>52</u>
4.5 Borrowing costs		
Bank Fees	23	17
Less capitalised borrowing costs on qualifying assets	-	-
Total borrowing costs	<u>23</u>	<u>17</u>
<p>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.</p>		
4.6 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	72	44
Councillors' allowances	191	194
Total other expenses	<u>263</u>	<u>238</u>

Towong Shire Council

2023/2024 Financial Report

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

Note 5 INVESTING IN AND FINANCING OUR OPERATIONS	2024	2023
5.1 Financial assets	\$'000	\$'000
(a) Cash and cash equivalents		
Cash on hand	1	1
Cash at bank	499	5,079
Money market call accounts	4,553	8,430
Total cash and cash equivalents	5,052	13,510
(b) Other financial assets		
Current		
Term deposits - current	26,536	31,500
Total current other financial assets	26,536	31,500
Total other financial assets	26,536	31,500
Total cash and cash equivalents and other financial assets	31,588	45,010

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

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

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

Towong Shire Council
2023/2024 Financial Report

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

	2024	2023
	\$'000	\$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	1,599	1,375
Walwa Waste Water Supply debtors scheme	69	69
Fire Service Property Levy debtors	189	158
<i>Other debtors</i>		
Sundry Debtors	704	652
Net GST receivable	766	695
Total current trade and other receivables	<u>3,327</u>	<u>2,949</u>
Non-current		
<i>Statutory receivables</i>		
Total non-current trade and other receivables	<u>-</u>	<u>-</u>
Total trade and other receivables	<u>3,327</u>	<u>2,949</u>

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

(d) Ageing of Receivables

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

Current (not yet due)	679	629
Past due by up to 30 days	2	1
Past due between 31 and 180 days	23	1
Past due between 181 and 365 days	-	21
Past due by more than 1 year	<u>-</u>	<u>-</u>
Total trade and other receivables	<u>704</u>	<u>652</u>

Towong Shire Council

2023/2024 Financial Report

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

5.2 Non-financial assets	2024	2023
(a) Inventories	\$'000	\$'000
Inventories held for distribution	464	576
Total inventories	464	576

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	66	52
Accrued Income	1,223	839
Total other assets	1,289	891

Towong Shire Council

2023/2024 Financial Report

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

	2024	2023
5.3 Payables, trust funds and deposits and contract and other liabilities	\$'000	\$'000
(a) Trade and other payables		
Current		
<i>Non-statutory payables</i>		
Trade payables	1,409	1,120
Accrued wages	147	142
Accrued expenses	276	192
Other payable	218	230
PAYG payables	42	112
Total current trade and other payables	2,092	1,796
 (b) Trust funds and deposits		
Current		
Refundable deposits	38	40
Fire services levy	310	1,126
Retention amounts	538	457
Other refundable deposits	-	-
Total current trust funds and deposits	886	1,623
 (c) Contract and other liabilities		
Contract liabilities		
Current		
Grants received in advance - operating	3,237	5,869
Grants received in advance - capital	2,189	2,610
Other	-	-
Total contract liabilities	5,426	8,479

Trust funds and deposits

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

Contract liabilities

Contract liabilities reflect consideration received in advance from customers in respect of grant funding to deliver specified works on behalf of the funding body. Grants received in advance for capital and operating projects are to be recognised when the specific obligations for the grant agreement have been fulfilled. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Purpose and nature of items

Refundable Deposits - Council holds deposits on behalf of customers for use of Council assets and refunds once obligations are fulfilled.

Fire Services Property 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.

Towong Shire Council

2023/2024 Financial Report

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

5.4 Provisions

	Employee	Landfill restoration	Total
	\$ '000	\$ '000	\$ '000
2024			
Balance at beginning of the financial year	1,835	741	2,576
Additional provisions	979	-	979
Amounts used	(919)	(31)	(950)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-
Balance at the end of the financial year	1,895	710	2,605
<i>Provisions - current</i>	1,668	113	1,781
<i>Provisions - non-current</i>	227	597	824
2023			
Balance at beginning of the financial year	1,835	859	2,694
Additional provisions	888	-	888
Amounts used	(888)	(118)	(1,006)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-
Balance at the end of the financial year	1,835	741	2,576
<i>Provisions - current</i>	1,673	115	1,788
<i>Provisions - non-current</i>	162	626	788

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

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

	2024	2023
	\$'000	\$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	548	668
Long service leave	181	92
Flexi time	77	86
	<u>806</u>	<u>846</u>
Current provisions expected to be wholly settled after 12 months		
Annual leave	137	-
Long service leave	725	827
	<u>862</u>	<u>827</u>
Total current employee provisions	<u>1,668</u>	<u>1,673</u>
Non-current		
Long service leave	227	162
Annual leave	-	-
Total non-current employee provisions	<u>227</u>	<u>162</u>
Aggregate carrying amount of employee provisions:		
Current	1,668	1,673
Non-current	227	162
Total aggregate carrying amount of employee provisions	<u>1,895</u>	<u>1,835</u>

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

Annual leave

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

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

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

Long service leave

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

Key assumptions:

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

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

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

	2024	2023
	\$'000	\$'000
(b) Landfill restoration		
Current	113	115
Non-current	597	626
	710	741

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

Key assumptions:

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

5.5 Financing arrangements

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

Bank guarantees (Westpac Banking Corporation)	146	193
Credit card facilities (Westpac Banking Corporation)	25	25
Total facilities	171	218
Used facilities	152	202
Unused facilities	19	16

Towong Shire Council

2023/2024 Financial Report

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

5.6 Commitments

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

(a) Commitments for expenditure

2024	Not later than	Later than 1	Later than 2	Later than 5	Total
	1 year	year and not later than 2 years	years and not later than 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Landfill site lease	44	-	-	-	44
Garbage Management	913	940	2,993	1,966	6,812
Total	957	940	2,993	1,966	6,856
Capital					
Bridges	547	-	-	-	547
Roads	196	-	-	-	196
Parks and Open Space	267	-	-	-	267
Total	1,010	-	-	-	1,010
2023					
	Not later than	Later than 1	Later than 2	Later than 5	Total
	1 year	year and not later than 2 years	years and not later than 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Landfill site lease	41	44	-	-	85
Recycling management	40	-	-	-	40
Corryong CBD plant works	101	-	-	-	101
Total	182	44	-	-	226
Capital					
Storm damage rehabilitation works	464	-	-	-	464
Flood damage repairs	138	-	-	-	138
Roads (Line marking)	35	-	-	-	35
Total	637	-	-	-	637

Towong Shire Council

2023/2024 Financial Report

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

(b) Operating lease receivables

Operating lease receivables

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

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

	2024	2023
	\$'000	\$'000
Not later than one year	20	20
Later than one year and not later than five years	-	-
Later than five years	-	-
	20.00	20.00

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

Note 6 ASSETS WE MANAGE	2024	2023
6.1 Non current assets classified as held for sale	\$'000	\$'000
Cost of acquisition	62	-
Capitalised development costs (eg roads, drainage)	-	-
Borrowing costs capitalised during development	-	-
Total non current assets classified as held for sale	62	-

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

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

6.2 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2023 \$'000	Additions \$'000	Reclassifications \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	Carrying amount 30 June 2024 \$'000
Property	43,926	-	(62)	913	(1,249)	(17)	-	3,296	46,806
Plant and equipment	4,330	-	-	-	(826)	(2)	-	492	3,992
Infrastructure	209,393	-	-	-	(4,755)	-	-	12,189	216,827
Work in progress	8,838	13,649	-	-	-	-	-	(15,977)	6,510
	266,487	13,649	(62)	913	(6,830)	(19)	-	-	274,135

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Reclassifications \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	3,152	2,160	(1,585)	-	(3,296)	432
Plant and equipment	2	492	-	-	(492)	2
Infrastructure	5,683	10,997	1,585	-	(12,189)	6,076
Total	8,838	13,649	0	-	(15,977)	6,510

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

(a) Property

	Land - specialised	Land - non specialised	Total Land & Land Improvements	Buildings - specialised	Total Buildings	Work in Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	10,833	8,190	19,023	39,155	39,155	3,152	61,330
Accumulated depreciation at 1 July 2023	-	-	-	(14,252)	(14,252)	-	(14,252)
	10,833	8,190	19,023	24,903	24,903	3,152	47,078
Movements in fair value							
Additions	-	-	-	-	-	2,160	2,160
Reclassifications	-	(62)	(62)	-	-	(1,585)	(1,647)
Revaluation	-	-	-	1,066	1,066	-	1,066
Disposal	-	-	-	(124)	(124)	-	(124)
Write-off	-	-	-	-	-	-	-
Transfers	71	-	71	3,225	3,225	(3,296)	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-
	71	(62)	9	4,167	4,167	(2,720)	1,455
Movements in accumulated depreciation							
Depreciation and amortisation	-	-	-	(1,249)	(1,249)	-	(1,249)
Reclassifications	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	107	107	-	107
Revaluation	-	-	-	(153)	(153)	-	(153)
Transfers	-	-	-	-	-	-	-
	-	-	-	(1,295)	(1,295)	-	(1,295)
At fair value 30 June 2024	10,904	8,128	19,032	43,322	43,322	432	62,785
Accumulated depreciation at 30 June 2024	-	-	-	(15,547)	(15,547)	-	(15,547)
Carrying amount	10,904	8,128	19,032	27,775	27,775	432	47,238

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

(b) Plant and Equipment

	Heritage plant and equipment	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Library books	Work In Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	-	9,148	30	777	218	2	10,175
Accumulated depreciation at 1 July 2023	-	(5,136)	(24)	(569)	(114)	-	(5,843)
	-	4,012	6	208	104	2	4,332
Movements in fair value							
Additions	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Disposal	-	(101)	-	-	-	-	(101)
Write-off	-	-	-	-	-	-	-
Transfers	-	457	-	24	11	-	492
Impairment losses recognised in operating result	-	-	-	-	-	-	-
	-	356	-	24	11	-	391
Movements in accumulated depreciation							
Depreciation and amortisation	-	(687)	-	(110)	(29)	-	(826)
Accumulated depreciation of disposals	-	99	-	-	-	-	99
Impairment losses recognised in operating result	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
	-	(588)	-	(110)	(29)	-	(727)
At fair value 30 June 2024	-	9,504	30	801	229	2	10,566
Accumulated depreciation at 30 June 2024	-	(5,724)	(24)	(679)	(143)	-	(6,570)
Carrying amount	-	3,780	6	122	86	2	3,994

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

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Kerb & Channel	Waste Management	Parks open space and streetscapes	Guardrail	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	232,067	62,710	4,560	9,378	9,858	605	3,780	596	309	5,683	329,546
Accumulated depreciation at 1 July 2023	(75,243)	(25,331)	(2,246)	(4,996)	(4,901)	(411)	(880)	(292)	(170)	-	(114,470)
	156,824	37,379	2,314	4,382	4,957	194	2,900	304	139	5,683	215,076
Movements in fair value											
Additions	-	-	-	-	-	-	-	-	-	10,997	10,997
Reclassifications	-	-	-	-	-	-	193	116	(309)	1,585	1,585
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	(17)	-	-	(17)
Write-off	-	-	-	-	-	-	-	-	-	-	-
Transfers	5,858	1,358	4,574	72	-	-	81	246	-	(12,189)	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-
	5,858	1,358	4,574	72	-	-	274	345	(309)	393	12,565
Movements in accumulated depreciation											
Depreciation and amortisation	(3,305)	(517)	(168)	(94)	(108)	(148)	(397)	(18)	-	-	(4,755)
Reclassifications	-	-	-	-	-	-	(154)	(16)	170	-	(0)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	17	-	-	17
Revaluations	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
	(3,305)	(517)	(168)	(94)	(108)	(148)	(551)	(17)	170	-	(4,738)
At fair value 30 June 2024	237,925	64,068	9,134	9,450	9,858	605	4,054	941	0	6,076	342,111
Accumulated depreciation at 30 June 2024	(78,548)	(25,848)	(2,414)	(5,090)	(5,009)	(559)	(1,431)	(309)	-	-	(119,208)
Carrying amount	159,377	38,220	6,720	4,360	4,849	46	2,623	632	0	6,076	222,903

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

Acquisition

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

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

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

	Depreciation Period	Threshold Limit \$'000
<i>Asset recognition thresholds and depreciation periods</i>		
Buildings		
Buildings	50 years	5,000
Plant and Equipment		
Vehicles & Mowers	5 years	1,000
Utilities	8 years	1,000
Trucks - less than 3.5t	12 years	1,000
Trucks - greater than 3.5t	15 years	1,000
Other Plant and equipment	9 -15 years	1,000
Minor tools	3 years	1,000
Office furniture and telecommunications	3 years	1,000
Library	8 years	1,000
Infrastructure		
Bridges - deck and substructure	119 years	10,000
Bridges - added features	80 years	10,000
Bridges - major culverts	100 years	10,000
Drainage underground	100 years	10,000
Footpaths	70 years	10,000
Guardrails	40 years	10,000
Roads - kerb, channel and minor culverts and other	90 years	10,000
Roads - sealed pavements	70 years	10,000
Roads - unsealed pavements	30 years	10,000
Roads - sealed formations	200 years	10,000
Roads - unsealed formations	200 years	10,000
Sealed Surfaces (seal only)	15 years	10,000
Street lighting and streetscapes	10 years	10,000

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

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

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

Valuation of land and buildings

Valuation of land and buildings were undertaken in the 2023 financial year by Marcus Hann of LG Valuations, a qualified independent valuer. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

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

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

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Land	-	5,227	2,901	Jun-23	Full revaluation
Specialised land	-	-	10,904	Jun-23	Full revaluation
Land Improvements	-	-	-	Jun-23	Full revaluation
Heritage Buildings	-	-	-	Jun-23	Full revaluation
Buildings - Specialised	-	-	24,903	Jun-23	Full revaluation
Total	-	5,227	38,708		

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by Peter Moloney of Moloney Asset Management.

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

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

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

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Roads	-	-	159,377	Jun-23	Full revaluation
Bridges	-	-	38,220	Jun-23	Full revaluation
Footpaths and cycleways	-	-	6,720	Jun-23	Full revaluation
Drainage	-	-	4,360	Jun-22	Full revaluation
Kerb & Channel	-	-	4,849	Jun-23	Full revaluation
Waste management	-	-	-	Jun-23	Full revaluation
Parks, open space and streetscapes	-	-	-	Jun-23	Full revaluation
Guardrail	-	-	632	Jun-23	Full revaluation
Other infrastructure	-	-	-	Jun-23	Full revaluation
Total	-	-	214,158		

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

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 70% and 90%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$3,500 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$125 to \$6,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 4 years to 95 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 4 years to 74 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2024	2023
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	10,904	10,833
Total specialised land	10,904	10,833

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

	2024	2023
	\$'000	\$'000
6.3 Investments in associates, joint arrangements and subsidiaries		
(a) Investments in associates		
MomentumOne Shared Services Pty Ltd	43	43
MomentumOne Shared Services Pty Ltd		
<i>Background</i>		
Council has a 50% interest is held in MomentumOne Shared Services Pty Ltd		
Fair value of Council's investment in MomentumOne Shared Services P/L	43	43
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	43	43
Council's share of accumulated surplus(deficit) at end of year	43	43
Movement in carrying value of specific investment		
Carrying value of investment at start of year	43	43
Share of surplus(deficit) for year	-	-
Share of asset revaluation	-	-
Distributions received	-	-
Carrying value of investment at end of year	43	43

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

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

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

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

MomentumOne Shared Services Pty Ltd was established on 29 October 2015 as a joint venture between Alpine Shire Council and Towong Shire Council with each Council holding a 50% share in the company and will share 50% of the post-acquisition gains or losses.

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

6.4 Investment property	2024	2023
	\$'000	\$'000
Balance at beginning of financial year	1,250	1,175
Fair value adjustments	25	75
Balance at end of financial year	<u>1,275</u>	<u>1,250</u>

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise.

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by Marcus Hann, LG Valuation Services Pty Ltd, ABN 77 095 763 623 who has recent experience in the location and category of the properties being valued. The valuation is at fair value, based on the current market value for the properties as at 30 June 2023 and 30 June 2024.

Towong Shire Council
2023/2024 Financial Report

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

Towong Shire Council is the parent entity.

Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in Note 6.3.

(b) Key Management Personnel

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

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

Councillors	Cr Andrew Whitehead - Mayor
	Cr David Wortmann - Deputy Mayor
	Cr Denise Anderson
	Cr Peter Dikschei
	Cr Aaron Scales
	Juliana Phelps - Chief Executive Officer
	Rachael Gadd - Director Infrastructure and Environment
	Amanda Pagan - Director Community and Planning (1 July 2023 - 26 June 2024)
	Mark Florence - Interim Director Community and Planning (26 June 2024 - 30 June 2024)
	Narelle Taylor - Director Corporate and Organisational Development

	2024 No.	2023 No.
Total Number of Councillors	5	5
Total of Chief Executive Officer and other Key Management Personnel	5	6
Total Number of Key Management Personnel	10	11

(c) Remuneration of Key Management Personnel

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

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

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

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

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

	2024 \$	2023 \$
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,124	1,016
Other long-term employee benefits	6	9
Post-employment benefits	98	73
Total	1,228	1,098

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

	2024 No.	2023 No.
\$0 - \$9,999		
\$10,000 - \$19,999	-	1
\$20,000 - \$29,999	2	3
\$30,000 - \$39,999	2	-
\$40,000 - \$49,999	-	1
\$70,000 - \$79,999	-	1
\$80,000 - \$89,999	1	-
\$100,000 - \$109,999	-	1
\$120,000 - \$129,999	-	-
\$130,000 - \$139,999	-	1
\$140,000 - \$149,999	1	-
\$190,000 - \$199,999	1	2
\$210,000 - \$219,999	2	-
\$270,000 - \$279,999	1	-
\$280,000 - \$289,999	-	1
\$290,000 - \$299,999	-	-
	10	11

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

	2024	2023
	\$'000	\$'000
7.2 Related party disclosure		
(a) Transactions with related parties		
During the period Council entered into the following transactions with related parties.		
Income		
Fees and charges to entities controlled by KMP (1)	13	-
Grants received from entity controlled by KMP (2)	24	-
Total Income	<u>37</u>	<u>-</u>
Expenses		
Grants paid to entities controlled by KMP	-	5
Purchases of materials or services from entities controlled by KMP (3)	171	172
Total Expenses	<u>171</u>	<u>177</u>
Total Transactions	<u>208</u>	<u>177</u>

(1) Councils pays insurance premiums on behalf of assets controlled by community groups and invoices for reimbursement. In this case, insurance reimbursements were charged to Corryong Recreation Reserve and Towong Soldiers Memorial Hall, in which Cr Whitehead and Cr Dikshei are on the board of. MomentumOne Shared Services Pty Ltd is a joint venture, 50% owned by Towong Shire Council and 50% by Alpine Shire Council, Ms Phelps sits on the board as a director. Income received from MomentumOne is for reimbursement of Council employee time spent on works for said entity.

(2) The CEO is a member of the Tourism North East board of directors. Income was received in the form of a grant to cover costs that Council had conducted on behalf of Tourism North East.

(3) Membership Fees were paid to Rural Councils Victoria & Tourism North East, Ms Phelps is a board member of both. Membership fees were also paid to Municipal Association of Victoria in which Cr Scales is a director of. Small costs for catering/hall hire were incurred towards Corryong Recreation Reserve and Towong Soldiers Memorial Hall.

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.

The following is a potential contingent asset to be considered by council.

- Indirect costs claimed under Disaster Relief Funding Arrangement as at 30th June 2024: \$212,940

Insurance Claim Receivable

In the 2023 financial year, Council had an ongoing insurance claim for recovery of secondary costs relating to expenses incurred in the operations of the waste disposal due to bushfire damage at the Corryong Landfill. The probable insurance claim was declared at to \$1.551 million and this was received in full, hence \$0 in current year.

	2024	2023
Not later than one year	0	1,151
	0	1,151

(b) Contingent liabilities

Contingent liabilities are:

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

Superannuation

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

Landfill

Council has historically operated a landfill, however this ceased operating in 2023/4 FY. At balance date Council has estimated the cost of the works required to cap the open landfill (no longer operational) as well as the 30 year after-care costs. These items are included in the Landfill provision balance at Note 5.4. Any other potential future costs are not able to be estimated at balance date.

Insurance claims

There are currently no outstanding insurance claims that could have a material impact on Council's future operations.

Legal matters

There are currently no major legal matters that could have a material impact on Council's future operations.

Notes to the Financial Report

For the Year Ended 30 June 2024

Liability Mutual Insurance

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

(c) Guarantees for loans to other entities

The 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.

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

8.2 Change in accounting standards

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

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

- are applicable only to not-for-profit public sector entities;
- are limited to fair value measurements of non-financial assets not held primarily for their ability to generate net cash inflows;
- are to be applied prospectively for annual periods beginning on or after 1 January 2024;
- would not necessarily change practice for some not-for-profit public sector entities; and
- do not indicate that entities changing practice in how they measure relevant assets made an error in applying the existing requirements of AASB 13. Council will assess any impact of the modifications to AASB 13 ahead of the 2024-25 reporting period. >>

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

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables). 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.

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

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 5 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset class	Revaluation frequency
Land	5 Years
Buildings	5 Years
Roads	5 Years
Bridges	5 Years
Footpaths and cycleways	5 Years
Drainage	5 Years
Recreational, leisure and community facilities	5 Years
Waste management	5 Years
Parks, open space and streetscapes	5 Years
Aerodromes	5 Years
Other infrastructure	5 Years

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

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.

Towong Shire Council
2023/2024 Financial Report

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

Note 9 OTHER MATTERS

	Balance at beginning of reporting period \$'000	Increase (decrease) \$'000	Share of increment (decrement) on revaluations by an associate \$'000	Balance at end of reporting period \$'000
9.1 Reserves				
(a) Asset revaluation reserves				
2024				
Property				
Land and land improvements	16,994	913	-	17,907
Buildings	7,685	-	-	7,685
	<u>24,679</u>	<u>913</u>	<u>-</u>	<u>25,592</u>
Infrastructure				
Roads	101,908	-	-	101,908
Bridges	33,981	-	-	33,981
Footpaths and cycleways	1,450	-	-	1,450
Drainage	4,068	-	-	4,068
Kerb and channel	4,681	-	-	4,681
Guardrail	91	-	-	91
	<u>146,179</u>	<u>-</u>	<u>-</u>	<u>146,179</u>
Total asset revaluation reserves	<u>170,858</u>	<u>913</u>	<u>-</u>	<u>171,771</u>
2023				
Property				
Land and land improvements	12,017	4,977	-	16,994
Buildings	8,964	(1,279)	-	7,685
	<u>20,981</u>	<u>3,698</u>	<u>-</u>	<u>24,679</u>
Infrastructure				
Roads	103,868	(1,960)	-	101,908
Bridges	12,433	21,548	-	33,981
Footpaths and cycleways	944	506	-	1,450
Drainage	4,068	-	-	4,068
Kerb and channel	3,850	831	-	4,681
Guardrail	-	91	-	91
	<u>125,163</u>	<u>21,016</u>	<u>-</u>	<u>146,179</u>
Total asset revaluation reserves	<u>146,144</u>	<u>24,714</u>	<u>-</u>	<u>170,858</u>

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

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

	2024	2023
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	\$'000	\$'000
Surplus/(deficit) for the year	(2,472)	6,495
<i>Non-cash adjustments:</i>		
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(16)	430
Depreciation	6,832	5,959
Amortisation	-	52
Financing activities included in operating result	23	17
Fair value adjustments for investment property	(25)	(75)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(378)	(1,160)
(Increase)/decrease in other assets	384	(812)
(Increase)/decrease in prepayments	(14)	(43)
Increase/(decrease) in inventories	(112)	(268)
Increase/(decrease) in trade and other payables	296	627
(Decrease)/increase in unearned income /revenue	(3,053)	2,941
(Decrease)/increase in trust funds & deposits	(737)	1,180
(Decrease)/increase in provisions	29	(118)
Net cash provided by/(used in) operating activities	757	15,225

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

Funding arrangements

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

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

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

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

Employer contributions

(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

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.

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

The 2024 interim actuarial investigation

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

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

Net investment returns 5.6% pa

Salary information 3.5% pa

Price inflation (CPI) 2.7% pa

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

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

The 2020 triennial investigation

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

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

Superannuation contributions

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

Scheme	Type of Scheme	Rate	2024 \$'000	2023 \$'000
Vision super	Defined benefits	11.0% (2023:10.5%)	27	32
Vision super	Accumulation	11.0% (2023:10.5%)	312	306
Other Funds	Accumulation	11.0% (2023:10.5%)	722	499

Council NIL unfunded liability payments to Vision Super in 2023/24 (2022/23: NIL)

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 \$27,000.

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

Note 10 CHANGE IN ACCOUNTING POLICY

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



Government
Services

LOCAL GOVERNMENT BETTER PRACTICE GUIDE

Model Performance Statement

2023–2024 Edition

OFFICIAL

Performance statement (full model)

This document provides a model performance statement for inclusion in the annual report that complies with the *Local Government Act 2020*, the *Local Government Planning and Reporting Regulations 2022* and the transitional provisions in the Act and regulations (i.e., the financial year commencing on 1 July 2023).

This section outlines an example of a performance statement. In addition to the content, the guide will provide suggestions and mandatory inclusions.

Guiding symbols have been included to assist in understanding which content is required and which content is optional. For example:



This symbol denotes content or a feature that is required to be included within the performance statement to meet statutory, legislative, or VAGO operational audit requirements. Council may customise the look or layout, but the content must be included in some form.



This symbol denotes content or a feature that represents good practice. Councils may choose to customise according to their own needs. Content may be removed or changed.

This model should be read in conjunction with the **Local Government Better Practice Guide – Preparing Council’s Annual Report 2023-24**.

Summary of changes - 2023-24

This section summarises the changes between the previous edition (2022-23) of the Local Government Better Practice Guide – Model Performance Statement and the current edition. The document also includes minor changes resulting from re-formatting the guide and updating of relevant dates. The order has been re-arranged to facilitate audience reading of the statement.

Councils are encouraged to read this document in its entirety.

Page Number	Amendment
Page 3	Cover sheet date updated to 2023-24 on cover sheet.
Page 4	Table of contents applied.
Page 6	Inclusion of Victorian Auditor General's Office – Audit Report.
Page 9	Service Performance Indicators - Target setting column included and updates to dates and indicators as per regulations.
Page 12	Financial Performance Indicators - Target setting column included and updates to dates and indicators as per regulations.
Page 16	Sustainable Capacity Indicators – Dates updated
Page 19	Section 5 Notes to the accounts added with content now disclosed under Note 5.1, 5.2 and 5.3
Page 20	Definitions consolidated and centralised to single page



Towong Shire Council

Performance Statement

For the year ended 30 June 2024



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Certification of the Performance Statement

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

(Principal Accounting Officer Name and Qualifications (if any))

Principal Accounting Officer

Dated: *(Date)*

In our opinion, the accompanying performance statement of the *(council name)* for the year ended 30 June 202X presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020.

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

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

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

Andrew Whitehead

Mayor

Dated:

Denise Anderson

Deputy Mayor

Dated:

Ms Juliana Phelps

Chief Executive Officer

Dated:

Victorian Auditor – General’s Office Audit Report



Independent Auditor’s Report

To the Councillors of ABC Shire Council

<p>Opinion</p>	<p>I have audited the accompanying performance statement of ABC Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2024 • service performance indicators for the year ended 30 June 2024 • financial performance indicators for the year ended 30 June 2024 • sustainable capacity indicators for the year ended 30 June 2024 • notes to the accounts • certification of the performance statement. <p>In my opinion, the performance statement of ABC Shire Council in respect of the year ended 30 June 2024 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020</i>.</p>
<p>Basis for Opinion</p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor’s Responsibilities for the Audit of the performance statement</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 <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p>Councillors’ responsibilities for the performance statement</p>	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

<p>Auditor's responsibilities for the audit of the performance statement</p>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement. As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> • identify and assess the risks of material misstatement of the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control • evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation. <p>I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
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MELBOURNE
xx September 2024

Travis Derricott
as delegate for the Auditor-General of Victoria

MANDATORY

This feature or content
must be included

Section 1. Description of municipality

Towong Shire is located in far north-eastern Victoria and possesses some of Australia's most pristine environment. Wilderness areas, lakes, rivers and streams create diverse landscapes that are enjoyed by around 6,000 residents and many more visitors across an area of 6,600 square kilometres.

The economy of the region revolves around a rich agricultural sector, tourism and timber production and processing. Approximately two-thirds of businesses located in the Shire are in the agriculture and forestry industries.

Like many rural areas, Towong Shire's small population and vast geographic area presents Council with a significant challenge to adequately fund the maintenance and renewal of community assets. Council is taking actions to address this situation through strategies that promote economic and population growth as well as by implementing innovative methods to reduce costs wherever it can. Council is confident that this approach delivers best value to the community and will secure a long-term future for the organisation.

Section 2. Service performance indicators

For the year ended 30 June 2024



	Results					Comments
	2021	2021	2023	2024		
	Actual	Actual	Actual	Target as per budget	Actual	
<p>Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]</p>	0.89	1.12	1.37	N/A	1.73	Council operates two outdoor seasonal swimming pools. There were 10,804 visits recorded in 2023/24; compared to 8,480 in 2022/23, 6,783 in 2021/22 and 5,455 in 2020/21.
<p>Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100</p>	0%	0%	0%	N/A	0%	There have been no animal prosecutions in 2023/24.
<p>Food Safety Health and safety</p>						

<p><i>Critical and major non-compliance outcome notifications</i></p> <p><i>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</i></p>	100.00 %	100.00 %	100.00 %	N/A	100.00 %	There were four critical or major non-compliance outcome notifications issued in 2023/24. This compares two in 2022/23; eleven in 2021/22 and one in 2020/21. All notifications were followed up.
<p>Governance Satisfaction</p> <p><i>Satisfaction with community consultation and engagement (community satisfaction rating out of 100 with the consultation and engagement efforts of Council)</i></p>	60	54	53	57	46	Satisfaction with Council's decisions fell seven points in comparison to 2022/23. Council's performance is in line with the average for Small Rural Councils as well as the overall Statewide Council average for Victoria. The Statewide survey was conducted between January and March 2024. At this time Council was addressing the concerns of a complex capital project which received a lot of community attention. It is likely that this matter, alongside the timing of the survey, has impacted the result for this indicator.
<p>Libraries Participation</p> <p><i>Library membership</i></p> <p><i>[percentage of the population that are registered library members] x100</i></p>	New for 2023/24	New for 2023/24	New for 2023/24	N/A	17.99%	Council operates two static libraries in its main centres of Corryong and Tallangatta. These libraries service our small, dispersed population which is spread over 6,635 square kilometres. Many residents reside outside the two main centres where the static libraries are located and may access other library services in neighbouring municipalities.
<p>Maternal and Child Health (MCH) Participation</p>						

<p><i>Participation in the MCH service</i></p> <p><i>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</i></p>	85.50%	75.83%	89.13%	N/A	84.89%	268 children attended the service at least once during 2023/24. The participation rate is on par with previous years.
<p>Participation</p> <p><i>Participation in the MCH service by Aboriginal children</i></p> <p><i>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</i></p>	100.00 %	84.62%	91.67%	N/A	100.00 %	There were 7 children who identify as having an Aboriginal or Torres Strait Islander background who are registered with the MCH service. All 7 children attended the service at least once in 2023/24.
<p>Roads</p> <p>Condition</p> <p><i>Sealed local roads below the intervention level</i></p> <p><i>(percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)</i></p>	100%	100%	97.00%	100%	97.52%	Sealed roads with an observable SCI score of 3.3 and below; as measured by the Infrastructure Management Group; are assessed to be above the renewal intervention level.
<p>Statutory Planning</p> <p>Service standard</p> <p><i>Planning applications decided within the relevant required time</i></p> <p><i>(percentage of planning application decisions made within the relevant required time)</i></p>	75.82%	53.54%	58.65%	70.00 %	89.23%	A significant improvement on previous year/s processing times.
<p>Waste Management</p> <p>Waste diversion</p> <p><i>Kerbside collection waste diverted from landfill</i></p> <p><i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i></p>	20.82%	48.62%	30.81%	52.00 %	40.45%	<p>The total amount of garbage and recyclables collected by Council in 2023/24 was 1,101.07 tonne. 445.39 tonne of this waste was made up of recyclable and green organics waste.</p> <p>TSC has engaged Cleanaway to provide the Kerbside Waste collection service. A steady transition has occurred throughout the</p>



Section 3. Financial performance indicators

For the year ended 30 June 2024

Dimension/indicator/ measure	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
	Actual	Actual	Actual	Target As per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Efficiency Expenditure level <i>Expenses per property assessment</i> <i>[Total expenses / Number of property assessments]</i>	\$5,467.89	\$4,754.09	\$5,685.15	\$5,126.00	\$6,207.22	\$6,246.00	\$6,550.00	\$5,530.00	\$5,468.00	Higher materials & service costs due to spending of unbudgeted grants during the year. The 2023 revaluations have resulted in current year depreciation costs being significantly higher than the previous year. The average number of employees increased from 123 to 133 resulting in higher employee costs. The number of property assessments has remained relatively stable.
Revenue level <i>Average rate per property assessment</i> <i>[Sum of all general rates and municipal charges / Number of property assessments]</i>	\$1,713.24	\$1,745.91	\$1,780.92	\$1,836.00	\$1,830.84	\$1,837.00	\$1,891.00	\$1,942.00	\$1,998.00	No material changes on four-year averages.
Liquidity										

<p>Working capital <i>Current assets compared to current liabilities</i> <i>[Current assets / Current liabilities] x100</i></p>	388.23%	488.06%	364.20%	218.00%	360.63%	179.00%	171.00%	156.00%	145.00%	On par with previous years.
<p>Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> <i>[Unrestricted cash / Current liabilities] x100</i></p>	207.10%	178.75%	183.02%	201.00%	112.19%	134.00%	86.00%	34.00%	30.00%	Higher amounts of cash on hand required to fund carried forward capital works which has decreased the unrestricted cash amounts.
<p>Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> <i>[Interest bearing loans and borrowings / Rate revenue] x100</i></p>	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Council had no borrowings owing at year end.

<p><i>Loans and borrowings repayments compared to rates</i></p> <p><i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i></p>	0.18%	0.18%	0.17%	0.00%	0.22%	0.00%	0.00%	0.00%	0.00%	<p>Council had no borrowings owing at year end. Loans were paid out during the year.</p>
<p>Indebtedness</p> <p><i>Non-current liabilities compared to own source revenue</i></p> <p><i>[Non-current liabilities / Own source revenue] x100</i></p>	7.13%	7.79%	6.52%	9.26%	4.80%	9.00%	9.00%	10.00%	10.00%	<p>Own source revenue is more than previous year due to increased income from General Rates & Municipal charges as well as interest and insurance reimbursements & disaster recovery arrangements.</p>
<p>Asset renewal and upgrade</p> <p><i>Asset renewal and upgrade compared to depreciation</i></p> <p><i>[Asset renewal and asset upgrade expense / Asset depreciation] x100</i></p>	129.41%	120.04%	158.79%	100.00%	162.16%	100.00%	88.00%	80.00%	80.00%	<p>Spike in asset renewals because of highest capital spendings in recent years, especially expenditure on asset renewals due to bushfire and flooding events.</p>
<p>Operating position</p> <p>Adjusted underlying result</p>										

<p><i>Adjusted underlying surplus (or deficit)</i></p> <p><i>[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100</i></p>	7.82%	15.08%	2.68%	(42.00%)	(24.16%)	(18.00%)	(11.00%)	(11.00%)	(11.00%)	<p>Compared to prior year, Underlying revenue has decreased significantly due to much lower grant income. This has resulted in a \$2,472k deficit for the year compared to a \$6,495k surplus in the previous year.</p> <p>Council has achieved an accumulated surplus of \$21 million over the previous 3 financial years. This surplus has been utilised in the 2023/24 year and the forecast period.</p>
<p>Stability</p> <p>Rates concentration</p> <p><i>Rates compared to adjusted underlying revenue</i></p> <p><i>[Rate revenue / Adjusted underlying revenue] x100</i></p>	34.44%	37.56%	37.76%	57.00%	46.50%	38.00%	47.00%	48.00%	48.00%	<p>Rates revenue was \$562k higher than previous year. Adjusted underlying revenue is significantly less than prior year due to a 56% decrease in the value of operating and recurrent capital grants received.</p>
<p>Rates effort</p> <p><i>Rates compared to property values</i></p>	0.52%	0.56%	0.38%	20%	0.30%	0.24%	0.24%	0.25%	0.25%	<p>The capital improved value of rateable properties is 33% higher than the previous year.</p>

<i>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</i>												
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Section 4. Sustainable capacity indicators

For the year ended 30 June 2024



Results

Indicator / measure [formula]	2021	2022	2023	2024	Comments
	Actual	Actual	Actual	Actual	
Population <i>Expenses per head of municipal population</i>	\$4,046.71	\$3,543.06	\$4,168.07	\$4,519.94	Higher materials & service costs due to spending of unbudgeted grants during the year. Capital expenditure is also significantly higher than the previous year which has led to increased depreciation costs. The average number of employees increased from 133 to 142 resulting in higher employee costs. The municipal population has remained relatively stable.
<i>Infrastructure per head of municipal population</i> <i>[Value of infrastructure / Municipal population]</i>	\$30,924.94	\$36,556.23	\$39,997.41	\$40,862.31	Slightly higher capital expenditure for the year has increased the value of infrastructure. The Municipal population has remained relatively stable.

<p><i>Population density per length of road</i></p> <p><i>[Municipal population / Kilometres of local roads]</i></p>	5.16	5.13	5.23	6.59	Km of sealed and unsealed local roads recalculated to be 948km. It was reported as 1,183km in previous year.
<p>Own-source revenue</p> <p><i>Own-source revenue per head of municipal population</i></p> <p><i>[Own-source revenue / Municipal population]</i></p>	\$2,458.70	\$2,071.96	\$2,238.74	\$2,748.68	Own source revenue is higher than previous years due to insurance reimbursements, disaster recovery funding arrangements and interest income.
<p>Recurrent grants</p> <p><i>Recurrent grants per head of municipal population</i></p> <p><i>[Recurrent grants / Municipal population]</i></p>	\$1,211.90	\$1,375.10	\$1,411.99	\$644.56	Grant income is only 46% of the amount received in the previous year.
Disadvantage					

<p><i>Relative Socio-Economic Disadvantage</i> <i>[Index of Relative Socio-Economic Disadvantage by decile]</i></p>	5	5	5	5	
<p>Workforce turnover <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</p>	24.4%	25.9%	30.0%	21.1%	Staff turnover has improved.

MANDATORY

This feature or content
must be included

Section 5. Notes to the accounts

5.1. Basis of preparation

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

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

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

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

5.2. Definitions

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

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



5.3. Other Matters

Overview of 2024

During the financial year council experienced growth in residents and demand for services. Extensive capital works were undertaken to improve infrastructure.

Notes for draft preparation (delete in final version)

1. Section 5.3. Other Matters is for council to provide details of additional matters that impacted the performance outcomes as considered necessary.
2. This may include where the performance was impacted by severe weather conditions, bushfires or increases in demand for services.