



FINANCIAL STATEMENT



CONTENTS

FINANCIAL REPORT

Certification of the Financial Statements	103
---	-----

FINANCIAL STATEMENTS

Comprehensive Income Statement	106
Balance Sheet	107
Statement of Changes in Equity	108
Statement of Cash Flows	109
Statement of Capital Works	110

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Overview

1.1 Basis of accounting	111
-------------------------	-----

Note 2: Performance against budget

2.1. Performance against budget	112
2.2. Analysis of council results by program	115

Note 3: Funding for the delivery of our Services

3.1 Rates and charges	117
3.2 Statutory fees and fines	117
3.3 User fees	117
3.4 Funding from other levels of government	118
3.5 Contributions	120
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment	121
3.7 Other income	121

Note 4: The cost of delivering services

4.1 Employee costs	122
4.2 Materials and services	123
4.3 Depreciation	123
4.4 Depreciation - Right of use assets	123
4.5 Allowance for impairment losses	123
4.6 Borrowing costs	124
4.7 Contributions & Donations	124
4.8 Finance Costs - Leases	124
4.9 Other expenses	124

Note 5: Investing in and financing our operations

5.1 Financial assets	125
5.2 Non-financial assets	126
5.3 Payables, trust funds and deposits and contract and other liabilities	127
5.4 Interest bearing liabilities	128
5.5 Provisions	129
5.6 Financing arrangements	131
5.7 Commitments	132
5.8 Leases	134

Note 6: Assets we manage

6.1 Property, infrastructure, plant and equipment	136
6.2 Investments in associates	143

Note 7: People and relationships

7.1 Council and key management remuneration	144
7.2 Related party disclosure	145

Note 8: Managing uncertainties

8.1 Contingent assets and liabilities	146
8.2 Change in accounting standards	146
8.3 Financial instruments	147
8.4 Fair value measurement	149
8.5 Events occurring after balance date	150

Note 9: Other matters

9.1 Reserves	151
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	153
9.3 Superannuation	153

Note 10: Change in accounting policy

CERTIFICATION OF THE **FINANCIAL STATEMENT**

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

ANITA J MCFARLANE

Principal Accounting Officer

?? ?? 2025

In our opinion, the accompanying financial statements present fairly the financial transactions of the Yarriambiack Shire Council for the year ended 30 June 2025 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.

KYLIE ZANKER

Councillor

?? ?? 2025

KARLY KIRK

Councillor

?? ?? 2025

TAMMY SMITH

Chief Executive Officer

?? ?? 2025

Insert VAGO Report

Insert VAGO Report

COMPREHENSIVE INCOME STATEMENT

For the year ended 30 June 2025

	NOTE	2025 \$	2024 \$
INCOME / REVENUE			
Rates and charges	3.1	15,034,883	14,807,916
Statutory fees and fines	3.2	230,303	221,674
User fees	3.3	631,464	708,864
Grants - operating	3.4	13,776,394	3,680,836
Grants - capital	3.4	2,477,439	5,622,846
Contributions - monetary	3.5	162,550	153,137
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	(2,600,076)	(189,027)
Share of net profits (or loss) of associates	6.3	(59,864)	(18,000)
Other income	3.7	1,286,278	1,019,217
Total income / revenue		30,939,370	26,007,462
EXPENSES			
Employee costs	4.1	12,568,467	12,690,197
Materials and services	4.2	7,970,695	8,604,482
Contributions and donations	4.7	585,023	551,621
Depreciation	4.3	8,999,299	5,368,826
Depreciation - right of use assets	4.4	314,979	397,519
Allowance for impairment losses	4.5	29,459	69,051
Borrowing costs	4.6	25,881	7,895
Finance costs - leases	4.8	17,370	28,110
Other expenses	4.9	1,860,550	1,635,600
Total expenses		32,371,724	29,353,302
Surplus/(deficit) for the year		(1,432,353)	(3,345,840)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	6.1	222,008	(1,624,343)
Total Other Comprehensive Income		222,008	(1,624,343)
Total Comprehensive Result		(1,210,345)	(4,970,183)

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

BALANCE SHEET

For the year ended 30 June 2025

	NOTE	2025 \$	2024 \$
ASSETS			
Current assets			
Cash and cash equivalents	5.1	10,945,762	6,382,073
Trade and other receivables	5.1	1,946,492	1,622,161
Other financial assets	5.1	467,055	445,751
Inventories	5.2	517,551	368,253
Other assets	5.2	295,821	264,228
Total current assets		14,172,681	9,082,466
Non-current assets			
Trade and other receivables	5.1	153,690	218,690
Investments in associates	6.3	228,136	288,241
Property, infrastructure, plant and equipment	6.1	220,141,056	223,261,878
Right-of-use assets	5.8	583,925	1,047,288
Total non-current assets		221,106,808	224,816,098
Total assets		235,279,489	233,898,564
LIABILITIES			
Current liabilities			
Trade and other payables	5.3	2,708,755	1,697,592
Trust funds and deposits	5.3	610,989	466,350
Contract and other liabilities	5.3	2,892,453	1,200,419
Provisions	5.5	3,252,786	3,002,798
Interest-bearing liabilities	5.4	42,848	40,829
Lease liabilities	5.8	287,605	369,890
Total current liabilities		9,795,435	6,777,878
Non-current liabilities			
Provisions	5.5	616,691	537,608
Interest-bearing liabilities	5.4	396,635	439,483
Lease liabilities	5.8	300,979	763,503
Total non-current liabilities		1,314,304	1,740,594
Total Liabilities		11,109,740	8,518,471
Net Assets		224,169,749	225,380,092
EQUITY			
Accumulated surplus		84,748,135	86,180,488
Reserves	9.1	139,421,614	139,199,604
Total Equity		224,169,749	225,380,092

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

	NOTE	Total \$	Accumulated Surplus \$	Revaluation Reserve \$	Other Reserves \$
2025					
Balance at beginning of the financial year		225,380,094	86,180,488	139,185,041	14,565
Surplus/(deficit) for the year		(1,513,020)	(1,513,020)	-	-
Net asset revaluation gain/(loss)	6.1	222,008	-	222,008	-
Balance at end of the financial year		224,089,082	84,667,468	139,407,049	14,565

	NOTE	Total \$	Accumulated Surplus \$	Revaluation Reserve \$	Other Reserves \$
2024					
Balance at beginning of the financial year		230,350,277	89,526,328	140,809,384	14,565
Surplus/(deficit) for the year		(3,345,840)	(3,345,840)	-	-
Net asset revaluation gain/(loss)	6.1	(1,624,343)	-	(1,624,343)	-
Balance at end of the financial year		225,380,094	86,180,488	139,185,041	14,565

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

	NOTE	2025 Inflows/ (Outflows) \$	2024 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates and charges		14,635,932	13,386,909
Statutory fees and fines		194,143	195,521
User fees		565,197	228,864
Grants - operating		15,542,752	3,604,000
Grants - capital		2,611,882	4,500,000
Contributions - monetary		178,805	153,137
Interest received		471,287	445,075
Rent received		78,495	73,837
Trust funds and deposits taken		144,639	466,500
Other receipts		887,928	942,500
Net GST refund/payment		2,018,850	197,000
Employee costs		(13,431,007)	(12,690,197)
Materials and services		(7,575,557)	(10,302,620)
Other payments		(2,752,591)	(2,129,800)
Net cash provided by/(used in) operating activities	9.2	13,570,755	(929,275)
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(9,099,823)	(10,391,306)
Proceeds from sale of property, infrastructure, plant and equipment		193,648	66,116
Net cash provided by/(used in) investing activities		(8,906,175)	(10,325,190)
Cash flows from financing activities			
Finance costs		(22,338)	-
Proceeds from borrowings		-	500,000
Repayment of borrowings		(42,848)	(20,000)
Interest paid - lease liability		(17,370)	(28,110)
Repayment of lease liabilities		-	-
Net cash provided by/(used in) financing activities		(82,556)	451,890
Net increase/(decrease) in cash and cash equivalents		4,582,024	(10,802,575)
Cash and cash equivalents at the beginning of the financial year		6,830,873	17,633,448
Cash and cash equivalents at the end of the financial year		11,412,897	6,830,873

Financing arrangements

5.6

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

STATEMENT OF CAPITAL WORKS

For the year ended 30 June 2025

	NOTE	2025 \$	2024 \$
PROPERTY			
Land		-	69,000
Total land		-	69,000
Buildings		2,377,826	3,542,241
Heritage buildings		-	15,125
Total buildings		2,377,826	3,557,366
Total property		2,377,826	3,626,366
PLANT AND EQUIPMENT			
Plant, machinery and equipment		1,251,026	1,606,000
Fixtures, fittings and furniture		7,624	46,389
Computers and telecommunications		51,547	-
Library books		21,459	21,050
Total plant and equipment		1,331,656	1,673,439
INFRASTRUCTURE			
Roads		4,004,183	4,841,746
Footpaths and kerb & channel		491,218	301,925
Recreational, leisure and community facilities		176,327	-
Waste management		49,324	-
Parks, open space and streetscapes		90,290	15,830
Total infrastructure		4,811,341	5,159,501
Total capital works expenditure		8,520,823	10,459,306
REPRESENTED BY:			
New asset expenditure		2,598,069	2,405,069
Asset renewal expenditure		5,746,427	7,868,237
Asset upgrade expenditure		176,327	186,000
Total capital works expenditure		8,520,823	10,459,306

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

Note 1: Overview

INTRODUCTION

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

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

STATEMENT OF COMPLIANCE

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

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

1.1 BASIS OF ACCOUNTING

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

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not AASB 1059 Service Concession Arrangements: Grantors is applicable
- other areas requiring judgements.

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

GOODS AND SERVICES TAX (GST)

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

Note 2: Analysis of our results

2.1 PERFORMANCE AGAINST BUDGET

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$500,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

	Budget 2025 \$	Actual 2025 \$	Variance \$	Variance %	Ref
2.1.1 INCOME / REVENUE AND EXPENDITURE					
<i>Income / Revenue</i>					
Rates and charges	15,028,647	15,034,883	6,236	0.04%	
Statutory fees and fines	205,564	230,303	24,739	12.03%	
User fees	629,717	631,464	1,747	0.28%	
Grants - operating	9,150,146	13,776,394	4,626,248	50.56%	1
Grants - capital	3,280,114	2,477,439	(802,675)	(24.47%)	2
Contributions - monetary	35,500	162,550	127,050	357.89%	3
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(209,471)	(2,600,076)	(2,390,605)	1141.26%	4
Share of net profits/(losses) of associates	-	(59,864)	(59,864)	100.00%	
Other income	484,896	1,286,278	801,382	165.27%	5
Total income / revenue	28,605,113	30,939,370	2,334,257	8.16%	
<i>Expenses</i>					
Employee costs	13,566,716	12,568,467	998,249	7.36%	6
Materials and services	7,319,332	7,970,695	(651,363)	(8.90%)	7
Contributions and donations	612,051	585,023	27,028	4.42%	
Depreciation	6,797,595	8,999,299	(2,201,704)	(32.39%)	8
Depreciation - right of use assets	255,096	314,979	(59,883)	(23.47%)	
Allowance for impairment losses	4,000	29,459	(25,459)	(636.48%)	
Borrowing costs	-	25,881	(25,881)	100.00%	
Finance costs - leases	16,116	17,370	(1,254)	(7.78%)	
Other expenses	1,688,529	1,860,550	(172,021)	(10.19%)	9
Total expenses	30,259,435	32,371,724	(2,112,289)	(6.98%)	
Surplus/(deficit) for the Year	(1,654,322)	(1,432,353)	221,969	(13.42%)	

Explanation of material variations

REF EXPLANATION

- Operating grants** were \$4.26 million above budget, primarily reflecting the early payment of the 2025/26 Victorian Local Government Grants Commission (VLGGC) funding allocation (\$3.86 million).
- Capital grants** were \$802,675 lower than budgeted, due mainly to Roads to Recovery. Council had budget \$1.2 million but we only expended \$871,693. The remaining amount has been accounted for as unexpended grants. The Local Roads & Infrastructure Fund Phase 4 - was budgeted to be received in 2024/25 but funds will not be received until completion of the Phase 4 audit which will occur in 2025/26.
- Contributions – monetary** was \$127,050 higher than budget due to several community projects being undertaken that included a community/government contributions. These projects included the Hopetoun Swimming Pool redevelopment \$36,500, Rupanyup Kindergarten Landscaping Project \$70,000, and Tempy Recreation Reserve upgrades \$18,250.
- Net gain / (loss) on disposal of property, infrastructure, plant and equipment** is higher than budget. This is predominantly related to the revaluation of the infrastructure assets.

REF EXPLANATION

- 5 Other income** was \$801,382 higher than budget primarily due to higher returns of interest on investments of \$197,350, legal costs recovered from the sale of Section 181 properties \$127,050, Insurance contributions and recoveries being higher than budgeted have also contributed to the actuals being higher than budget.
- 6 Employee costs** were \$998,249 lower than budget mainly due to wages budget being higher than actuals. This has been the result of several staff transitioning to retirement or taking extended leave. The transfer of kinders at Hopetoun and Beulah to Emerge and Murtoa to the Department of Education has resulted in a reduction in wages as has the transfer of Maternal and Child Health services to West Wimmera Health in April 2025. Two managers have been replaced by contract staff which has reduced the wages budget as well.
- 7 Materials & services** were \$651,363 higher than budget primarily due to materials being higher than budget. IMG undertook data conditions of roads and footpaths which was transferred from the capital budgets. Aerial photography costs were also transferred from capital to operations.
- 8 Depreciation** was \$2.079 million above budget mainly due to the impact of the revaluation of assets in 2023/24 which resulted in a correction to the roads data. At the time of preparing the budget this correction had not been made.
- 9 Other expenses** were \$283,813 higher than budget due to insurance premium being \$144,842 higher than budget and legal costs which includes the sale of Section 181 properties were also \$144,842 higher than budget.

	Budget 2025 \$	Actual 2025 \$	Variance \$	Variance %	Ref
--	----------------------	----------------------	----------------	---------------	-----

2.1.2 CAPITAL WORKS*Property*

Buildings	2,813,889	2,377,826	(436,063)	(15.50%)	1
Total property	2,813,889	2,377,826	(436,063)	(15.50%)	

Plant and equipment

Plant, machinery and equipment	745,000	1,251,026	506,026	67.92%	2
Fixtures, fittings and furniture	20,000	7,624	(12,376)	(61.88%)	
Computers and telecommunications	245,000	51,547	(193,453)	(78.96%)	3
Library books	27,000	21,459	(5,541)	(20.52%)	
Total plant and equipment	1,037,000	1,331,656	294,656	28.41%	

Infrastructure

Roads	3,457,335	4,004,183	546,848	15.82%	4
Bridges	50,000	-	(50,000)	(100.00%)	5
Footpaths & Kerb and channel	596,860	491,218	(105,642)	(17.70%)	6
Drainage	100,000	-	(100,000)	(100.00%)	7
Recreational, leisure and community facilities	298,150	176,327	(121,823)	(40.86%)	8
Waste management	-	49,324	49,324	100.00%	9
Parks, open space and streetscapes	290,000	90,290	(199,710)	(68.87%)	10
Total infrastructure	4,792,345	4,811,341	18,996	0.40%	

TOTAL CAPITAL WORKS EXPENDITURE	8,643,234	8,520,823	(122,411)	(1.42%)	
--	------------------	------------------	------------------	----------------	--

Represented by:

New asset expenditure	3,274,389	2,598,069	(676,320)	(20.65%)	
Asset renewal expenditure	3,608,715	5,431,536	1,822,821	50.51%	
Asset upgrade expenditure	1,760,130	491,218	(1,268,912)	(72.09%)	
TOTAL CAPITAL WORKS EXPENDITURE	8,643,234	8,520,823	(122,411)	(1.42%)	

Explanation of material variations**REF EXPLANATION**

- 1 Buildings** - Completion of the construction of the social and affordable housing units have been delayed with landscaping to be undertaken at both Rupanyup and Warracknabeal and the Hopetoun unit has yet to commence construction due to delays with the approval of utility plans. Construction of depot shed will be undertaken in 2025/26. The tender for the construction of the Murtoa Depot shed has been awarded but this build will not commence until September due to contractor availability.

Explanation of material variations**REF EXPLANATION**

- 2 Plant, machinery and equipment** - Council took delivery of the Flocon Unit (\$391,177) which had been budgeted to be delivered in 2023/24. The supply of two GPS units (\$89,550) were also budgeted to be received in the 2023/24 year but were received in 2024/25.
- 3 Computers and telecommunications** - A major component of the budget was allocated for road and aerial imagery. The aerial imagery budget was reallocated to operations as council has entered into a 2 year agreement with DEECA for the aerial imagery. The budget for the road imagery was allocated to engaging a consultant to undertake condition assessment of infrastructure assets including roads and footpaths. A more cost effect road imagery option will be installed by Asset Vision in 2025/26.
- 4 Roads** - Main reason for the variance was due to the Dimboola Minyip Road project which was delivered by Horsham Rural City Council (HRCC). This road is a boundary road. This project was done over a number of years. HRCC received funding and Council was to be billed annually but instead all 3 years were billed in 2024/25 which resulted in a variance of \$331,905 which had not been budgeted. Council also experienced several rain delays on the Sea Lake Lascelles Road rehabilitation project which resulted in an over spend of \$66,124. There were also several reseals and gravel resheets which were added to the capital works program as there was Local Roads and Community Infrastructure (LRCI) funds that were not allocated in the budget.
- 5 Bridges** - Budget was to be used as a co-contribution if successful with a grant application to undertake bridge works. Council was unsuccessful in obtaining the grant and therefore budget was not expended.
- 6 Footpaths & Kerb and channel** - Footpaths variance is due to several projects being withdrawn and budget was reallocated to the replacement of emulsion tanks. This decision was endorsed by Council.
- 7 Drainage** - Reallocated budget funds to operations to undertake drainage studies and concept planning.
- 8 Recreational, leisure and community facilities** - The variance in this area is due mainly to Woomelang Bowling Club project being delayed as a result of the eaves containing asbestos. A contract painter has been engaged. These works are to be carried forward into 2025/26 financial year. This project is \$45,000. While the Hopetoun Swimming Pool redevelopment was successful in receiving grant funding - the project was currently going through tender evaluation at 30 June 2025. Of the \$170,000 budgeted for this project (being Council's contribution) only \$60,000 had been spent. The remaining \$110,000 will be spent in 2025/26.
- 9 Waste management** - Grant was received from Sustainability Victoria (\$190,400) along with Council financial contribution of \$47,600 for the supply of a recycling trailer and truck for waste collection. Council contribution was budgeted in Plant, machinery and equipment.
- 10 Parks, open space and streetscapes** - Yaaapeet streetscape project will be undertaken in 2025/26 after receiving a Tiny Towns Grant. Rabi Park - skate park upgrade (part 2) - Council has been unsuccessful in obtaining additional funds required to complete this project. Council will endeavour to deliver on this project in the 2025/26 year.

2.2 ANALYSIS OF COUNCIL RESULTS BY PROGRAM

Council delivers its functions and activities through the following programs.

2.2.1 COMMUNITY SERVICES

Maternal & child health services, immunisations, kindergartens, rental accommodation, senior citizen centres, and sundry welfare services.

CORPORATE SERVICES

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

ECONOMIC DEVELOPMENT

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

ENGINEERING

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

GOVERNANCE

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

RECREATION, CULTURE AND LEISURE

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

REGULATORY SERVICES

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

WASTE AND ENVIRONMENT

Rubbish collection, recycling and disposal and tree schemes.

2.2.2 SUMMARY OF INCOME / REVENUE, EXPENSES, ASSETS AND CAPITAL EXPENSES BY PROGRAM

	Income/ Revenue	Expenses	Surplus/ (Deficit)	Grants included in income/ revenue	Total assets
	\$	\$	\$	\$	\$
2025					
Community Services	2,617,531	2,796,934	(179,403)	2,420,243	1,482,312
Corporate Services	21,900,098	2,668,254	19,231,844	10,863,139	13,880,085
Economic Development	630,682	1,397,131	(766,449)	312,149	428,029
Engineering	2,685,092	17,574,470	(14,889,378)	1,995,292	207,525,727
Governance	25,522	2,961,192	(2,935,670)	-	-
Recreation, Culture and Leisure	637,456	1,586,732	(949,277)	472,730	10,930,395
Regulatory Services	301,653	1,026,085	(724,432)	57,000	62,314
Waste and Environment	2,141,338	2,360,927	(219,589)	133,280	970,626
	30,939,370	32,371,724	(1,432,354)	16,253,833	235,279,488

	Income/ Revenue	Expenses	Surplus/ (Deficit)	Grants included in income/ revenue	Total assets
	\$	\$	\$	\$	\$
2024					
Community Services	5,195,100	3,082,467	2,112,633	4,967,767	1,856,468
Corporate Services	14,232,512	2,833,583	11,398,929	487,192	8,449,986
Economic Development	801,740	1,619,247	(817,508)	488,188	288,241
Engineering	2,793,556	14,024,979	(11,231,423)	2,556,769	211,231,400
Governance	22,441	2,675,597	(2,653,156)	1,500	-
Recreation, Culture and Leisure	853,958	1,789,558	(935,600)	758,347	11,164,000
Regulatory Services	248,494	951,373	(702,879)	2,500	26,154
Waste and Environment	1,859,662	2,376,498	(516,836)	41,418	882,316
	26,007,462	29,353,302	(3,345,840)	9,303,682	233,898,564

Note 3: Funding for the delivery of our services

	2025	2024
	\$	\$

3.1 RATES AND CHARGES

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is the net market value after deducting selling costs.

The valuation base used to calculate general rates for 2024/25 was \$6.571 million (2023/24 \$5.767 million).

General rates	12,275,804	11,933,983
Municipal charge	426,677	413,078
Service rates and charges	1,785,071	1,616,558
Revenue in lieu of rates	474,393	758,560
Interest on rates and charges	72,937	85,737
Total rates and charges	15,034,883	14,807,916

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2024 and the valuation was first applied in the rating year commencing 1 July 2024.

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

3.2 STATUTORY FEES AND FINES

Animal fees	66,231	57,854
Town planning fees	56,948	75,827
Building fees	64,314	65,786
Other	42,811	22,208
Total statutory fees and fines	230,303	221,674

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

Aged and health services	-	(16)
Meals on wheels fees	-	(153)
Kindergarten fees	1,666	1,666
Leisure centre and recreation	50	682
Caravan park fees	209,591	272,277
Waste management services	123,165	125,644
Rents	78,495	73,837
Saleyards fees and charges	88,874	100,514
VicRoads fees and charges	11,236	10,938
Road Works	6,625	3,209
Rates	48,773	47,504
Other fees and charges	62,989	72,761
Total user fees	631,464	708,864

	2025 \$	2024 \$
<i>User fees by timing of revenue recognition</i>		
User fees recognised over time	-	-
User fees recognised at a point in time	631,464	708,864
Total user fees	631,464	708,864

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

3.4 FUNDING FROM OTHER LEVELS OF GOVERNMENT

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants	12,525,930	2,895,481
State funded grants	3,727,903	6,408,201
Total grants received	16,253,833	9,303,682

(a) Operating Grants

Recurrent - Commonwealth Government

Financial Assistance Grants	10,863,139	299,651
General home care	-	91,859
Other	1,776	102,196
Total Recurrent - Commonwealth Government	10,864,915	493,706

Recurrent - State Government

Kindergartens	1,753,545	1,589,512
Maternal and child health	322,978	509,565
Aged care	-	1,005
Libraries	132,799	144,183
Supported playgroup	-	59,500
Sustainability	85,000	85,000
Youth	53,250	1,400
Other	17,234	(59,000)
Total Recurrent - State Government	2,364,806	2,331,165

TOTAL RECURRENT OPERATING GRANTS	13,229,721	2,824,871
---	-------------------	------------------

Non-recurrent - State Government

Economic development	-	239,000
Tourism	286,649	269,115
Information Technology	-	184,094
Building	53,000	-
Recreation	31,614	4,886
Waste	-	3,870
Natural Disaster	145,910	-
Other	29,500	155,000
Total non-recurrent operating grants	546,673	855,965

TOTAL OPERATING GRANTS	13,776,394	3,680,836
-------------------------------	-------------------	------------------

	2025 \$	2024 \$
(b) Capital Grants		
<u>Recurrent - Commonwealth Government</u>		
Roads to recovery	871,693	1,567,337
Total Recurrent - Commonwealth Government	871,693	1,567,337
Total recurrent capital grants	871,693	1,567,337
<u>Non-recurrent - Commonwealth Government</u>		
Roads	662,200	-
Local Roads and Community Infrastructure	127,122	834,438
Total Non-recurrent - Commonwealth Government	789,322	834,438
<u>Non-recurrent - State Government</u>		
Kindergartens	523,149	320,000
Sports & Recreation	48,475	16,000
Library	200,000	578,163
Roads	103,367	74,350
Waste	133,280	37,549
Housing	(251,689)	2,195,009
Swimming Pool	59,842	-
Total Non-recurrent - State Government	816,424	3,221,071
Total Non-recurrent capital grants	1,605,746	4,055,509
TOTAL CAPITAL GRANTS	2,477,439	5,622,846
TOTAL GRANTS	16,253,833	9,303,682

	2025	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	10,863,139	299,651
Specific purpose grants to acquire non-financial assets	-	-
Other specific purpose grants	2,913,255	3,381,185

Revenue recognised under AASB 15 Revenue from Contracts with Customers

Specific purpose grants	2,892,453	1,200,419
	16,668,846	4,881,255

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

Operating

Balance at start of year	76,679	1,166,000
Received during the financial year and remained unspent at balance date	1,299,243	76,679
Received in prior years and spent during the financial year	(76,679)	(1,166,000)
Balance at year end	1,299,243	76,679

Capital

Balance at start of year	1,121,828	3,110,000
Received during the financial year and remained unspent at balance date	1,593,210	225,000
Received in prior years and spent during the financial year	(1,121,828)	(2,213,172)
Balance at year end	1,593,210	1,121,828

Unspent grants are determined and disclosed on a cash basis.

3.5 CONTRIBUTIONS

Monetary	162,550	153,137
Total contributions	162,550	153,137

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

	2025 \$	2024 \$
3.6 NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT		
Proceeds of sale	193,649	66,116
Written down value of assets disposed	(2,793,726)	(255,143)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(2,600,076)	(189,027)

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

3.7 OTHER INCOME

Interest	398,350	445,075
Workcover reimbursements	72,410	45,725
Private use vehicle reimbursements	42,017	9,261
Insurance recoupment	40,980	51,914
Employee contributions	54,142	59,348
Leave transferred from other Councils	-	5,216
Income protection	241,484	168,474
Legal costs recovered	170,995	87,875
Recycling recoupment	87,784	66,337
Other	178,116	79,992
Total other income	1,286,278	1,019,217

Interest is recognised as it is earned.

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

Note 4: The cost of delivering services

	2025 \$	2024 \$
4.1 (a) Employee costs		
Wages and salaries	9,181,782	9,154,293
WorkCover	254,104	200,235
Superannuation	1,104,749	1,078,881
Fringe benefits tax	37,116	60,745
Annual leave and long service leave	1,344,128	1,472,244
Conferences and training	161,839	271,068
Councillor Allowance	246,143	242,796
Income protection	125,071	137,620
Redundancies	105,755	67,095
Other	7,780	5,220
Total employee costs	12,568,467	12,690,197

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	42,320	49,000
	42,320	49,000
Employer contributions payable at reporting date.	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	585,667	552,800
Employer contributions - other funds	476,762	476,849
	1,062,428	1,029,648
Employer contributions payable at reporting date.	-	113,000

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

	2025 \$	2024 \$
4.2 MATERIALS AND SERVICES		
Contracts	857,811	1,762,262
Fire Prevention	16,537	-
Waste management	1,536,617	1,106,059
Swimming pool	9,978	-
Community projects	336,624	599,900
Caravan Park Cleaning	57,660	-
Tree Trimming	114,033	-
Weed & Pest	82,416	-
Road works	375,561	939,392
Building surveyor	233,351	-
Communication	-	16,353
Information technology contract	278,699	259,778
Materials and services	2,256,232	1,794,268
Building and ground maintenance	48,586	41,985
Utilities	406,316	466,033
External plant hire	30,682	91,358
Information technology and equipment	556,916	609,219
Consultants	685,796	751,794
Other	86,880	166,082
Total materials and services	7,970,695	8,604,482

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

4.3 DEPRECIATION

Property	763,244	692,955
Plant and equipment	1,593,307	1,102,073
Infrastructure	6,642,748	3,573,797
Total depreciation	8,999,299	5,368,826

Refer to note 5.8 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 CONTRIBUTIONS AND DONATIONS

Recreation reserves	188,543	179,916
Swimming pools	235,539	223,898
Community halls	49,244	36,765
Weir pools	38,948	31,739
Other	72,749	79,304
Total contributions and donations	585,023	551,621

4.5 DEPRECIATION - RIGHT OF USE ASSETS

Vehicles	314,979	397,519
Total Depreciation - Right of use assets	314,979	397,519

	2025 \$	2024 \$
4.6 ALLOWANCE FOR IMPAIRMENT LOSSES		
Other debtors	(4,925)	27,115
Rates debtors	34,384	41,936
Total allowance for impairment losses	29,459	69,051

Movement in allowance for impairment losses in respect of debtors

Balance at the beginning of the year	359,274	311,288
New allowances recognised during the year	344,813	383,999
Amounts already allowed for and written off as uncollectible	(1,676)	(21,065)
Amounts allowed for but recovered during the year	(314,071)	(315,032)
Balance at end of year	388,340	359,190

An allowance for impairment losses in respect of debtors is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

4.7 BORROWING COSTS

Interest - Borrowings	15,606	7,895
Interest - Overdraft	10,275	-
Total borrowing costs	25,881	7,895

Borrowing costs are recognised as an expense in the period in which they are incurred.

4.8 FINANCE COSTS - LEASES

Interest - Lease Liabilities	17,370	28,110
Total finance costs	17,370	28,110

4.9 OTHER EXPENSES

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	37,100	37,900
Auditors' remuneration - Internal Audit	59,928	45,177
Insurances	921,215	757,113
Operating lease rentals	(77,874)	49,025
Printing and stationery	15,847	27,253
Advertising	103,633	88,442
Postage	19,242	19,559
Legal costs	389,165	277,554
Subscriptions	178,742	153,878
Registrations	139,499	135,872
Bank fees and charges	20,091	30,283
Others	53,961	13,544
Total other expenses	1,860,550	1,635,600

Note 5: Investing in and financing our operations

	2025 \$	2024 \$
5.1 FINANCIAL ASSETS		
<i>(a) Cash and cash equivalents</i>		
Cash on hand	774	774
Cash at bank	7,967,554	2,479,833
Term deposits	2,977,434	3,901,466
Total cash and cash equivalents	10,945,762	6,382,073
<i>(b) Other financial assets</i>		
<u>Current</u>		
Term deposits	467,055	445,751
Total current other financial assets	467,055	445,751
Total cash and cash equivalents and other financial assets	11,412,817	6,827,825
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.		
<i>(c) Trade and other receivables</i>		
<u>Current</u>		
<i>Statutory receivables</i>		
Rates debtors	1,747,021	1,421,007
Infringement debtors	62,314	26,154
Allowance for expected credit loss - infringements	(283,664)	(251,000)
<i>Non statutory receivables</i>		
Loans and advances to community organisations	54,000	54,000
Other debtors	471,496	480,000
Allowance for expected credit loss - other debtors	(104,675)	(108,000)
Total current trade and other receivables	1,946,492	1,622,161
<u>Non-current</u>		
<i>Non statutory receivables</i>		
Loans and advances to community organisations	153,690	218,690
Total non-current trade and other receivables	153,690	218,690
Total trade and other receivables	2,100,182	1,840,851

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

	2025 \$	2024 \$
(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)	209,261	259,060
Past due by up to 30 days	48,869	9,595
Past due between 31 and 180 days	17,265	30,871
Past due between 181 and 365 days	270	76,582
Past due by more than 1 year	298,845	269,082
Total trade and other receivables	574,510	645,191

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$104,675 (2024: \$108,000) were impaired. The amount of the allowance raised against these debtors was \$104,675 (2024: \$108,000). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	(104,675)	(108,000)
Total trade & other receivables	(104,675)	(108,000)

5.2 NON-FINANCIAL ASSETS**(a) Inventories****Current**

Inventories held for distribution	517,551	368,253
Total inventories	517,551	368,253

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**Current**

Prepayments	211,124	222,699
Other	84,697	41,529
Total other assets	295,821	264,228

	2025 \$	2024 \$
5.3 PAYABLES, TRUST FUNDS AND DEPOSITS AND CONTRACT AND OTHER LIABILITIES		
<i>(a) Trade and other payables</i>		
<u>Current</u>		
<i>Non-statutory payables</i>		
Trade payables	2,730,025	1,542,522
Accrued expenses	249,953	353,013
<i>Statutory payables</i>		
Net GST payable	(271,222)	(197,398)
Total current trade and other payables	2,708,755	1,698,138

*(b) Trust funds and deposits*Current

Fire services levy	377,116	328,244
Retention amounts	233,873	138,106
Total current trust funds and deposits	610,989	466,350

*(c) Contract and other liabilities**Other liabilities*Current

Grants received in advance - operating	1,299,243	650,428
Grants received in advance - capital	1,539,210	549,991
Total contract liabilities	2,838,453	1,200,419

Trust funds and deposits

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

Other liabilities

Grant consideration was received from Department of Infrastructure, Transport, Regional Development and Communications – Roads to Recovery projects (\$301,156), Department of Jobs, Skills, Industry and Regions – Hopetoun Swimming Pool (\$546,158), Hopetoun Recreation Reserve Netball Lights (\$119,052), Murtoa Recreation Reserve - Netball/ Tennis Courts (\$795,484), Municipal Building Surveyors Business Case (\$107,000), Tiny Towns – Yaapect Streetscape (\$24,000), Department of Families, Fairness and Housing – Youth program \$25,000 and Head, Transport for Victoria – Hopetoun School Crossing (\$25,162). Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion of the assets. As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

Purpose and nature of items

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

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

5.4 INTEREST-BEARING LIABILITIES**Current**

	2025 \$	2024 \$
Treasury Corporation of Victoria borrowings - secured	42,848	40,829
Total current interest-bearing liabilities	42,848	40,829

Non-current

Treasury Corporation of Victoria borrowings - secured	396,635	439,483
Total non-current interest-bearing liabilities	396,635	439,483

Total	439,483	480,312
--------------	----------------	----------------

Borrowings are secured by rates income.

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

Not later than one year	42,848	40,829
Later than one year and not later than five years	248,191	185,000
Later than five years	148,444	254,483
	439,483	480,312

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

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

	Annual Leave	Long Service Leave	Sick Leave	Landfill & Gravel Pit Restoration	Total
	\$	\$	\$	\$	\$

5.5 PROVISIONS**2025**

Balance at beginning of the financial year	1,157,015	1,838,596	79,122	465,272	3,540,005
Additional provisions	834,667	280,654	12,403	388,740	1,516,464
Amounts used	(869,511)	(219,646)	(7,683)	(104,245)	(1,201,085)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	9,335	327	4,430	14,092
Balance at the end of the financial year	1,122,171	1,908,939	84,169	754,197	3,869,476
Provisions - current	1,122,171	1,629,665	64,903	436,046	3,252,786
Provisions - non-current		279,274	19,266	318,151	616,691

2024

Balance at beginning of the financial year	967,343	1,682,000	79,122	521,000	3,249,465
Additional provisions	993,834	284,895	7,683	(40,900)	1,245,512
Amounts used	(804,162)	(134,274)	(7,683)	(21,328)	(967,447)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	5,975	-	6,500	12,475
Balance at the end of the financial year	1,157,015	1,838,596	79,122	465,272	3,540,005
Provisions - current	1,157,015	1,637,451	55,602	152,730	3,002,798
Provisions - non-current		201,546	23,520	312,542	537,608

	2025 \$	2024 \$
<i>(a) Employee provisions</i>		
<u><i>Current provisions expected to be wholly settled within 12 months</i></u>		
Annual leave	906,464	839,947
Long service leave	228,981	140,249
Sick leave	64,903	55,601
	1,200,348	1,035,797
<u><i>Current provisions expected to be wholly settled after 12 months</i></u>		
Annual leave	215,706	317,067
Long service leave	1,400,683	1,497,202
	1,616,389	1,814,269
Total current employee provisions	2,816,738	2,850,066
<u><i>Non-current</i></u>		
Long service leave	279,274	201,546
Sick leave	19,266	23,520
Total non-current employee provisions	298,540	225,066
Aggregate carrying amount of employee provisions:		
Current	2,816,738	2,850,066
Non-current	298,540	225,066
Total aggregate carrying amount of employee provisions	3,115,278	3,075,132

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:

	2025	2024
- discount rate	3.87%	4.35%
- index rate	4.25%	4.45%

	2025 \$	2024 \$
(b) Landfill restoration		
Current	436,046	152,730
Non-current	318,151	312,542
	754,197	465,272

Council is obligated to restore landfill sites to a particular standard. The forecast life of the sites 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:	2025	2024
- discount rate	3.87%	4.35%
- index rate	4.25%	4.45%

5.6 FINANCING ARRANGEMENTS

The Council has the following funding arrangements in place as at 30 June 2025

Bank overdraft	3,500,000	3,500,000
Credit card facilities	8,000	8,000
Treasury Corporation of Victoria facilities	480,000	480,000
Other facilities	300,000	300,000
Total facilities	4,288,000	4,288,000
Used facilities	680,183	779,000
Unused facilities	3,607,817	3,509,000
Total facilities	4,288,000	4,288,000

5.7 COMMITMENTS

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

(a) Commitments for expenditure

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$	\$	\$	\$	\$
2025					
<i>Operating</i>					
Banking	11,209	22,418	22,418	-	56,045
Kerbside Waste & Recycling collection	1,224,704	2,560,734	2,716,683	1,419,768	7,921,889
Murtoa Recreation Reserve - Netball & Tennis Courts Upgrade	879,603	-	-	-	879,603
Internal Audit Services	99,110	198,220	99,110	-	396,440
Municipal Building Surveying Services (MBS)	120,092	-	-	-	120,092
Corporate System	191,110	-	-	-	191,110
Road Reserve, Channel & Strategic Fire Break Weed Spraying	85,000	85,000	-	-	170,000
Tree Management Plan	45,000	-	-	-	45,000
Fire Prevention	20,000	-	-	-	20,000
Hopetoun Caravan Park Caretaker	65,000	65,000	-	-	130,000
Aquatics Servicing & Maintenance	10,000	-	-	-	10,000
Test & Tag	14,000	28,000	-	-	42,000
Information, Communication & Technology Managed Service Provider	144,000	-	-	-	144,000
Building Demolition & Asbestos Removal - Panel Contract	150,000	300,000	300,000	-	750,000
Total Operating	3,058,828	3,259,372	3,138,211	1,419,768	10,876,178
<i>Capital</i>					
Roads	730,000	730,000	-	-	1,460,000
Kerb & Channel	250,000	250,000	-	-	500,000
Buildings	1,235,118	-	-	-	1,235,118
Total Capital	2,215,118	980,000	-	-	3,195,118
Total	5,273,946	4,239,372	3,138,211	1,419,768	14,071,296

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Total
	\$	\$	\$	\$

2024

Operating

Banking	11,000	22,000	33,600	66,600
Kerbside Waste & Recycling collection	1,095,699	2,191,398	3,287,097	6,574,194
Supply of PPE Clothing	42,000	-	-	42,000
Internal Audit Services	26,000	-	-	26,000
Municipal Building Surveying Services (MBS)	193,000	-	-	193,000
Corporate System	191,000	191,000	-	382,000
Road Reserve, Channel & Strategic Fire Break Weed Spraying	85,000	170,000	85,000	340,000
Minyip Wetlands Caravan Park - Sewer Extension	90,300	-	-	90,300
Minyip Wetlands Caravan Park - Power & Water Services Connection	66,978	-	-	66,978
FReezA - Leaders of the Pack (Western Bulldogs Community)	34,200	-	-	34,200
Plant NHVAS Audit & Risk Assessment	83,300	-	-	83,300
Heritage Trail Innovation Project	24,000	-	-	24,000
Warracknabeal Stormwater Mapping Study	36,600	-	-	36,600
Aquatics Servicing & Maintenance	9,687	19,374	-	29,061
Information, Communication & Technology Managed Service Provider	311,251	-	-	311,251
Fire Prevention	20,000	20,000	-	40,000
Total Operating	2,320,015	2,613,772	3,405,697	8,339,484

Capital

Buildings	354,600	-	-	354,600
Roads	1,430,000	2,330,000	2,000,000	5,760,000
Kerb & Channel	250,000	500,000	-	750,000
Plant & Equipment	997,600	30,000	-	1,027,600
Total Capital	3,032,200	2,860,000	2,000,000	7,892,200

Total	5,352,215	5,473,772	5,405,697	16,231,684
--------------	------------------	------------------	------------------	-------------------

5.8 LEASES

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

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

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

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

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

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

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

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

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

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

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

	Vehicles \$'000	Total \$'000
Right-of-Use Assets		
Balance at 1 July 2024	1,047,288	1,047,288
Lease modifications	(29,733)	139,946
Disposals	(118,651)	(167,096)
Depreciation charge	(314,979)	(285,137)
Balance at 30 June 2025	583,925	735,002
Balance at 1 July 2023	496,288	496,288
Lease modifications	1,044,000	1,044,000
Disposals	(126,000)	(126,000)
Depreciation charge	(367,000)	(367,000)
Balance at 30 June 2024	1,047,288	1,047,288

	2025 \$	2024 \$
Lease Liabilities		
Maturity analysis - contractual undiscounted cash flows		
Less than one year	287,605	369,890
One to five years	300,979	832,000
Total undiscounted lease liabilities as at 30 June:	588,584	1,201,890
 Lease liabilities included in the Balance Sheet at 30 June		
Current	287,605	369,890
Non-current	300,979	763,503
Total lease liabilities	588,584	1,133,393

Short-term and low value leases

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

Note 6: Assets we manage

6.1 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2024	Additions \$	Contributions \$	Revaluation \$	Depreciation \$	Disposal \$	Write-off \$	Transfers \$	Carrying amount 30 June 2025
Land	4,002,391	-	-	-	-	-	-	-	4,002,391
Property	17,580,263	373,246	-	-	(763,244)	(42,722)	-	2,161,591	19,309,135
Plant and equipment	6,605,374	1,331,656	6,200	-	(1,593,307)	(33,700)	-	171,137	6,487,360
Infrastructure	191,210,200	4,273,315	-	222,008	(6,642,748)	(2,717,303)	-	1,020,427	187,365,898
Work in progress	3,863,650	2,542,606	-	-	-	-	-	(3,429,984)	2,976,272
Total	223,261,878	8,520,823	6,200	222,008	(8,999,299)	(2,793,725)	-	(76,829)	220,141,056

Summary of Work in Progress

	Opening WIP \$	Additions \$	Write-off \$	Transfers \$	Closing WIP \$
Property	2,710,045	2,004,580	(2,940)	(2,292,985)	2,418,700
Plant and equipment	133,610	-	-	(133,610)	-
Infrastructure	1,019,995	538,026	(39,789)	(960,660)	557,572
Total	3,863,650	2,542,606	(42,729)	(3,387,255)	2,976,272

(a) Property									
	Land - specialised	Land - non specialised	Total Land	Heritage Buildings	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$	\$	\$	\$	\$	\$	\$	\$	\$
At fair value 1 July 2024	3,568,613	433,778	4,002,391	1,521,018	15,793,960	950,000	18,264,978	2,710,045	24,977,414
Accumulated depreciation at 1 July 2024	-	-	-	(137,906)	(519,231)	(27,578)	(684,715)	-	(684,715)
	3,568,613	433,778	4,002,391	1,383,112	15,274,729	922,422	17,580,263	2,710,045	24,292,699
Movements in fair value									
Additions					373,246		373,246	2,004,580	2,377,826
Disposal					(48,829)		(48,829)	-	(48,829)
Transfers					2,160,533		2,160,533	(2,295,925)	(135,392)
					2,484,950		2,484,950	(291,345)	2,193,605
Movements in accumulated depreciation									
Depreciation and amortisation				(140,227)	(595,438)	(27,578)	(763,244)		(763,244)
Impairment losses recognised in operating result				-	6,107	-	6,107		6,107
Transfers				-	1,058	-	1,058		1,058
				(140,227)	(588,273)	(27,578)	(756,078)		(756,078)
At fair value 30 June 2025	3,568,613	433,778	4,002,391	1,521,018	18,278,910	950,000	20,749,928	2,418,700	27,171,019
Accumulated depreciation at 30 June 2025	-	-	-	(278,133)	(1,107,504)	(55,156)	(1,440,793)	-	(1,440,793)
Carrying amount	3,568,613	433,778	4,002,391	1,242,885	17,171,406	894,844	19,309,135	2,418,700	25,730,226

(b) Plant and Equipment

At fair value 1 July 2024

Accumulated depreciation at 1 July 2024

Movements in fair value

Additions

Contributions

Disposal

Transfers

Movements in accumulated depreciation

Depreciation and amortisation

Accumulated depreciation of disposals

At fair value 30 June 2025

Accumulated depreciation at 30 June 2025

Carrying amount

	Plant machinery and equipment \$	Fixtures, fittings and furniture \$	Computers and Telecoms \$	Library Books \$	Work In Progress \$	Total plant and equipment \$
At fair value 1 July 2024	15,046,560	483,816	779,965	310,825	133,610	16,754,775
Accumulated depreciation at 1 July 2024	(9,176,891)	(285,245)	(453,193)	(100,462)	-	(10,015,791)
	5,869,668	198,571	326,772	210,363	133,610	6,738,984
Movements in fair value						
Additions	1,251,026	7,624	51,547	21,459	37,527	1,369,183
Contributions	-	6,200	-	-	-	6,200
Disposal	(413,747)	(238,863)	(141,345)	-	-	(793,955)
Transfers	44,362	6,946	119,829	-	(171,137)	-
	881,641	(218,093)	30,031	21,459	(133,610)	581,428
Movements in accumulated depreciation						
Depreciation and amortisation	(1,426,979)	(23,215)	(111,185)	(31,929)	-	(1,593,307)
Accumulated depreciation of disposals	380,047	238,863	141,345	-	-	760,255
	(1,046,932)	215,648	30,160	(31,929)	-	(833,052)
At fair value 30 June 2025	15,928,201	265,723	809,996	332,284	-	17,336,203
Accumulated depreciation at 30 June 2025	(10,223,823)	(69,597)	(423,033)	(132,390)	-	(10,848,844)
Carrying amount	5,704,377	196,126	386,963	199,893	-	6,487,359

	Roads	Bridges	Footpaths, kerb & channel	Drainage	Recreational, leisure & community facilities	Waste Management	Parks, open spaces & streetscapes	Aerodromes	Other Infrastructure	Work In Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(c) Infrastructure											
At fair value 1 July 2024	236,324,070	7,446,112	21,846,081	10,376,878	10,043,213	904,253	1,975,049	3,740,012	1,981,770	1,019,995	295,657,433
Accumulated depreciation at 1 July 2024	(79,979,601)	(4,334,329)	(7,945,364)	(6,887,709)	(300,276)	(21,938)	(554,257)	(2,589,109)	(814,656)	-	(103,427,238)
	156,344,469	3,111,782	13,900,717	3,489,168	9,742,938	882,316	1,420,792	1,150,903	1,167,114	1,019,995	192,230,195
Movements in fair value											
Additions	3,583,440	-	490,968	-	66,619	47,639	84,650	-	-	4,981,342	9,254,657
Contributions	-	-	-	-	-	-	-	-	-	-	-
Revaluation	7,374,468	44,737	32,010,286	296,954	-	-	-	-	93,297	-	39,819,742
Disposal	(2,499,978)	(404,436)	(362,077)	-	-	-	(487)	-	-	(39,789)	(3,306,767)
Write-off	-	-	-	-	-	-	-	-	-	-	-
Transfers	480,195	-	261,989	25,728	184,242	64,208	-	-	5,124	(5,403,976)	(4,382,491)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-
	8,938,126	(359,699)	32,401,166	322,682	250,861	111,846	84,163	-	98,421	(462,424)	41,385,140
Movements in accumulated depreciation											
Depreciation and amortisation	(5,423,059.4)	(58,382)	(481,347)	(131,177)	(305,229)	(23,536)	(111,813)	(62,574)	(45,631)	-	(6,642,748)
Accumulated depreciation of disposals	155,503	206,255	187,429	-	-	-	487	-	-	-	549,674
Revaluation	(20,332,540)	(20,155)	(18,636,057)	(220,380)	-	-	-	-	(388,602)	-	(39,597,734)
Transfers	-	-	-	-	(1,058)	-	-	-	-	-	(1,058)
	(25,600,096)	127,718	(18,929,974)	(351,557)	(306,287)	(23,536)	(111,326)	(62,574)	(434,233)	-	(45,691,866)
At fair value 30 June 2025	245,262,196	7,086,413	54,247,247	10,699,559	10,294,074	1,016,100	2,059,212	3,740,012	2,080,191	557,571	337,042,574
Accumulated depreciation at 30 June 2025	(105,579,697)	(4,206,611)	(26,875,338)	(7,239,266)	(606,563)	(45,474)	(665,583)	(2,651,683)	(1,248,889)	-	(149,119,104)
Carrying amount	139,682,499	2,879,801	27,371,909	3,460,293	9,687,511	970,626	1,393,629	1,088,329	831,302	557,571	187,923,470

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

Land under roads

Council recognises land under roads it controls at fair value. All land under roads has been acquired prior to 2008 and therefore is not subject to recognition and valuation.

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

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

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Preston Rowe Paterson National Property Consultant - Benjamin Sawyer AAPI Reg 63163. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or 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 2025 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Land - Non specialised	-	433,778	-	Jun-23	Full
Land - Specialised	-	-	3,568,613	Jun-23	Full
Land Improvements	-	-	-	Jun-23	Full
Heritage Buildings	-	-	1,242,885	Jun-23	Full
Buildings - specialised	-	-	17,171,406	Jun-23	Full
Buildings - non specialised	-	-	894,844	Jun-23	Full
Total	-	433,778	22,877,748		

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with AASB 113 Fair Value using the cost approach (current replacement cost) method internally and processed by Peter Schnorrenberg, Asset Coordinator (BC Acc.), utilising condition data from external surveyors IMG and AssetFinda Asset Management system. These valuations have been reviewed and approved by Vanessa Lantzakis (CPA), Business Lead Assets Systems, Networks and Planning. 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 2025 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation
Roads	-	-	139,682,499	Jun-25	Full
Bridges	-	-	2,879,801	Jun-25	Full
Footpaths and kerb & channel	-	-	27,371,909	Jun-25	Full
Drainage	-	-	3,460,293	Jun-25	Full
Recreational, leisure and community facilities	-	-	9,687,511	Jun-25	Full
Waste management	-	-	970,626	Jun-25	Full
Parks, open space and streetscapes	-	-	1,393,629	Jun-25	Full
Aerodromes	-	-	1,088,329	Jun-25	Full
Other infrastructure	-	-	831,302	Jun-25	Full
Total	-	-	187,365,899		

Description of significant unobservable inputs into Level 3 valuations

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

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$11 to \$5,500 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 30 years to 75 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 12 years to 80 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2025 \$	2024 \$
Reconciliation of specialised land		
Other land	3,568,613	3,568,613
Total specialised land	3,568,613	3,568,613

	2025 \$	2024 \$
6.2 INVESTMENTS IN ASSOCIATES		
<i>(a) Investments in associates</i>		
Wimmera Southern Mallee Development Pty Ltd (formerly known as the Wimmera Development Association) Yarriambiack Shire Council in conjunction with Horsham Rural City Council, Hindmarsh Shire Council, West Wimmera Shire Council and Buloke Shire Council have an interest in Wimmera Southern Mallee Development Pty Ltd. Wimmera Southern Mallee Development Pty Ltd (WSMD) is the peak economic development organisation for the Wimmera Southern Mallee region supporting existing local businesses and promoting economic development opportunities to investors. Yarriambiack Shire Council currently has a 14.68% equity interest (12.06% in 2023/24).	-	-
Fair value of Council's investment in Wimmera Southern Mallee Development Pty Ltd	228,136	288,000
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	228,000	246,000
Reported surplus/(deficit) for year	(119,864)	(18,000)
Council's share of accumulated surplus/(deficit) at end of year	108,136	228,000
Council's share of reserves		
Council's share of reserves at start of year	60,000	60,000
Council's share of reserves at end of Year	60,000	60,000
Movement in carrying value of specific investment		
Carrying value of investment at start of year	288,000	306,000
Share of surplus/(deficit) for year	(119,864)	(18,000)
Share of asset revaluation	60,000	-
Carrying value of investment at end of year	228,136	288,000
Council's share of expenditure commitments		
Operating commitments	533,820	499,000
Council's share of expenditure commitments	533,820	499,000

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.

(b) Community Asset Committees

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

Community Asset Committees consolidated into Council include:

- Hopetoun Swimming Pool Committee of Management
- Woomelang Community Units of Management

Note 7: People and relationships

	2025 \$	2024 \$
7.1 COUNCIL AND KEY MANAGEMENT REMUNERATION		
<i>(a) Related Parties</i>		
<u>Parent entity</u>		
Yarriambiack Shire Council is the parent entity.		
<u>Subsidiaries and Associates</u>		
Interests in subsidiaries and associates are detailed in Note 6.3.		
<i>(b) Key Management Personnel</i>		
Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Yarriambiack Shire Council. The Councillors, Chief Executive Officer and Chief Operating Officer are deemed KMP.		
Councillors		
Councillor Kylie Zanker (Mayor)		
Councillor Graeme Massey (retired November 2024)		
Councillor Tom Hamilton (retired November 2024)		
Councillor Corinne Heintze		
Councillor Karly Kirk		
Councillor Andrew McLean		
Councillor Chris Lehmann		
Councillor Melinda Keel (elected November 2024)		
Chief Executive Officer Tammy Smith		
Chief Operating Officer Tony Caccaviello (resigned February 2025)		
Total Number of Councillors	8	7
Total of Chief Executive Officer and other Key Management Personnel	2	3
Total Number of Key Management Personnel	10	10

(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.

	2025 \$	2024 \$
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	513,228	645,548
Other long-term employee benefits	7,108	9,810
Post-employment benefits	77,650	91,463
Termination benefits	6,531	135,912
Total	604,517	882,733

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

	No.	No.
\$0 - \$10,000	2	-
\$10,000 - \$19,999	1	-
\$20,000 - \$29,999	3	6
\$30,000 - \$39,999	1	-
\$80,000 - \$89,999	1	1
\$120,000 - \$129,999	1	-
\$170,000 - \$179,999	-	1
\$230,000 - \$239,999	1	2
	10	10

(d) Remuneration of Other Senior Staff

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

Total remuneration of other senior staff was as follows:

Short-term employee benefits	485,319	-
Other long-term employee benefits	11,487	-
Post-employment benefits	63,177	-
Total	559,983	-

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

Income Range:	No.	No.
\$180,000 - \$189,999	2	-
\$190,000 - \$199,999	1	-
	3	-

Total remuneration for the reporting year for other senior staff included above, amounted to:	559,983	-
---	----------------	----------

7.2 RELATED PARTY DISCLOSURE

(a) Transactions with related parties

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

* Wimmera Southern Mallee Development Ltd membership \$72,975 (2024: \$71,897)	72,975	71,897
--	--------	--------

(b) Outstanding balances with related parties

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

-	-
---	---

(c) Loans to/from related parties

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

-	-
---	---

(d) Commitments to/from related parties

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

-	-
---	---

Note 8: Managing uncertainties

8.1 CONTINGENT ASSETS AND LIABILITIES

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

(a) Contingent assets

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

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

(b) Contingent liabilities

Contingent liabilities are:

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

Superannuation

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

Landfill & Gravel Pits

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

Liability Mutual Insurance

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

(c) Guarantees for loans to other entities

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

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

8.2 CHANGE IN ACCOUNTING STANDARDS

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2025 reporting period. Council assesses the impact of these new standards. As at 30 June 2025 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2025 that are expected to impact Council.

In September 2024 the Australian Accounting Standards Board (AASB) issued two Australian Sustainability Reporting Standards (ASRS). This followed Commonwealth legislation establishing Australia's sustainability reporting framework. Relevant entities will be required to undertake mandatory reporting of climate-related disclosures in future financial years. Public sector application issues remain under consideration and Council will continue to monitor developments and potential implications for future financial years.

Note 8: Managing uncertainties

8.3 FINANCIAL INSTRUMENTS

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

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

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

(c) Credit risk

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

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

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 3.87%.

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

8.4 FAIR VALUE MEASUREMENT

Fair value hierarchy

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

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

Council has considered the amendments to AASB 13 Fair Value Measurement that apply for the 2024-25 financial year as a result of AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities. For assets, where the Council adopts a current replacement cost approach to determine fair value, the Council now considers the inclusion of site preparation costs, disruption costs and costs to restore another entity's assets in the underlying valuation.

The AASB 13 amendments apply prospectively, comparative figures have not been restated.

The AASB 13 amendments have not resulted in any material impacts to Council's financial statements.

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

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

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

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 3 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

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

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

Impairment of assets

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

8.5 EVENTS OCCURRING AFTER BALANCE DATE

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

Note 9: Other matters

	Balance at beginning of reporting period	Adjusted balance at beginning of reporting period	Increase (decrease)	Balance at end of reporting period
	\$	\$	\$	\$

9.1 RESERVES

(a) Asset revaluation reserves

2025

Property

Land & land improvements	4,124,000	-	-	4,124,000
Buildings	17,657,000	-	-	17,657,000
	21,781,000	-	-	21,781,000

Infrastructure

Roads	98,921,560	-	(12,958,072)	85,963,488
Bridges	2,529,054	-	24,582	2,553,636
Footpaths and kerb & channel	9,709,311	-	13,374,229	23,083,540
Drainage	3,600,027	-	76,574	3,676,601
Recreational, leisure and community facilities	1,408,000	-	-	1,408,000
Waste management	115,000	-	-	115,000
Parks, open space and streetscapes	10,218	-	-	10,218
Aerodromes	315,785	-	-	315,785
Other infrastructure	795,086	-	(295,305)	499,781
	117,404,041	-	222,008	117,626,049

Total asset revaluation reserves	139,185,041	-	222,008	139,407,049
---	--------------------	----------	----------------	--------------------

2024

Property

Land & land improvements	4,124,000	4,124,000	-	4,124,000
Buildings	17,657,000	17,657,000	-	17,657,000
	21,781,000	21,781,000	-	21,781,000

Infrastructure

Roads	105,749,384	105,749,384	(6,827,824)	98,921,560
Bridges	837,000	837,000	1,692,054	2,529,054
Footpaths and kerb & channel	6,326,000	6,326,000	3,383,311	9,709,311
Drainage	3,419,000	3,419,000	181,027	3,600,027
Recreational, leisure and community facilities	1,408,000	1,408,000	-	1,408,000
Waste management	115,000	115,000	-	115,000
Parks, open space and streetscapes	(224,000)	(224,000)	234,218	10,218
Aerodromes	653,000	653,000	(337,215)	315,785
Other infrastructure	745,000	745,000	50,086	795,086
	119,028,384	119,028,384	(1,624,343)	117,404,041

Total asset revaluation reserves	140,809,384	140,809,384	(1,624,343)	139,185,041
---	--------------------	--------------------	--------------------	--------------------

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

	Balance at beginning of reporting period \$	Prior period adjustment \$	Adjusted balance at beginning of reporting period \$	Transfer from accumulated surplus \$	Balance at end of reporting period \$
--	---	-------------------------------------	--	--	---

*(b) Other reserves***2025**

Aerodrome maintenance	14,565	-	14,565	-	14,565
Total Other reserves	14,565	-	14,565	-	14,565

2024

Aerodrome maintenance	14,565	-	14,565	-	14,565
Total Other reserves	14,565	-	14,565	-	14,565

	2025 \$	2024 \$
9.2 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)		
Surplus/(deficit) for the year	(1,432,353)	(3,345,840)
<i>Non-cash adjustments:</i>		
Profit/(loss) on disposal of property, infrastructure, plant and equipment	2,600,076	(189,027)
Impairment losses	29,459	69,051
Share of net profit/(loss) of associates	60,106	(18,482)
Depreciation	8,999,299	5,368,826
Amortisation	314,979	397,519
Borrowing costs	41,727	7,895
???	253,984	-
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(287,850)	657,519
(Increase)/decrease in prepayments	11,575	25,703
(Increase)/decrease in accrued income	(43,562)	(9,438)
Increase/(decrease) in trade and other payables	1,072,472	(1,036,429)
(Decrease)/increase in contract and other liabilities	1,692,034	(3,077,100)
(Decrease)/increase in other liabilities	(313,765)	-
(Increase)/decrease in inventories	(149,298)	(196,420)
(Decrease)/increase in provisions	264,247	290,232
(Decrease)/increase in trust funds and deposits	144,639	126,715
(Decrease)/increase in non-current investment	312,986	-
Net cash provided by/(used in) operating activities	13,570,755	(929,275)

9.3 SUPERANNUATION

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

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings. For the year ended 30 June 2025, this was 11.5% as required under Superannuation Guarantee (SG) legislation (2024: 11.0%).

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. As at 30 June 2024, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2024 (of which Council is a contributing employer) was 105.4%. The financial assumptions used to calculate the VBI were:

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

As at 30 June 2025, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2025.

Vision Super has advised that the VBI at 30 June 2025 was 110.5%. Council was notified of the 30 June 2025 VBI during August 2025 (2024: August 2024). The financial assumptions used to calculate this VBI were:

Net investment returns	5.7% pa
Salary information	3.5% pa
Price inflation (CPI)	2.6% pa

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2024 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

(a) Regular contributions

On the basis of the results of the 2024 interim 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 2025, this rate was 11.5% of members' salaries (11.0% in 2023/24). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation.

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

(b) Funding calls

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

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 2024 interim 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. An interim investigation was conducted as at 30 June 2024 while 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:

	2024 (Triennial) \$m	2023 (Triennial) \$m
- A VBI Surplus	108.4	84.7
- A total service liability surplus	141.4	123.6
- A discounted accrued benefits surplus	156.7	141.9

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 2024.

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 2024.

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 2024.

The 2025 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2025 as the Fund provides lifetime pensions in the Defined Benefit category.

Vision Super has advised that the VBI at 30 June 2025 was 110.5%. Council was notified of the 30 June 2025 VBI during August 2025 (2024: August 2024). The financial assumptions used to calculate this VBI were:

- Net investment returns	5.7% pa
- Salary information	3.5% pa
- Price inflation (CPI)	2.6% pa

It is anticipated that this actuarial investigation will be completed by 31 October 2025.

The 2023 triennial investigation

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

	2023 Triennial investigation	2020 Triennial investigation
Net investment return	5.7% pa	5.6% pa
Salary inflation	3.50% pa	2.5% pa for two years and 2.75% pa thereafter
Price inflation	2.8% pa	20% pa

Superannuation contributions

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

	Type of Scheme	Rate	2025 \$'000	2024 \$'000
Vision super	Defined benefits	11.5% (2024:11.0%)	42,320	49,000
Vision super	Accumulation	11.5% (2024:11.0%)	1,062,428	916,648

In addition to the above contributions, Council has paid unfunded liability payments to Vision Super totalling \$0 during the 2024/25 year (2023/24 \$0 paid during the 2023/24 year).

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2025.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2026 is \$44,436.

Note 10: Change in accounting policy

There have been no changes to accounting policies in the 2024/25 year.



Yarriambiack
SHIRE COUNCIL