



Agenda

Unscheduled Council Meeting

Tuesday 3 September 2024 at 12:30pm

This meeting will be held in the Fountain View Room at Civic Centre, 25 Ferres Boulevard, South Morang and will be [livestreamed via Council's website](#).

C Lloyd
Chief Executive Officer

Administrators

Lydia Wilson Chair of Council

Peita Duncan Administrator

Christian Zahra AM Administrator

On 19 June 2020 the Acting Minister for Local Government appointed the Panel of Administrators for the City of Whittlesea and appointed Lydia Wilson as Chair of the Panel. The Panel of Administrators comprises of Lydia Wilson, Peita Duncan and Christian Zahra who will undertake the duties of the Council of the City of Whittlesea until the CEO calls the first Council meeting after the October 2024 Local Government Election.

Senior Officers

Craig Lloyd Chief Executive Officer

Sarah Renner Director Customer & Corporate Services

Jacinta Stevens Executive Manager Office of Council & CEO

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1 Opening

1.1 Meeting Opening and Introductions

The Chair of Council, Lydia Wilson will open the meeting and introduce the Administrators and Chief Executive Officer:

Administrator, Peita Duncan;
Administrator, Christian Zahra; and
Chief Executive Officer, Craig Lloyd.

The Chief Executive Officer, Craig Lloyd will introduce members of the Executive Leadership Team:

Sarah Renner, Director Corporate and Customer Services; and
Jacinta Stevens, Executive Manager Office of Council and CEO.

1.2 Apologies

1.3 Acknowledgement of Traditional Owners Statement

The Chair of Council, Lydia Wilson will read the following statement:

“On behalf of Council, I recognise the rich Aboriginal heritage of this country and acknowledge the Wurundjeri Willum Clan and Taungurung People as the Traditional Owners of lands within the City of Whittlesea.

I would also like to acknowledge Elders past, present and emerging.”

1.4 Diversity and Good Governance Statement

The Chair of Council, Lydia Wilson will read the following statement:

“At the City of Whittlesea we are proud of our diversity and the many cultures, faiths and beliefs that make up our community. We strive to be an inclusive welcoming City that fosters active participation, wellbeing and connection to each other and this land. We commit as a Council to making informed decisions to benefit the people of the City of Whittlesea now and into the future, to support our community’s vision of A Place For All.”

2 Declarations of Conflict of Interest

3 Confirmation of Minutes of Previous Meeting/s

Recommendation

THAT the following Minutes of the preceding meeting as circulated, be confirmed:

Scheduled Meeting of Council held on 20 August 2024.

4 Officers' Reports

4.1 Audit and Risk Committee Annual Report on Activity

Director/Executive Manager: Executive Manager Office of Council & CEO

Report Author: Unit Manager Governance

Executive Summary

The purpose of this report is to provide Council with an overview of annual key activities undertaken by the Audit and Risk Committee (Committee) during the period 6 September 2023 to 31 August 2024.

The Committee's Annual Report (Attachment 1) provides Council with information on:

- The progress of its Annual Work Plan and activities in this reporting period.
- Activities that the Committee monitors and reviews to ensure it complies with the requirement under the Committee Charter.
- Details of discussions and recommendations made in relation to the key activities of risk management, financial and performance reporting, systems of internal control, internal assurance, internal audit, external audit, compliance and governance.

Officers' Recommendation

THAT Council note the:

- 1. Audit and Risk Committee's Annual Report for the period 6 September 2023 to 31 August 2024 at Attachment 1.**
- 2. Audit and Risk Committee have provided valuable support to Council and discharged their responsibilities under the Audit and Risk Committee Charter including providing oversight on financial and performance reporting, systems of internal control, risk management and audit and assurance activities.**

Background / Key Information

The Committee is an independent advisory committee of Council whose role is to report to Council and provide appropriate advice and recommendations on matters presented to it. The Committee acts in this capacity by monitoring, reviewing and advising on issues within its scope of responsibility and assisting Council's governance obligations to its community.

In accordance with s54 (5) of the *Local Government Act 2020*, the Committee is required to prepare an annual report on its activities. A copy of the report was provided to the Chief Executive Officer for tabling at this Council Meeting.

At its 12 November 2020 meeting, the Committee determined that it would prepare a report for Council on its activities following the March and September Committee meetings each year.

The annual report was approved by the Chair on behalf of the Committee out of session, who is in attendance to present the report to Council.

Alignment to Community Plan, Policies or Strategies

Alignment to Whittlesea 2040 and Community Plan 2021-2025:

High Performing Organisation

We engage effectively with the community, to deliver efficient and effective services and initiatives, and to make decisions in the best interest of our community and deliver value to our community.

Considerations of *Local Government Act (2020)* Principles

Financial Management

The cost is included in the current budget.

Community Consultation and Engagement

The Audit and Risk Committee is a non-delegated Committee of Council and therefore, no community consultation and engagement are required.

Other Principles for Consideration

Overarching Governance Principles and Supporting Principles

- (g) The ongoing financial viability of the Council is to be ensured.
- (i) The transparency of Council decisions, actions and information is to be ensured.

Public Transparency Principles

- (d) Public awareness of the availability of Council information must be facilitated.

Council Policy Considerations

Environmental Sustainability Considerations

No Implications.

Social, Cultural and Health

No Implications.

Economic

No Implications.

Legal, Resource and Strategic Risk Implications

There are no implications with the presentation of the annual report. It is a legislative requirement under s 54 (5) of the Act.

Implementation Strategy

Communication

This report is one method by which Council is informed of the activities of the Audit and Risk Committee and is made publicly available to members of the community through the Council meeting agenda and minutes.

Critical Dates

In accordance with the *Local Government Act 2020* and the Audit and Risk Committee Charter, the Audit and Risk Committee's Annual Report is to be tabled at the subsequent Council Meeting.

Declaration of Conflict of Interest

Under Section 130 of the *Local Government Act 2020* officers providing advice to Council are required to disclose any conflict of interest they have in a matter and explain the nature of the conflict.

The Responsible Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

Attachments

1. ARC Annual Report Sept 2024 [4.1.1 - 8 pages]



Audit and Risk Committee

Annual Activity Report: For period 6 September 2023 – 31 August 2024

Final Report Issued Date:

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1. Role of the Audit and Risk Committee

The Audit and Risk Committee (the Committee) is an independent committee of Council and its purpose is to support and advise Council in fulfilling its responsibilities related to:

- financial reporting
- risk management
- maintenance of sound systems of internal control
- assurance activities including internal and external audit, and
- Council's performance regarding legislative and regulatory compliance.

It acts in this capacity by monitoring, reviewing, and advising on issues within its scope of responsibility.

The Committee reports to Council on the outcomes of its work programme and provides advice and recommendations on matters relevant to its Charter. The Committee may also endorse key reports for consideration by Council.

2. Independence

An independent Audit and Risk Committee is a fundamental component of a strong corporate governance culture. Council's Committee is independent of management and is not involved in any operational decisions. Committee members do not have any executive powers, management functions or delegated financial responsibilities.

3. Period of this Report

This report covers the Committee activities over the past year from 6 September 2023 to 31 August 2024.

In that period the Committee has met 5 times - 12 September 2023, 15 November 2023, 13 February 2024, 14 May 2024 and 27 August 2024.

4. Purpose of this Report

This report is prepared in accordance with Council's reporting requirements under section 54(5) of the *Local Government Act 2020* (LGA), which requires the Committee to report to Council twice annually on its activities, findings, and recommendations.

Importantly, this report provides Council with a summary of matters that the Committee has addressed in the period to discharge its responsibilities under its Charter. This report has been reviewed by all Committee members.

5. Committee Charter

The Committee's Charter is set by Council and was last reviewed and approved by Council at its 21 May 2024 meeting.

6. Committee Membership and Meeting Attendance

6.1 Committee Membership

The Committee has four independent members and two Administrator members.

The independent members collectively have skill sets and experience as mandated in s 53 of the LGA, including skills in financial management and reporting, risk management, audit and assurance programs, compliance management and internal control frameworks.

The Chair of the Committee is an independent member. The mix of independent and Administrator members enables open discussion based on best practice and gives Administrator's insights into Council's governance practices.

The composition of the Committee remained stable during the year, with the continuity of four independent members and two Administrator members.

6.2 Committee Support

The Committee enjoys a strong professional working relationship with Council Officers, which helps the Committee deliver insights, advice, and support to Council. The Committee and Council Officers are always alert to opportunities for improvements.

6.3 Meeting Attendance

	Meetings				
	12 Sept 23	15 Nov 23	13 Feb 2024	14 May 24	27 Aug 24
Independent Members					
Geoff Harry (Chair)	Attended	Attended	Attended	Attended	Attended
Jen Johanson	Attended	Attended	Attended	Apology	Attended
Bruce Potgieter	Attended	Attended	Attended	Attended	Attended
Marco Bini	Attended	Attended	Attended	Attended	Attended
Administrator Members					
Lydia Wilson	Attended	Attended	Attended	Apology	Attended
Christian Zahra	Attended	Attended	Attended	Attended	Attended

6.3.1 Senior Management Team

The Committee has been strongly supported by Council's CEO and senior management team who have attended all meetings during the year.

6.3.2 External Service Providers

Both the internal audit team (Pitcher Partners) and the agent of the Victorian Auditor General's Office (VAGO) have attended as required.

7. Committee Annual Work Plan

The agendas for the meetings are driven by the Annual Work Plan (AWP).

The AWP and agendas contain the activities undertaken by the Committee to ensure it meets its Charter responsibilities.

The AWP is reviewed at every meeting to ensure that the Committee continues to discharge its responsibilities to Council on a timely basis.

The work of the Committee is summarised below in each of the key areas.

7.1 Financial and Performance Reporting

The Committee monitored the quality, content, and commentary of the financial and performance reports provided to Council, which were tracked against the approved budget and Council Plan.

The Committee also received quarterly updates on the Local Government Performance Reporting Framework and Council's performance against its LGPRF targets.

The Committee was satisfied with the quality of the financial performance reporting.

7.2 Risk Management

The Committee monitored risk management activity at all meetings, which included consideration of the following matters:

- Outcomes of assessments of strategic and operational risks
- Management of significant insurance activities
- Outcomes of disaster recovery test plans
- Emergency management and business continuity activities
- Effectiveness of fraud and corruption systems
- Outcomes of the review of the Risk Management Framework
- Briefings from Council Officers on emerging risks for Council including:
 - Data governance
 - Assets, facilities, and capital delivery
 - Post 2024 Council election legislative compliance requirements and Councillor inductions
 - Digital and cyber security.

The Committee is satisfied with the maturity of the risk management framework, program and controls, and the Business Continuity Plan.

7.3 Strategic Internal Audit Plan

The Committee monitored the Strategic Internal Audit Plan (SIAP) which was developed by our internal auditors in consultation with the Committee, the Executive Leadership Team, and the Risk and Assurance team.

The Committee approved the 2024 - 25 Strategic Internal Audit Plan at its 14 May 2024 meeting.

7.4 Internal Audit

The internal audit function is contracted to Pitcher Partners under an agreement that commenced in July 2023 for an initial term of 3 years.

The Committee monitored the progress of the delivery of the SIAP for 2023-24 and was satisfied that delivery is on track.

2023-2024 Internal Audit Reviews	Date presented
Parks Maintenance Contract	13 February 2024
Payroll	14 May 2024
wat djerring Animal Facility Operations	Scheduled for 3 December 2024
Climate Change Adaption	Scheduled for 10 September 2024
Family Day Care Operations	Scheduled for 10 September 2024

The Committee also regularly monitors managements performance in closing out recommendations for improvement and is particularly alert to high rated actions that are not closed by the target dates.

The Committee is satisfied that there is appropriate management focus on the actions, bearing in mind that some recommendations require system changes or enhancements with long lead times.

7.5 Compliance and Integrity

The Committee monitored Council's compliance and provided advice on:

- Systems and processes for monitoring legislative compliance
- Gifts, Benefits and Hospitality Register to assess fraud risk and conflict of interest compliance
- Key Personal Expenses (including Administrators, CEO, and the CEO's Executive Assistant) to assess fraud and integrity
- Internal Assurance Program
- Procurement performance
- Compliance Framework, with the purpose to provide our review and feedback on the draft Compliance Framework prior to endorsement by Council's Executive Leadership Team.
- Unreasonable Complainant Conduct Guidelines
- Regulatory Integrity Report Review program, which screens for investigations and reports by State Integrity Agencies (including VAGO, IBAC, Ombudsman Victoria, Office of the Australian Information Commissioner, Independent Commission Against Corruption, Australian Water Association) with officers providing

briefings, recommendations, and best practice insights to be implemented where a gap exists.

7.6 Systems of Internal Control

The Committee considered several reports on the review of policies, systems, and controls during the reporting period. The key matters monitored and subject to review included the following:

- Alignment of policies and procedures with Overarching Governance Principles
- The review of key internal policies
- Instrument of Delegations
- Internal Assurance Program
- Targeted areas:
 - CX/DX Program
 - Developer contributions
 - Significant Contracts and Projects

7.7 External Audit

The Victorian Auditor General's Office (VAGO) appointed HLB Mann Judd as its agent to undertake the external audit of Council's annual financial report and annual performance statement for the year ending 30 June 2024.

The Committee was briefed on the draft external audit strategy for the 2023-2024 annual financial report and performance statement at the meeting on 13 February 2024. The strategy identified the key audit risks for the 2023-24 year.

The Committee reviewed HLB Mann Judd's closing report on the Annual Financial Report, and the Annual Performance Statement for 2023-24 at its meeting on 27 August 2024, noting that there were no significant issues raised. The Committee continues to monitor management's implementation of the improvement initiatives.

8. Reporting to Council

To advance the transparency of Committee decision making, advice and deliberations:

- All Committee meetings unconfirmed minutes are reported to the next ordinary Council meeting for in-principle approval.
- The Committee's Biannual Report was tabled at the 16 April 2024 Council meeting, which contained information on the Committee's activities from 6 September 2023 to February 2024.
- The Annual Financial Report, which was audited by the appointed external auditors was tabled at Council's unscheduled Council meeting 3 September 2024.

9. Committee Performance Assessment

The Committee endorsed the questionnaire for use in the performance self-assessment survey at their 13 February 2024 meeting and confirmed the method for undertaking and reporting on the survey results.

An online survey link was created and circulated to Committee members, regular attendees of Audit and Risk Committee meetings and the internal and external auditors.

All Committee members and six other attendees, who interact regularly with the Committee, participated in the survey. The outcomes of the survey were strongly positive, providing strong endorsement of the Committee's performance over the previous year.

The key themes of the assessment included:

- Due to the Internals Auditor's recent appointment, the assessment of the internal audit function was difficult to assess.
- The consistency and quality of agenda papers, and the working relationships between the Committee and management will benefit from further improvement as the new Governance team settles into its role.

The Committee agreed to improvement opportunities to address these matters. It was also agreed that sometime be allocated at the end of meetings to allow reflection on meetings outcomes.

10. Conclusion

The Committee is satisfied that it has fully discharged its responsibilities for the reporting period as set out in its Charter. The Committee has noted indications of improving risk management performance and a strengthening of the internal control environment over the reporting period.

On behalf of all Committee members, I wish to acknowledge the support of Council's senior officers in the preparation of agendas, minutes, reports, and presentations, all of which ensure that the Committee remains well-briefed and effective.

Geoff Harry

Chair, on behalf of the Audit and Risk Committee

Date: 3 September 2024

4.2 Certification of 2023-24 Financial Statements & Performance Statement

Director/Executive Manager: Director Customer & Corporate Services

Report Author: Chief Financial Officer

In Attendance: Chief Financial Officer

Executive Summary

The purpose of the report is to seek Council's approval for adoption in principle of the City of Whittlesea Annual Financial Report (Attachment 1) and Annual Performance Statement (Attachment 2) for the year ended 30 June 2024 and authorisation of two Administrators to sign the certifications included in the reports.

Council is required to present audited Annual Financial Report and Performance Statement to a Council Meeting by 31 October each year under the *Local Government Act 2020*, s98(1).

Officers' Recommendation

THAT Council:

- 1. Approve in principle the Annual Financial Report and Annual Performance Statement for the year ended 30 June 2024.**
- 2. Authorise the Principal Accounting Officer to make minor amendments to the Annual Financial Report and Annual Performance Statement for the year ended 30 June 2024 to meet the Victorian Auditor-General's Office (VAGO) requirements.**
- 3. Authorise Audit and Risk Committee Council representatives, Chair Administrator Wilson and Administrator Zahra to sign-off on the Annual Financial Report and Annual Performance Statement for the year ended 30 June 2024.**
- 4. Authorise the Chief Executive Officer and Principal Accounting Officer to sign-off on the Annual Financial Report and Annual Performance Statement for the year ended 30 June 2024.**
- 5. Authorise the final audited Annual Financial Report and Annual Performance Statement for the year ended 30 June 2024 to be emailed to auditor by 31 October 2024.**

Background / Key Information

The Annual Financial Report (Attachment 1) and Annual Performance Statement (Attachment 2) are required to be certified by Council's Chief Executive Officer, Principal Accounting Officer and two Administrators on behalf of Council prior to Council's auditor signing the audit certifications.

The draft Annual Financial Report and Annual Performance Statement for the year ended 30 June 2024 are firstly presented to Council's Audit and Risk Committee (Committee) for review and recommendation for adoption by Council. The review focuses on:

- Accounting policies and practices, including any changes to accounting policies and practices;
- Compliance with accounting standards and other reporting requirements;
- Significant adjustments to the Annual Financial Report and Annual Performance Statement (if any) arising from the audit process; and
- Significant variances against the budget and from prior years.

Audit and Risk Committee Meeting 27 August 2024

The Committee discussed and reviewed the Annual Financial Report and Annual Performance Statement with a representative of Council's external auditor, Nick Walker (HLB Mann Judd).

The Committee recommended minor amendments, which have been incorporated and are reflected in the attached Draft Annual Financial Report and Annual Performance Statement. Subject to completion of audit procedures, the Committee endorsed the Annual Financial Report and Annual Performance Statement for the year ended 30 June 2024 and recommended to Council to approve in-principle.

As required under Council's Audit and Risk Committee Charter, the Minutes of the Audit and Risk Committee meeting held on Tuesday 27 August 2024 will be presented at future Council Meeting.

Comprehensive Result

The Comprehensive Income Statement includes an amount after the total surplus (deficit) that represents the net revaluation increase of all property and infrastructure assets. Therefore, the total comprehensive result for the year ended 30 June 2024 is \$448.7 million.

Council measures its underlying operational result to assist in the determination of whether it is operating in a sustainable fashion or not. The underlying result is an important indicator of Council's long-term financial sustainability. Whilst an underlying deficit in one financial year is not significant, the continued recording of deficits over a sustained period from Council's operations gradually erodes the net assets of Council.

The underlying result from operations excludes transactions which are either 'non-recurring' or not operational in nature. These items are frequently unpredictable and typically can change from one year to the next. The best examples of these items are assets (roads, footpaths, drains, land reserves, etc) that are given to Council by developers once a new subdivision is completed. There are also other accounting adjustments for when existing assets are revalued.

The aim of an underlying result is to determine whether Council's operational costs/income result is a surplus or deficit outcome. In this way, Council can, in long-term financial planning, aim for an outcome where pure operational outcomes assist Council in achieving a sustainable organisation.

The table below shows the underlying operational result for the year ended 30 June 2024.

Comprehensive Result from Comprehensive Income Statement	\$448.7M
<i>Less Other comprehensive income:</i>	
Asset revaluation increment	\$289.3M
Surplus for the year from Comprehensive Income Statement	\$159.4M
<i>Less Non-operating income and expenditure</i>	
Grants – capital (non-recurring)	\$6.1M
Contributions – cash (developer contributions)	\$53.9M
Contributions - non-monetary assets	\$107.5M
Underlying (deficit)	(\$8.1M)

While showing a total comprehensive result of \$448.7 million, the table above shows that the City of Whittlesea's underlying operating result for the year ended 30 June 2024 is a deficit of (\$8.1 million). The underlying deficit for the year is primarily due to the advanced payment of the 2023-24 Financial Assistance Grant from the Victorian Grant Commission being recognised in the 2022-23 financial year, while the 2024-25 advanced grant was not paid in 2023-24 as expected. An additional contributing factor was works in kind reimbursement payments paid to the developer relating to the Developer Contribution Plan. These payments are funded by the Development Contribution Plan reserve.

Financial Sustainability Indicators

The Victorian Auditor-General's Office publishes Council's result against a range of indicators used to assist in measuring performance and financial sustainability. The estimated result of the 2023-24 indicators are presented in the table below.

Ratio	2023-24	Comments
<p>Net result margin (Net result / total revenue)</p>	<p>35.1% Green</p>	<p>This ratio measures Council’s ability to fund operations and asset renewal. Operating deficits cannot be sustained in the long term.</p> <p>A result less than -10% (deficit) is deemed high risk (red) and a positive result is desirable (green).</p>
<p>Adjusted underlying result (Adjusted underlying surplus (or deficit) / Adjusted underlying revenue)</p>	<p>(2.6%) Amber</p>	<p>Indicator of the broad objective that an adjusted underlying surplus should be generated in the ordinary course of business. A surplus or increasing surplus suggests an improvement in the operating position.</p> <p>A result of less than -10% (deficit) is deemed as high risk (red), and a result higher than 0% is desirable (green).</p> <p>The main contributing factors that has driven an amber result was due to the advanced payment of the 2023-24 Financial Assistance Grant from the Victorian Grant Commission being recognised in the 2022-23 financial year, while the 2024-25 advanced grant was not paid in 2023-24 as expected and works in kind reimbursement payments paid to the developer relating to the Developer Contribution Plan. These payments are funded by the Development Contribution Plan reserve. The amber result is also impacted by write-off of assets as a result of disposal of infrastructure assets.</p>
<p>Liquidity (Current assets / current liabilities)</p>	<p>268.7% Green</p>	<p>This ratio measures Council’s ability to pay existing liabilities in the next 12 months.</p> <p>A result of less than 100% is deemed as high risk (red) and a result higher than 150% is desirable (green).</p>
<p>Internal financing (Net operating cash flows / net capital expenditure)</p>	<p>157.2% Green</p>	<p>This ratio measures Council’s ability to replace assets using cash generated from operations.</p> <p>A result of less than 75% is deemed as high risk (red) and a result higher than 100% is desirable (green).</p>
<p>Indebtedness (non-current liabilities / own-sourced revenue)</p>	<p>4.7% Green</p>	<p>This ratio measures Council’s ability to cover its noncurrent liabilities with its own sourced revenue.</p> <p>A result of more than 60% is deemed as high risk (red) and a result lower than 40% is desirable (green).</p>

Ratio	2022-23	Comments
Capital replacement (Cash outflows for property, plant and equipment / Depreciation)	147.1% Amber	<p>Comparison of the rate of spending on infrastructure with its depreciation.</p> <p>A result lower than 100 is deemed high risk (red) and a result higher than 150% is desirable (green).</p> <p>The primary factor that has driven an amber result was a number of large capital works projects that were impacted by a range of factors such as delays from service authorities, contractors' availability and supply chain issues resulting in lower spending on infrastructure.</p>
Renewal gap (Renewal and upgrade expenditure / depreciation)	82.2% Amber	<p>Comparison of the rate of spending on existing assets through renewing, restoring and replacing existing assets with depreciation.</p> <p>A ratio lower than 50% is deemed high risk (red) and a result higher than 100% is desirable (green).</p> <p>The renewal gap ratio was in amber as a result of delays in delivery of key renewal projects due to lead times in receiving materials, delays from service authorities, and the availability of contractors.</p>
Overall assessment for long-term financial sustainability	Green	The City of Whittlesea remains low risk (green) for its long-term financial sustainability.

Annual Performance Statement

The 2023-24 financial year has seen several positive developments across some of Council's valued community services. Aquatic and leisure facilities are continuing to grow across all three centres; continued to refine the delivery of essential services, including reuniting lost pets, facilitating pet adoptions, conducting animal-related investigations, providing after-hours emergency services, and auditing animal-related businesses to maintain welfare standards.

Despite ongoing workforce shortages in nursing, which align with sector trends, Council remains committed to recruiting Maternal and Child Health nurses to support the community. Additionally, there has been a rise in library loans, with an increasing number of registered library members and growing visitor numbers.

For the 2023-24 financial year, Council set targets for four service performance indicators and four financial performance indicators. The targets were met for all financial performance and sustainable capacity indicators and the indicator for roads and statutory planning. The governance service performance indicator was within the acceptable range. However, the target for the waste indicator was not met due to the Container Deposit Scheme (CDS), because of a significant amount of glass and recyclables being returned through refund collection points instead of the Council's kerbside service.

Please refer to Attachment 2 for the Annual Performance Statement 30 June 2024.

Alignment to Community Plan, Policies or Strategies

Alignment to Whittlesea 2040 and Community Plan 2021-2025:

High Performing Organisation

We engage effectively with the community, to deliver efficient and effective services and initiatives, and to make decisions in the best interest of our community and deliver value to our community.

Considerations of *Local Government Act (2020)* Principles

Financial Management

The cost of the annual audit by VAGO is included within Council's annual budget.

Community Consultation and Engagement

Consultation has been conducted with the relevant Council departments and external service providers as necessary through the course of the audit.

Other Principles for Consideration

Overarching Governance Principles and Supporting Principles

(g) The ongoing financial viability of the Council is to be ensured.

Public Transparency Principles

(c) Council information must be understandable and accessible to members of the municipal community.

Council Policy Considerations

Environmental Sustainability Considerations

No Implications.

Social, Cultural and Health

No Implications.

Economic

No Implications.

Legal, Resource and Strategic Risk Implications

No Implications.

Implementation Strategy

Communication

Reported information has been sourced and discussed with line management and project managers across the organisation. Consultation has also been undertaken with the Executive Leadership Team.

Critical Dates

Council is required to present audited financial statements and performance statement by 31 October 2024 as per Local Government Act 2020 section 98(1).

Declaration of Conflict of Interest

Under Section 130 of the *Local Government Act 2020* officers providing advice to Council are required to disclose any conflict of interest they have in a matter and explain the nature of the conflict.

The Responsible Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

Attachments

1. City of Whittlesea Annual Financial Report 30 June 2024 [4.2.1 - 64 pages]
2. City of Whittlesea Annual Performance Statement 30 June 2024 [4.2.2 - 19 pages]

**City of Whittlesea
ANNUAL FINANCIAL REPORT**

For the Year Ended 30 June 2024

Financial Report

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Certification of the Financial Statements

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

Aaron Gerrard CPA
Principal Accounting Officer

Date : 3 September 2024
South Morang

In our opinion, the accompanying financial statements present fairly the financial transactions of the City of Whittlesea for the year ended 30 June 2024 and the financial position of 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 Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the financial statements in their final form.

Lydia Wilson
Chair Administrator
Date : 3 September 2024
South Morang

Christian Zahra
Administrator
Date : 3 September 2024
South Morang

Craig Lloyd
Chief Executive Officer
Date : 3 September 2024
South Morang

Victorian Auditor-General's Office
Independent Auditor's Report

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Victorian Auditor-General's Office

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Comprehensive Income Statement For the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income / Revenue			
Rates and charges	3.1	207,643	190,300
Statutory fees and fines	3.2	25,874	17,036
User fees	3.3	10,579	9,121
Grants - operating	3.4 (a)	18,613	38,590
Grants - capital	3.4 (b)	7,364	12,630
Contributions - monetary	3.5	53,944	23,187
Contributions - non monetary	3.5	107,465	100,656
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6 (a)	945	605
Share of net profits (or loss) of associates and joint ventures	6.2	33	-
Other income	3.7	21,947	15,048
Total income/ revenue		454,407	407,173
Expenses			
Employee costs	4.1	120,686	104,227
Materials and services	4.2	98,531	91,727
Depreciation	4.3	51,089	47,286
Amortisation - intangible assets	4.4	71	371
Depreciation - right of use assets	4.5	963	926
Allowance for impairment losses	4.6	2,709	3,019
Borrowing costs	4.7	118	192
Finance costs - leases	4.8	150	91
Net loss on write-off of property, Infrastructure, plant and equipment	3.6 (b)	4,034	9,730
Share of net loss of associates and joint ventures	6.2	-	203
Other expenses	4.9	16,644	15,772
Total expenses		294,995	273,544
Surplus for the year		159,412	133,629
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	6.1, 9.1	289,335	(40,786)
Total other comprehensive result		289,335	(40,786)
Total comprehensive result		448,747	92,843

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

Balance Sheet

As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1 (a)	26,596	51,173
Other financial assets	5.1 (b)	265,000	250,000
Trade and other receivables	5.1 (c)	55,518	40,669
Inventories	5.2 (a)	79	106
Other assets	5.2 (b)	7,580	6,237
Total current assets		354,773	348,185
Non-current assets			
Other financial assets	5.1 (b)	50,000	-
Other non-financial assets	5.2 (c)	22	22
Intangible assets	5.2 (d)	208	279
Right-of-use assets	5.8	3,239	2,412
Property, infrastructure, plant and equipment	6.1	4,783,011	4,366,282
Investments in associates, joint arrangements and subsidiaries	6.2	2,926	2,893
Total non-current assets		4,839,406	4,371,888
Total assets		5,194,179	4,720,073
Liabilities			
Current liabilities			
Trade and other payables	5.3 (a)	35,933	23,830
Trust funds and deposits	5.3 (b)	50,600	32,440
Contract and other liabilities	5.3 (c)	20,900	25,542
Provisions	5.5 (a)	22,178	21,672
Interest-bearing liabilities	5.4	1,567	2,449
Lease liabilities	5.8	881	588
Total current liabilities		132,059	106,521
Non-current liabilities			
Provisions	5.5 (a)	2,455	1,651
Interest-bearing liabilities	5.4	7,624	9,191
Lease liabilities	5.8	2,464	1,880
Total non-current liabilities		12,543	12,722
Total liabilities		144,602	119,243
Net assets		5,049,577	4,600,830
Equity			
Accumulated surplus		3,047,817	2,923,827
Reserves	9.1	2,001,760	1,677,003
Total Equity		5,049,577	4,600,830

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

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

	Note	Total	Accumulated Surplus	Asset Revaluation Reserve	Asset Replacement Reserve	Asset Development Reserve
		\$'000	\$'000	\$'000	\$'000	\$'000
2024						
Balance at beginning of the financial year		4,600,830	2,923,827	1,455,084	79,638	142,281
		4,600,830	2,923,827	1,455,084	79,638	142,281
Surplus/(deficit) for the year		159,412	159,412	-	-	-
Net asset revaluation gain/(loss)	6.1	289,335	-	289,335	-	-
Transfers from other reserves	9.1(b)	-	29,772	-	(7,707)	(22,065)
Transfers to other reserves	9.1(b)	-	(65,194)	-	3,862	61,332
Balance at end of the financial year		5,049,577	3,047,817	1,744,419	75,793	181,548

	Note	Total	Accumulated Surplus	Asset Revaluation Reserve	Asset Replacement Reserve	Asset Development Reserve
		\$'000	\$'000	\$'000	\$'000	\$'000
2023						
Balance at beginning of the financial year		4,507,987	2,818,040	1,495,870	59,461	134,616
		4,507,987	2,818,040	1,495,870	59,461	134,616
Surplus/(deficit) for the year		133,629	133,629	-	-	-
Net asset revaluation gain/(loss)	6.1	(40,786)	-	(40,786)	-	-
Transfers from other reserves	9.1(b)	-	26,011	-	(2,274)	(23,737)
Transfers to other reserves	9.1(b)	-	(53,853)	-	22,451	31,402
Balance at end of the financial year		4,600,830	2,923,827	1,455,084	79,638	142,281

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

Statement of Cash Flows

For the Year Ended 30 June 2024

	2024	2023
	Inflows/ (Outflows)	Inflows/ (Outflows)
Note	\$'000	\$'000
Cash flows from operating activities		
Rates and charges	195,004	184,640
Statutory fees and fines	18,366	15,223
User fees	14,252	4,853
Grants - operating	18,613	38,590
Grants - capital	7,364	12,630
Contributions - monetary	53,944	23,187
Interest received	13,316	7,742
Trust funds and deposits taken	25,578	6,598
Other receipts	7,678	4,289
Net GST refund/(payment)	(1,085)	(184)
Employee costs	(119,376)	(103,112)
Materials and services	(90,808)	(86,783)
Short-term, low value and variable lease payments	(624)	(662)
Trust funds and deposits repaid	(7,418)	(8,478)
Other payments	(16,644)	(15,772)
Net cash provided by/(used in) operating activities	9.2 118,160	82,761
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	6.1 (75,170)	(55,290)
Proceeds from sale of property, infrastructure, plant and equipment	1,063	685
(Payments)/Redemption of investments	(65,000)	(30,000)
Net cash provided by/(used in) investing activities	(139,107)	(84,605)
Cash flows from financing activities		
Finance costs	(118)	(192)
Repayment of borrowings	(2,449)	(2,364)
Interest paid - lease liability	(150)	(91)
Repayment of lease liabilities	(913)	(898)
Net cash provided by/(used in) financing activities	(3,630)	(3,545)
Net increase (decrease) in cash and cash equivalents	(24,577)	(5,389)
Cash and cash equivalents at the beginning of the financial year	51,173	56,562
Cash and cash equivalents at the end of the financial year	26,596	51,173
Financing arrangements	5.6	
Restrictions on cash assets	5.1	

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

Statement of Capital Works For the Year Ended 30 June 2024

	2024 \$'000	2023 \$'000
Property		
Land	7,096	6,317
Total land	7,096	6,317
Buildings	4,129	3,567
Building improvements	8,776	3,552
Total buildings	12,905	7,119
Total property	20,001	13,436
Plant and equipment		
Plant, machinery and equipment	3,274	2,948
Fixtures, fittings and furniture	878	615
Computers and telecommunications	1,059	1,479
Total plant and equipment	5,211	5,042
Infrastructure		
Roads	14,307	13,052
Bridges	1,176	40
Footpaths and cycleways	3,953	4,060
Drainage	705	639
Recreational, leisure and community facilities	6,767	1,195
Parks, open space and streetscapes	18,250	11,286
Off street car parks	828	226
Waste management	561	2,761
Other infrastructure	3,411	3,553
Total infrastructure	49,958	36,812
Total capital works expenditure	75,170	55,290
Represented by:		
New asset expenditure	33,180	25,632
Asset renewal expenditure	25,330	18,654
Asset expansion expenditure	-	91
Asset upgrade expenditure	16,660	10,913
Total capital works expenditure	75,170	55,290

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

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

Note 1 Overview

Introduction

The City of Whittlesea was established by an Order of the Governor in Council on 15 December 1994 and is a body corporate. Council's main office is located at 25 Ferres Boulevard, South Morang, Victoria.

Statement of compliance

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

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

Accounting policy information

1.1 Basis of accounting

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

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

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

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

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

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

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

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

Note 1 Overview (cont)

1.1 Basis of accounting (cont)

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

Goods and Services Tax (GST)

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

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

Note 2 Analysis of our results

Note 2.1 Performance against budget

The performance against budget note compares 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 with explanations provided if the variance is greater than 10% or is greater than \$1m. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 28 June 2023. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

2.1.1 Income / Revenue and expenditure

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
Income / Revenue					
Rates and charges	206,509	207,643	1,134	1%	1
Statutory fees and fines	17,561	25,874	8,313	47%	2
User fees	10,550	10,579	29	0%	
Grants - operating	30,765	18,613	(12,152)	(39%)	3
Grants - capital	8,129	7,364	(765)	(9%)	
Contributions - monetary	29,571	53,944	24,373	82%	4
Contributions - non monetary	108,285	107,465	(820)	(1%)	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	744	945	201	27%	5
Share of net profits/(losses) of associates and joint ventures	200	33	(167)	(84%)	6
Other income	11,549	21,947	10,398	90%	7
Total income /Revenue	423,863	454,407	30,544	7%	
Expenses					
Employee costs	113,109	120,686	(7,577)	(7%)	8
Materials and services	112,045	98,531	13,514	12%	9
Depreciation	48,478	51,089	(2,611)	(5%)	10
Amortisation - Intangible assets	130	71	59	45%	11
Depreciation - right of use assets	498	963	(465)	(93%)	12
Allowance for impairment losses	2,500	2,709	(209)	(8%)	
Borrowing costs	127	118	9	7%	
Finance costs - Leases	42	150	(108)	(257%)	13
Net loss on write-off of property, Infrastructure, plant and equipment	-	4,034	(4,034)	(100%)	14
Other expenses	18,807	16,644	2,163	12%	15
Total expenses	295,736	294,995	741	0%	
Surplus for the year	128,127	159,412	31,285	24%	

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

Note 2.1 Performance against budget

2.1.1 Income / Revenue and expenditure

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Rates and charges	The favourable variance to budget is primarily due to supplementary rates processed for the 2023-24 financial year being higher than anticipated. Interest on unpaid rates was also greater than budget.
2	Statutory fees and fines	The favourable variance to budget in statutory fees and fines is attributable to an increase in the number of fines issued as a result of updated and new parking agreements with commercial properties that were unbudgeted and increased supervision fees for roads and drainage works due to an increase in the number of new developments.
3	Grants - operating	The unfavourable variance to budget is largely due to advance payment of the Financial Assistance Grant received from the Victorian Grant Commission relating to 2023-24 financial year and recognised in 2022-23 financial year in line with the accounting standards. The variance is partially offset by other successful applications for grant funding that were received through the year and were unbudgeted.
4	Contributions - monetary	The favourable variance to budget is mainly due to the greater than budgeted contributions received from developers as a result of continued growth.
5	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	The favourable variance to budget has occurred primarily due to higher than budgeted proceeds received from plant and equipment.
6	Share of net profits/(losses) of associates and joint ventures	The unfavourable variance to budget is due to a decrease in the share of net profits from the Yarra Plenty Regional Library, resulting from a decline in the Corporation's net asset position.
7	Other Income	The favourable variance to budget is mainly due to the interest on investments providing higher returns than budgeted as a result of a higher than anticipated interest rate.
8	Employee costs	The unfavourable variance to budget in employee expenses attributed to greater than budgeted workcover levy, unbudgeted redundancy costs and employee costs resulting from the adopted Enterprise Agreement.
9	Materials and services	The favourable variance to budget in materials and services primarily relates to lower than projected works in kind reimbursement payments to developers due to delays in obtaining a statement of compliance, which is now expected to be paid in 2024-25 financial year. These savings are partially offset by the costs of unbudgeted remediation works required on council land by the EPA, lodgement of fees with Fines Victoria as a result of non-payment of fines in line with the process aligned with the Infringements Act and unbudgeted garden bed mulching program blitz works.
10	Depreciation	This unfavourable variance to budget is mainly due to Parks, Open Space, Streetscapes and Roads assets being capitalised earlier than originally budgeted.

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

Note 2.1 Performance against budget

2.1.1 Income / Revenue and expenditure

(i) Explanation of material variations (cont.)

Variance Ref	Item	Explanation
11	Amortisation - Intangible assets	The favourable variance to budget is primarily attributed to a reduction in the carrying value of intangible assets, as Council moves to cloud-based subscription models.
12	Depreciation - right of use assets	Amortisation of right of use assets has been recognised as per AASB16 and is higher than the budget due to Council entering into unbudgeted lease arrangements for vehicles as part the new glass bin contract.
13	Finance costs - Leases	The unfavourable variance to budget is due to higher than anticipated interest paid as a result of unbudgeted additional lease items being added during the financial year.
14	Net loss on write-off of property, Infrastructure, plant and equipment	Net loss on write-off of property, Infrastructure, plant and equipment occurs as a result of disposal or write-off of assets.
15	Other expenses	The favourable variance to budget in other expenses relating to savings in utility costs due to lower usage; delay in payment of contribution to Casa D'Abruzzo Club Inc. for upgrade of soccer fields as a result of project works behind schedule; and underspend in community grants which are expected to be issued and paid out in the new financial year. This has been partially offset by higher than expected small insurance claims payments.

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

Note 2.1 Performance against budget

2.1.2 Capital works

	Budget*	Actual	Variance	Variance	Ref
	2024	2024			
	\$'000	\$'000	\$'000	%	
Property					
Land	3,300	7,096	(3,796)	(115%)	1
Total land	3,300	7,096	(3,796)	(115%)	
Buildings	6,536	4,129	2,407	37%	2
Building improvements	10,265	8,776	1,489	15%	3
Total buildings	16,801	12,905	3,896	23%	
Total property	20,101	20,001	100	0%	
Plant and equipment					
Plant, machinery and equipment	3,772	3,274	498	13%	4
Fixtures, fittings and furniture	1,283	878	405	32%	5
Computers and telecommunications	1,186	1,059	127	11%	6
Total plant and equipment	6,241	5,211	1,030	17%	
Infrastructure					
Roads	18,869	14,307	4,562	24%	7
Bridges	1,224	1,176	48	4%	
Footpaths and cycleways	6,671	3,953	2,718	41%	8
Drainage	1,081	705	376	35%	9
Recreational, leisure and community facilities	10,040	6,767	3,273	33%	10
Parks, open space and streetscapes	27,720	18,250	9,470	34%	11
Off street car parks	665	828	(163)	(25%)	12
Waste management	561	561	-	0%	
Other infrastructure	3,853	3,411	442	11%	13
Total infrastructure	70,684	49,958	20,726	29%	
Total capital works expenditure	97,026	75,170	21,856	23%	
Represented by:					
New asset expenditure	48,324	33,180	15,144	31%	
Asset renewal expenditure	28,512	25,330	3,182	11%	
Asset upgrade expenditure	20,190	16,660	3,530	17%	
Total capital works expenditure	97,026	75,170	21,856	23%	

* The adopted budget amount for 2023-24 financial year includes 2022-23 carry forwards of \$21.66 million approved by Council.

Council will carry forward \$16.92 million capital works into 2024-25 financial year.

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

Note 2.1 Performance against budget

2.1.2 Capital works

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	The variance to budget is due to commencement of unplanned land acquisitions to enable future road upgrades and unbudgeted land remediation works.
2	Buildings	The variance to budget is a result of delays to building projects in the design phase, commencement of construction and; less than anticipated costs relating to feasibility studies and designs.
3	Building improvements	The variance to budget is due to longer than expected lead times in the supply of materials and delays in commencing construction works.
4	Plant, machinery and equipment	The variance to budget is due to delays in the receipt of plant and machinery as a result of supply chain issues.
5	Fixtures, fittings and furniture	The variance to budget is primarily due to the Mernda Town Centre Library fit out being completed below estimated budget resulting in a saving.
6	Computers and telecommunications	The variance to budget is due to the Parking Sensor project being completed below estimated budget resulting in a saving.
7	Roads	The variance to budget is due to the commencement of road projects being delayed through the design and external approval phases.
8	Footpaths and cycleways	The variance to budget is primarily due to delays in external approvals and construction commencement.
9	Drainage	The variance to budget is due to delays procurement activities and external authority approvals.
10	Recreational, leisure and community facilities	The variance to budget is due to less than anticipated design costs and delays in the planning, design and procurement activities.
11	Parks, open space and streetscapes	The variance to budget is due to delays in external approvals, sequencing of construction activities and contracts awarded below estimated budget.
12	Off street car parks	The variance to budget is due to higher than estimated costs in completing car park upgrade projects to ensure works are completed to scope and standard.
13	Other infrastructure	The variance to budget is due to longer than anticipated approvals process delaying commencement of works.

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

Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Executive

The Executive directorate supports the provision of a range of professional services to internal and external customers, with an emphasis on Governance and public affairs. It is also responsible for establishing and maintaining an appropriate organisational structure for Council, ensuring that Council decisions are implemented promptly. This directorate ensures that Council has effective strategy and governance practices in place to provide transparency, performance monitoring and to ensure accordance with the Local Government Act and relevant legislation. This directorate also looks after the City of Whittlesea's communication with its community and other stakeholders.

Community Wellbeing

Our Community Wellbeing directorate oversees many service areas that impact the day-to-day living and wellbeing of City of Whittlesea residents. The Directorate works collaboratively with the State and Federal Government to provide many of these services and operates in partnership with a variety of community service organisations to meet the needs of our diverse and vibrant community.

Planning and Development

The Planning and Development directorate is critical in taking the voice of all Whittlesea residents to Members of Federal and State Parliament and Senior Government Officers. It also ensures our residents, businesses, government authorities, strategic partners and staff are informed about important Council events, services, programs and initiatives. Another important role is to manage both Strategic Planning & Design and Development Assessment processes.

Infrastructure and Environment

The Infrastructure and Environment directorate provides a diverse range of infrastructure services to the community. With the high level of growth within the municipality and an increasing number of residents, there is a need to be responsive to community needs. Some of the Directorate's key functions include managing parks and open spaces, road, road-related and footpath construction and maintenance, building maintenance, engineering services, traffic management, road safety and sustainability planning.

Customer and Corporate Services

Our Customer and Corporate Services directorate ensures that Council has the funds available to provide safe, useful and sustainable assets and services to our community. This directorate monitors, manages, researches, reports and provides advice to Council on all financial and organisational matters and ensures good governance. It directs and assists the organisation to achieve its goals by providing accurate data and introducing efficiencies and enhancements that best utilise Council's resources.

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

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

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Executive	68	10,391	(10,323)	-	46
Community Wellbeing	21,313	45,903	(24,590)	15,607	1,918,976
Planning and Development	22,030	31,101	(9,071)	1,592	25,377
Infrastructure and Environment	41,331	98,888	(57,557)	7,607	2,790,433
Customer and Corporate Service	369,665	108,712	260,953	1,171	459,347
	454,407	294,995	159,412	25,977	5,194,179
	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Executive	24	10,927	(10,903)	-	65
Community Wellbeing	15,229	43,396	(28,167)	11,095	1,865,949
Planning and Development	18,041	28,072	(10,031)	3,139	14,275
Infrastructure and Environment	41,589	93,543	(51,954)	14,039	2,448,789
Customer and Corporate Service	332,290	97,606	234,684	22,947	390,995
	407,173	273,544	133,629	51,220	4,720,073

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

Note 3 Funding for the delivery of our services

3.1 Rates and charges

Council uses Net Annual Value (NAV) as the basis of valuation of all properties within the municipal district. The NAV of a property is its imputed rental value.

The valuation base used to calculate general rates for 2023-24 year was \$3,821 million (2022-23 \$3,705 million).

	2024	2023
	\$'000	\$'000
General rates	179,524	170,724
Waste management charge	22,217	16,149
Special rates and charges (marketing schemes)	269	255
Supplementary rates and rate adjustments	3,590	1,746
Interest on rates and charges	2,043	1,426
Total rates and charges	207,643	190,300

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

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

3.2 Statutory fees and fines

	2024	2023
	\$'000	\$'000
Infringements and costs	13,702	6,483
Court recoveries	1,719	376
Permit fees	8,148	7,856
Certificates and regulatory service fees	2,305	2,321
Total statutory fees and fines	25,874	17,036

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

	2024	2023
	\$'000	\$'000
Aged and health services	1,779	767
Family and children services	205	191
Registrations	2,327	2,654
Leisure centre fees	814	450
Property leases and rentals	4,362	3,175
Waste management services	1,312	1,645
Other fees and charges	(220)	239
Total user fees	10,579	9,121

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

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

Note 3 Funding for the delivery of our services

3.4 Funding from other levels of government

Grants were received in respect of the following :

	2024	2023
	\$'000	\$'000
Summary of grants		
Commonwealth funded grants	10,251	31,253
State funded grants	15,709	18,833
Other	17	1,134
Total grants received	25,977	51,220

Council previously received and recognised, in line with accounting standards, the advance payment of the Financial Assistance Grant relating to 2023-24 financial year in 2022-23. The 2024-2025 payment was received subsequent to 30 June 2024 and as such was not recognised as income in the 2023-24 financial year.

(a) Operating Grants	2024	2023
	\$'000	\$'000
Recurrent - Commonwealth Government		
Financial assistance grants	778	22,886
Home and community care	6,888	4,509
Community wellbeing	105	28
Recurrent - State Government		
Early years	351	278
Family day care	713	687
Home and community care	617	548
Community development	264	222
Community wellbeing	208	298
Maternal and child health	5,618	4,041
Resilience and emergency management	45	60
Youth services	64	14
Sustainability planning	-	10
Pedestrian crossings	1,054	960
Growth area planning	-	70
Recurrent - Other		
VicRoads maintenance contract	-	936
Other grants	13	13
Total recurrent operating grants	16,718	35,560

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

Note 3 Funding for the delivery of our services

3.4 Funding from other levels of government (cont)

	2024	2023
	\$'000	\$'000
Non-recurrent - Commonwealth Government		
Other	-	18
Non-recurrent - State Government		
Community wellbeing	885	746
Youth services	142	8
Infrastructure	207	150
Leisure and community inclusion	32	90
Economic development	258	1,036
Sustainability planning	133	226
Resilience and emergency management	50	520
Organisational development	184	51
Non-recurrent - Other		
Community wellbeing	4	-
Sustainability planning	-	185
Total non-recurrent operating grants	1,895	3,030
Total operating grants	18,613	38,590
(b) Capital Grants	2024	2023
	\$'000	\$'000
Recurrent - Commonwealth Government		
Roads to recovery	1,217	1,335
Recurrent - State Government		
Total recurrent capital grants	1,217	1,335
Non-recurrent - Commonwealth Government		
Roads	1,041	2,188
Buildings	-	285
Parks and gardens	222	4
Non-recurrent - State Government		
Buildings	2,218	81
Parks and gardens	1,013	3,100
Roads	523	381
Recreational, leisure and community	1,130	2,191
Sustainability	-	3,065
Non-recurrent - Others		
Total non-recurrent capital grants	6,147	11,295
Total capital grants	7,364	12,630

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

Note 3 Funding for the delivery of our services

3.4 Funding from other levels of government (cont)

(c) Recognition of grant income

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

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

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

Income recognised under AASB 1058 <i>Income of Not-for-Profit Entities</i>	2024	2023
	\$'000	\$'000
General purpose	1,816	23,895
Specific purpose grants to acquire non-financial assets	7,364	12,630
Revenue recognised under AASB 15 <i>Revenue from Contracts with</i>		
Specific purpose grants	16,797	14,695
Total recognition of grant income	25,977	51,220

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

	2024	2023
	\$'000	\$'000
Operating		
Balance at start of year	9,553	9,737
Received during the financial year and remained unspent at balance date	7,790	9,553
Received in prior years and spent during the financial year	(9,553)	(9,737)
Balance at year end	7,790	9,553
Capital		
Balance at start of year	10,901	11,887
Received during the financial year and remained unspent at balance date	10,858	10,901
Received in prior years and spent during the financial year	(10,901)	(11,887)
Balance at year end	10,858	10,901
Total unspent grants	18,648	20,454

Unspent grants are determined and disclosed on a cash basis.

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

Note 3 Funding for the delivery of our services

3.5 Contributions	2024	2023
	\$'000	\$'000
Monetary	53,944	23,187
Non-monetary	107,465	100,656
Total contributions	161,409	123,843

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

Land	53,131	33,120
Roads	44,052	45,279
Other infrastructure	10,282	22,257
Total non-monetary contributions	107,465	100,656

Monetary contributions are recognised at the time Council meets its obligation following the issue of a statement of compliance (SoC) for a plan of subdivision.

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

Council received an increase in contributed assets from developers in comparison to the prior year, as a result of an increase in developments throughout the municipality.

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

	2024	2023
(a) Net gain/(loss) on disposal of property, infrastructure, plant and equipment	\$'000	\$'000
Proceeds of sale	1,063	685
Written down value of assets disposed	(118)	(80)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	945	605

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

(b) Net loss on write-off of property, infrastructure, plant and equipment

Written down value of assets written-off*	(4,034)	(9,730)
Total net loss on write-off of property, infrastructure, plant and equipment	(4,034)	(9,730)

*Council has written-off a number of infrastructure assets in the current and comparative period.

3.7 Other income	2024	2023
	\$'000	\$'000
Sales	721	718
Interest	15,753	10,120
Reimbursements	5,215	3,926
Other	258	284
Total other income	21,947	15,048

Interest is recognised as it is earned.

Reimbursements mainly consist of WorkCover and insurance recovered, and reimbursements of capital works undertaken.

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

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

Note 4 The cost of delivering services

4.1 (a) Employee costs	2024	2023
	\$'000	\$'000
Wages and salaries	105,794	92,890
WorkCover	3,906	1,854
Superannuation	10,826	9,256
Fringe benefits tax	153	196
Other	7	31
Total employee costs	120,686	104,227

Council has strategically invested in staffing resources into areas to support delivery of our community plan and to keep pace with our growth in population and development. Additional costs were incurred attributable to an increased workcover levy and increase in employee costs in line with the newly adopted Enterprise Agreement.

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	124	124
	124	124
Employer contributions payable at reporting date.	8	8

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	10,702	9,132
	10,702	9,132
Employer contributions payable at reporting date.	483	423

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

4.2 Materials and services	2024	2023
	\$'000	\$'000
External works (contractors)	10,850	8,918
Maintenance and operations contractors	25,543	20,053
Sustainable environment contractors	26,626	25,708
Assets and facilities contractors	6,310	8,564
Information services contractors	839	433
Support services	7,405	8,188
Design work	48	77
Facilities management	3,337	3,574
Supplies and services	7,382	7,934
Plant and feet operations	2,062	1,955
Computer services	5,218	3,727
Communications	1,564	1,253
Catering supplies	283	260
Construction materials	810	884
Travel and accommodation	108	106
Consumable materials	146	93
Total materials and services	98,531	91,727

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

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

Note 4 The cost of delivering services

4.3 Depreciation	2024	2023
	\$'000	\$'000
Property	8,534	8,202
Plant and equipment	2,447	2,065
Infrastructure	40,108	37,019
Total depreciation	51,089	47,286

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

4.4 Amortisation - Intangible assets	2024	2023
	\$'000	\$'000
Intangible assets - software	71	371
Total amortisation - intangible assets	71	371

4.5 Depreciation - Right of use assets	2024	2023
	\$'000	\$'000
Property	554	516
Vehicles	308	308
Plant and equipment	101	102
Total depreciation - right of use assets	963	926

4.6 Allowance for impairment losses	2024	2023
	\$'000	\$'000
Infringements debtors	2,424	2,317
Other debtors	285	702
Total allowance for impairment losses	2,709	3,019

Movement in allowance for impairment losses in respect of debtors

Balance at the beginning of the year	(9,372)	(6,353)
New allowances recognised during the year	(2,709)	(3,019)
Amounts already allowed for and written off as uncollectible	1,886	-
Balance at end of year	(10,195)	(9,372)

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

4.7 Borrowing costs	2024	2023
	\$'000	\$'000
Interest - Borrowings	118	192
Total borrowing costs	118	192

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

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

Note 4 The cost of delivering services

4.8 Finance Costs - Leases	2024	2023
	\$'000	\$'000
Interest - Lease liabilities	150	91
Total finance costs	150	91

4.9 Other expenses	2024	2023
	\$'000	\$'000
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	79	74
Auditors' remuneration - Internal Audit	181	134
Contributions		
Grants to community	2,420	3,389
Yarra Plenty Regional Library contributions	5,782	5,202
Insurance premiums	2,406	1,827
Utilities	3,500	3,542
Others	2,276	1,604
Total other expenses	16,644	15,772

Note 5 Investing in and financing our operations

5.1 Financial assets	2024	2023
(a) Cash and cash equivalents	\$'000	\$'000
Cash on hand	4	4
Cash at bank	872	1,074
Term deposits	25,720	50,095
Total cash and cash equivalents	26,596	51,173

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

(b) Other financial assets	2024	2023
Current	\$'000	\$'000
Term deposits	265,000	250,000
Total current other financial assets	265,000	250,000
Non-current		
Term deposits	50,000	-
Total non-current other financial assets	50,000	-
Total other financial assets	315,000	250,000
Total cash and cash equivalents and other financial assets	341,596	301,173

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 3 to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

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

Note 5 Investing in and financing our operations

5.1 Financial assets (cont)

(c) Trade and other receivables	2024	2023
Current	\$'000	\$'000
Statutory receivables		
Rates debtors	40,502	27,863
Infringement debtors	13,748	6,527
Allowance for expected credit loss - infringements	(8,721)	(6,299)
Net GST receivable	3,841	2,757
Non statutory receivables		
Other debtors	7,622	12,894
Allowance for expected credit loss - other debtors	(1,474)	(3,073)
Total current trade and other receivables	55,518	40,669

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

(d) Ageing of Receivables

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

Current (not yet due)	3,788	3,785
Past due by up to 30 days	855	502
Past due between 31 and 180 days	768	2,403
Past due between 181 and 365 days	737	3,575
Past due by more than 1 year	1,474	2,629
Total trade and other receivables	7,622	12,894

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$10.2m (2023: \$9.4m) were impaired. The amount of the allowance raised against these debtors was \$1.5m (2023: \$3.0m). They individually have been impaired as a result of their doubtful collection.

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

Past due between 31 and 180 days	943	943
Past due between 181 and 365 days	951	951
Past due by more than 1 year	8,301	7,478
Total trade and other receivables	10,195	9,372

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

Note 5 Investing in and financing our operations

5.2 Non-financial assets

(a) Inventories	2024	2023
	\$'000	\$'000
Fuels	79	75
Depot workshop items and signs	-	31
Total inventories	79	106

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	2024	2023
	\$'000	\$'000
Accrued interest	5,151	2,714
Prepayments	2,069	1,679
Other	360	1,844
Total other assets	7,580	6,237

(c) Other non-financial assets	2024	2023
	\$'000	\$'000
Shares in Procurement Australasia Ltd	22	22
Total other financial assets	22	22

(d) Intangible assets	2024	2023
	\$'000	\$'000
Software	208	279
Total intangible assets	208	279

	Software	Total
	\$'000	\$'000
Gross carrying amount		
Balance at 1 July 2023	1,199	1,199
Balance at 30 June 2024	1,199	1,199

Accumulated amortisation and impairment

Balance at 1 July 2023	920	920
Amortisation expense	71	71
Balance at 30 June 2024	991	991

Net book value at 30 June 2024	208	208
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Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

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

Note 5 Investing in and financing our operations

5.3 Payables, trust funds and deposits and contract and other liabilities

(a) Trade and other payables	2024	2023
Current	\$'000	\$'000
<i>Non-statutory payables</i>		
Trade payables	27,165	16,552
Accrued expenses	2,369	6,327
Other	6,399	951
Total current trade and other payables	35,933	23,830
(b) Trust funds and deposits	2024	2023
Current	\$'000	\$'000
Refundable deposits	13,420	10,342
Fire services levy	28,958	18,814
Retention amounts	773	494
Other refundable deposits	7,449	2,790
Total current trust funds and deposits	50,600	32,440
(c) Contract and other liabilities	2024	2023
Contract liabilities	\$'000	\$'000
Current		
Grants received in advance - operating	7,790	9,553
Grants received in advance - capital	10,858	10,901
Other	2,252	5,088
Total contract liabilities	20,900	25,542

Trust funds and deposits

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

Contract liabilities

Contract liabilities reflect consideration received in advance from customers in respect of grants received in advance and ticket sales income received in advance and deferred. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

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

Note 5 Investing in and financing our operations

Purpose and nature of items

Refundable deposits - Deposits and bonds are taken by Council as a form of surety in relation to building and infrastructure works or hiring transactions for Council assets. Amounts will be refunded if Council's assets are maintained in their original condition.

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.

Other refundable deposits - Deposits are taken by Council as a form of surety in relation to leasing or hiring transactions for Council assets. Amounts will be refunded if Council's assets are maintained in their original condition.

5.4 Interest-bearing liabilities	2024	2023
Current	\$'000	\$'000
Borrowings - secured	-	907
Treasury Corporation of Victoria borrowings - secured	1,567	1,542
	<u>1,567</u>	<u>2,449</u>
Non-current		
Treasury Corporation of Victoria borrowings - secured	7,624	9,191
	<u>7,624</u>	<u>9,191</u>
Total	<u>9,191</u>	<u>11,640</u>
Borrowings are secured by a mortgage over the general rates and charges of Council.		
(a) The maturity profile for Council's borrowings is:		
Not later than one year	1,567	2,449
Later than one year and not later than five years	6,007	6,520
Later than five years	1,617	2,671
	<u>9,191</u>	<u>11,640</u>

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether 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. Council determines the classification of its interest bearing liabilities based on contractual repayment terms at every balance date.

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

Note 5 Investing in and financing our operations

5.5 Provisions

	Annual leave	Long service leave	Other	Total
	\$ '000	\$ '000	\$ '000	\$ '000
2024				
Balance at beginning of the financial year	8,322	13,801	1,200	23,323
Additional provisions	7,194	406	2,775	10,375
Amounts used	(6,548)	(2,192)	(2,800)	(11,540)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	2,358	117	2,475
Balance at the end of the financial year	8,968	14,373	1,292	24,633
Provisions - current	8,968	12,306	904	22,178
Provisions - non-current	-	2,067	388	2,455
	Annual leave	Long service leave	Other	Total
	\$ '000	\$ '000	\$ '000	\$ '000
2023				
Balance at beginning of the financial year	7,990	12,930	1,288	22,208
Additional provisions	6,354	2,583	1,776	10,713
Amounts used	(6,022)	(2,060)	(2,112)	(10,194)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	348	248	596
Balance at the end of the financial year	8,322	13,801	1,200	23,323
Provisions - current	8,322	12,484	866	21,672
Provisions - non-current	-	1,317	334	1,651
			2024	2023
(a) Employee provisions			\$'000	\$'000
Current provisions expected to be wholly settled within 12 months				
Annual leave			6,564	6,092
Long service leave			1,903	1,272
Other			129	120
			8,596	7,484
Current provisions expected to be wholly settled after 12 months				
Annual leave			2,404	2,231
Long service leave			10,403	11,211
Other			775	746
			13,582	14,188
Total current employee provisions			22,178	21,672
Non-current				
Long service leave			2,067	1,317
Other			388	334
Total non-current employee provisions			2,455	1,651
Aggregate carrying amount of employee provisions:				
Current			22,178	21,672
Non-current			2,455	1,651
Total aggregate carrying amount of employee			24,633	23,323

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

Note 5 Investing in and financing our operations

5.5 Provisions (cont)

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 Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if 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 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.

Other

Other provisions represent the liability for both time in lieu (TIL) and sick leave (SL).

A current liability for TIL is recognised because Council does not have an unconditional right to defer settlement of the liability.

Liabilities for TIL are measured at nominal value because Council expects to wholly settle the liability within 12 months.

Unconditional SL is disclosed as a current liability as Council does not have an unconditional right to defer settlement. Unconditional SL 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 SL 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:

Weighted average discount rates	4.30%	4.03%
Weighted average increase in employee costs	2.50%	2.80%

5.6 Financing arrangements

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

	2024	2023
	\$'000	\$'000
Bank overdraft	200	200
Credit card facilities	251	255
Total facilities	<u>451</u>	<u>455</u>
Used facilities	(70)	(54)
Unused facilities	<u>381</u>	<u>401</u>
Approved borrowing limit	37,225	22,512

While Council has a borrowing limit as approved by the Treasurer of Victoria which represents the total amount that can be financed from the Treasury Corporation of Victoria (TCV). Under the Local Government Act 2020, Council cannot borrow money unless the proposed borrowings are included in the budget or a revised budget. The inclusion of proposed borrowings in a budget or revised budget signals the intent to borrow of which Council did not have any for 2022-23 and 2023-24.

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

Note 5 Investing in and financing our operations

5.7 Commitments

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

(a) Commitments for expenditure 2024

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Building maintenance	18,218	15,019	30,468	-	63,705
Consultancy	734	544	260	-	1,538
Health	1,150	79	14	-	1,243
Information technology and systems	4,114	1,187	36	-	5,337
Infrastructure	-	-	-	-	-
Leisure	-	-	-	-	-
Other	9,201	6,432	15,635	7,460	38,728
Parks maintenance	23,875	23,506	78,100	33,063	158,544
Renewable power	3,471	3,471	11,455	2,340	20,737
Transport and local laws	7,226	1,025	202	-	8,453
Waste and recycling	11,664	11,151	25,510	4,241	52,566
Total	79,653	62,414	161,680	47,104	350,851
Capital					
Building works	22,714	9,393	1,590	-	33,697
Consultancy	341	-	-	-	341
Information technology and systems	-	-	-	-	-
Other	2,098	60	-	-	2,158
Parks works	11,842	-	-	-	11,842
Roads	18,980	1,691	-	-	20,671
Transport and local laws	7,852	-	-	-	7,852
Total	63,827	11,144	1,590	-	76,561

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

Note 5 Investing in and financing our operations

5.7 (a) Commitments for expenditure (cont)

2023	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Building maintenance	8,468	2,175	-	-	10,643
Consultancy	911	431	722	-	2,064
Health	1,455	127	-	-	1,582
Information technology and systems	5,885	1,868	450	-	8,203
Infrastructure	1,198	1,076	258	-	2,532
Leisure	271	(533)	-	-	(262)
Other	6,044	2,946	943	-	9,933
Parks maintenance	20,058	16,764	489	-	37,311
Renewable power	3,156	3,156	3,156	14,222	23,690
Transport and local laws	8,156	5,086	-	-	13,242
Waste and recycling	15,413	13,028	29,903	14,065	72,409
Total	71,015	46,124	35,921	28,287	181,347
Capital					
Building works	1,764	-	-	-	1,764
Consultancy	-	-	-	-	-
Information technology and systems	170	-	-	-	170
Other	1,597	-	-	-	1,597
Parks works	8,300	317	-	-	8,617
Roads	16,588	39,360	-	-	55,948
Transport and local laws	-	-	-	-	-
Total	28,419	39,677	-	-	68,096

(b) Operating lease receivables

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

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

	2024 \$'000	2023 \$'000
Not later than one year	719	719
Later than one year and not later than five years	1,792	1,871
Later than five years	875	1,308
	3,386	3,898

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

Note 5 Investing in and financing our operations

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.

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

Note 5 Investing in and financing our operations

5.8 Leases (cont)

Right-of-Use Assets	Property	Vehicle	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	706	1,538	168	2,412
Additions	1,790	-	-	1,790
Amortisation charge	(554)	(308)	(101)	(963)
Balance at 30 June 2024	<u>1,942</u>	<u>1,230</u>	<u>67</u>	<u>3,239</u>

Lease Liabilities	2024	2023
	\$'000	\$'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	998	662
One to five years	2,448	1,811
More than five years	498	525
Total undiscounted lease liabilities as at 30 June:	<u>3,944</u>	<u>2,998</u>

Lease liabilities included in the Balance Sheet at 30 June:

Current	881	588
Non-current	2,464	1,880
Total lease liabilities	<u>3,345</u>	<u>2,468</u>

Short-term and low value leases

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

Expenses relating to:

Short-term leases	47	75
Total	<u>47</u>	<u>75</u>

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

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2023	Additions	Contributions	Revaluation	Depreciation	Disposal	Write off	Transfers	Carrying amount 30 June 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	1,956,927	8,298	53,131	57,208	(8,534)	-	(1,822)	24,737	2,089,945
Plant and equipment	13,272	2,438	-	(30)	(2,445)	(118)	-	-	13,117
Infrastructure	2,340,022	14,015	54,334	232,157	(40,110)	-	(2,212)	14,498	2,612,704
Work in progress	56,061	50,419	-	-	-	-	-	(39,235)	67,245
Total	4,366,282	75,170	107,465	289,335	(51,089)	(118)	(4,034)	-	4,783,011

Summary of Work in Progress

	Opening WIP	Additions	Reclassification	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	28,268	12,094	445	(24,737)	16,070
Plant and equipment	672	2,513	(445)	-	2,740
Infrastructure	27,121	35,812	-	(14,498)	48,435
Total	56,061	50,419	-	(39,235)	67,245

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

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont)

(a) Property

	Land - specialised	Land - non specialised	Land under roads	Total Land & Land Improvements	Buildings - specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	1,643,879	3,080	729	1,647,688	538,868	538,868	28,268	2,214,824
Accumulated depreciation at 1 July 2023	-	-	-	-	(229,629)	(229,629)	-	(229,629)
	1,643,879	3,080	729	1,647,688	309,239	309,239	28,268	1,985,195
Movements in fair value								
Additions	4,902	-	-	4,902	3,396	3,396	12,094	20,392
Contributions	53,131	-	-	53,131	-	-	-	53,131
Revaluation	(19,974)	(12)	-	(19,986)	(60,029)	(60,029)	-	(80,015)
Write-off	(1,650)	-	-	(1,650)	(440)	(440)	-	(2,090)
Disposal	-	-	-	-	-	-	-	-
Transfers	3,000	-	-	3,000	21,737	21,737	(24,292)	445
	39,409	(12)	-	39,397	(35,336)	(35,336)	(12,198)	(8,137)
Movements in accumulated depreciation								
Depreciation and amortisation	-	-	-	-	(8,534)	(8,534)	-	(8,534)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-
Revaluation increments/(decrements)	-	-	-	-	137,223	137,223	-	137,223
	-	-	-	-	128,957	128,957	-	128,957
At fair value 30 June 2024	1,683,288	3,068	729	1,687,085	503,532	503,532	16,070	2,206,687
Accumulated depreciation at 30 June 2024	-	-	-	-	(100,672)	(100,672)	-	(100,672)
	1,683,288	3,068	729	1,687,085	402,860	402,860	16,070	2,106,015

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

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont)

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Artworks	Work in Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	16,765	15,731	4,413	672	37,581
Accumulated depreciation at 1 July 2023	(11,119)	(12,518)	-	-	(23,637)
	5,646	3,213	4,413	672	13,944
Movements in fair value					
Additions	1,824	614	-	2,513	4,951
Revaluation	-	-	-	-	-
Write off	-	-	-	-	-
Disposal	(1,338)	-	-	-	(1,338)
Transfers	(6)	6	-	(445)	(445)
	480	620	-	2,068	3,168
Movements in accumulated depreciation					
Depreciation and amortisation	(1,556)	(889)	-	-	(2,445)
Accumulated depreciation of disposals	1,220	-	-	-	1,220
Revaluation increments/(decrements)	(30)	-	-	-	(30)
Transfers	6	(6)	-	-	-
	(360)	(895)	-	-	(1,255)
At fair value 30 June 2024	17,245	16,351	4,413	2,740	40,749
Accumulated depreciation at 30 June 2024	(11,479)	(13,413)	-	-	(24,892)
	5,766	2,938	4,413	2,740	15,857

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

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont)

(c) Infrastructure

	Roads	Bridges	Telecommunication Conduits	Drainage	Public Lighting	Parks open spaces and streetscapes	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	1,901,489	23,230	28,923	685,955	30,870	384,439	27,121	3,082,027
Accumulated depreciation at 1 July 2023	(384,275)	(8,642)	(8,560)	(149,508)	(20,796)	(143,103)	-	(714,884)
	1,517,214	14,588	20,363	536,447	10,074	241,336	27,121	2,367,143
Movements in fair value								
Additions	6,682	-	-	1,039	45	6,249	35,812	49,827
Contributions	44,074	-	-	4,758	57	5,571	-	54,460
Revaluation	160,587	117,398	2,719	65,270	1,292	38,162	-	385,428
Write-off	(3,212)	(1,337)	-	(5)	-	(175)	-	(4,729)
Disposal	-	-	-	-	-	-	-	-
Transfers	11,970	6,120	-	-	-	(3,592)	(14,498)	-
	220,101	122,181	2,719	71,062	1,394	46,215	21,314	484,986
Movements in accumulated depreciation								
Depreciation and amortisation	(15,951)	(281)	(581)	(6,906)	(1,367)	(15,024)	-	(40,110)
Accumulated Depreciation on Contributed Assets	(22)	-	-	(11)	-	(93)	-	(126)
Accumulated depreciation of write off	1,665	822	-	1	-	29	-	2,517
Revaluation increments/(decrements)	(61,524)	(59,992)	(859)	(14,706)	(924)	(15,266)	-	(153,271)
Transfers	-	(1,913)	-	-	-	1,913	-	-
	(75,832)	(61,364)	(1,440)	(21,622)	(2,291)	(28,441)	-	(190,990)
At fair value 30 June 2024	2,121,590	145,411	31,642	757,017	32,264	430,654	48,435	3,567,013
Accumulated depreciation at 30 June 2024	(460,107)	(70,006)	(10,000)	(171,130)	(23,087)	(171,544)	-	(905,874)
	1,661,483	75,405	21,642	585,887	9,177	259,110	48,435	2,661,139

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

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont)

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.

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 Council policy.

	Depreciation Period*	Threshold Limit \$'000
<i>Asset recognition thresholds and depreciation periods</i>		
Land & land improvements		
land	-	-
land improvements	100 years	-
Buildings		
buildings	20 - 150 years*	5
building and leasehold improvements	50 years	5
Plant and Equipment		
fixtures, fittings and furniture	5 - 10 years	5
plant, machinery and equipment	3 - 10 years	5
computers and telecommunications	3 years	5
leased plant and equipment	Contract terms	10
Infrastructure		
roads - pavements	50-120 years	5
roads - surface	30 years	5
parks, open spaces and streetscapes	10 - 80 years	5
off street car parks	30 - 120 years	5
bridges	15 - 100 years	5
footpaths and cycleways	20 - 100 years	5
drainage	100 years	5
light pole and lanterns	20 years	5
conduits and pits	50 years	5
Intangible assets	10 years	-

*Council has conducted a thorough assessment of the depreciation period during year and adjusted depreciation period to align with asset consumption, usage patterns and benchmarked against industry standards and other comparable growth Councils in line with the current condition assessments however the impact to the current and future reporting periods is not material.

Land under roads

Council recognises land under roads it controls at fair value.

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

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont)

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 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, APV valuers and asset management and Westlink consulting. 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. Refer to note 8.4 for further information relating to Fair value measurement.

The date and type of the current valuation is detailed in the following table. A full revaluation was conducted in the current year. These valuations have been carried out in accordance with Australian Accounting Standard AASB13 'Fair Value Measurement', AASB 116 'Property, Plant and Equipment' and Australian Accounting Standard AASB 136 'Impairment of Assets'.

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

	Level 1 \$'000	Level2 \$'000	Level 3 \$'000	Date of Valuation	Types of valuation
Non-specialised land	-	3,068	-	Jun-24	Full
Specialised land and land under roads	-	-	1,684,017	Jun-24	Full
Specialised buildings	-	-	402,860	Jun-24	Full
Total	-	3,068	2,086,877		

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

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont)

Valuation of infrastructure

Valuation of infrastructure assets has been determined based on a combination of either a comprehensive revaluation or indexation.

The date and type of the current valuation is detailed in the following table. An independent condition audit was undertaken on both the Roads and Bridges asset category, which was conducted by external consultants, Infrastructure Management Group and JJ Ryan & Associates.

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

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

	Level 1 \$'000	Level2 \$'000	Level 3 \$'000	Date of Valuation	Types of valuation
Roads	-	-	1,661,483	Jun-24	Full
Bridges	-	-	75,405	Jun-24	Full
Drainage	-	-	585,887	Jun-24	Indexed
Public lighting	-	-	9,177	Jun-24	Indexed
Telecommunication Conduits	-	-	21,642	Jun-24	Indexed
Parks, open space and streetscapes	-	-	259,110	Jun-24	Indexed
Total	-	-	2,612,704		

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. Currently land values range between \$1 and \$13,100 per square metre. Refer to note 8.4 for further information relating to Fair value measurement.

Land under roads acquired after 30 June 2008 is brought to account using a fair value basis. Council does not recognise land under roads that is controlled prior to 30 June 2008 in its financial report.

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 \$420 to \$20,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 20 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings. Refer to note 8.4 for further information relating to Fair value measurement.

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 1 years to 120 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets. Refer to note 8.4 for further information relating to Fair value measurement.

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

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment (cont)

Reconciliation of specialised land	2024	2023
	\$'000	\$'000
Land under roads	729	729
Parks and reserve	1,683,288	1,643,879
Total specialised land	1,684,017	1,644,608

6.2 Investments in associates, joint arrangements and subsidiaries

Yarra Plenty Regional Library Service (Incorporated) - Background

Represents the City of Whittlesea's share in the net assets of the Yarra Plenty Regional Library Service which became an incorporated body on 12 January 1996. Council's 37.91% (2022-23 37.81%) share of the net assets from their draft financial statements for the year ended 30 June 2024 has been treated as an investment in the Balance Sheet, with an increase in the investment for the reporting period of \$0.03 million (decrease of \$0.20 million for 2022-23), which is accounted for using the equity method and shown in the Comprehensive Income Statement.

	2024	2023
	\$'000	\$'000
Investments in associates		
Investments in associates accounted for by the equity method are:		
Yarra Plenty Regional Library Service (Incorporated)	2,926	2,893
Fair value of Council's investment in Yarra Plenty Regional Library	2,926	2,893
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	2,471	3,008
Reported surplus/(deficit) for year	66	(537)
Council's share of accumulated surplus/(deficit) at end of year	2,537	2,471
Movement in carrying value of specific investment		
Carrying value of investment at start of year	2,893	3,096
Share of net assets	33	(203)
Carrying value of investment at end of year	2,926	2,893
Council's share of expenditure commitments		
Operating commitments	844	472
Council's share of expenditure commitments	320	178

Council's share of contingent liabilities and contingent assets

The Yarra Plenty Regional Library Service does not have any contingent liabilities as at the end of the reporting period. 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.

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

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

City of Whittlesea is the parent entity.

Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in Note 6.2.

(b) Key Management Personnel

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

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

Administrators	Ms Lydia Wilson - Chair
	Ms Peita Duncan
	Mr Christian Zahra AM
CEO and executive Leadership team	Mr Craig Lloyd - Chief Executive Officer
	Ms Sarah Renner - Director Customer and Corporate Services
	Ms Agata Chmielewski - Director Community Wellbeing
	Ms Debbie Wood - Director Infrastructure and Environment
	Ms Emma Appleton- Director Planning and Development (15 August 2023)
	Mr Frank Joyce - Executive Manager Strategy & Insights (1 July 2023 - 26 January 2024)
	Ms Janine Morgan - Executive Manager Public Affairs
	Ms Jacinta Stevens - Executive Manager Office of Council & CEO (24 July 2023)

	2024	2023
	No.	No.
Total Number of Administrators	3	3
Total of Chief Executive Officer and other Key Management Personnel	8	8
Total Number of Key Management Personnel	<u>11</u>	<u>11</u>

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

Note 7 People and relationships

7.1 Council and key management remuneration (cont)

(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 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 superannuation, pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

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

	2024	2023
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	2,861	2,692
Other long-term employee benefits	38	56
Post-employment benefits	300	269
Total	3,199	3,017

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

	2024	2023
	No.	No.
\$80,000 - \$89,999	1	1
\$130,000 - \$139,999	1	1
\$160,000 - \$169,999	1	1
\$240,000 - \$249,999	2	2
\$280,000 - \$289,999	1	1
\$300,000 - \$309,999	1	1
\$320,000 - \$329,999	2	2
\$340,000 - \$349,999	1	1
\$390,000 - \$399,999	1	1
	11	11

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

Note 7 People and relationships

7.1 Council and key management remuneration (cont)

(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:

	2024	2023
	\$'000	\$'000
Short-term employee benefits	5,139	4,791
Other long-term employee benefits	22	325
Post-employment benefits	530	466
Total	5,691	5,582

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

	2024	2023
	No.	No.
Income Range:		
<\$170,000	8	13
\$170,000 - \$179,999	1	4
\$180,000 - \$189,999	2	5
\$190,000 - \$199,999	3	4
\$200,000 - \$209,999	5	1
\$210,000 - \$219,999	5	2
\$220,000 - \$229,999	2	3
\$230,000 - \$239,999	2	-
\$240,000 - \$249,999	1	-
	29	32

	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	5,691	5,582

* Due to a definitional change the comparative figures in this note may not align with the previous year's annual report, which included disclosure of senior officers as defined in the *Local Government Act 1989*.

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

Note 7 People and relationships

7.2 Related party disclosure

(a) Transactions with related parties	2024	2023
During the period Council entered into the following transactions with related parties.	\$'000	\$'000
Expenditure		
Council library contributions paid to the Yarra Plenty Regional Library	5,782	5,202
Total related party expenditure	5,782	5,202
Income		
Fees for premises used received from the Yarra Plenty Regional Library	10	-
Fuel and motor vehicles repairs	22	14
Total related party income	32	14

(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:

Nil

(c) Loans to/from related parties

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

Nil

(d) Commitments to/from related parties

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

Nil

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

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

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

(a) Contingent assets

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

At balance date 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 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.

Future superannuation contributions

In addition to the disclosed contributions, the City of Whittlesea has not paid unfunded liability payments to Vision Super over the past two years. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2024 are \$177,500.

Legal matters

There are no legal matters that could have a material impact on future operations.

Liability Mutual Insurance

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

(c) Guarantees for loans to other entities

Council has not provided any guarantees to support the activities of any external entities.

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

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

Note 8 Managing uncertainties

8.2 Change in accounting standards

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

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

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

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

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

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank 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 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of Council financial instruments will fluctuate because of changes in market prices. 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.

(c) 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.

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

Note 8 Managing uncertainties

8.3 Financial instruments (cont)

There has been no significant change in 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 Council's year end result.

(d) 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

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with Council's financial assets is minimal. Rates debtors are secured by a charge over the rateable property. Council has assessed that 63% of parking infringement debts owing to Council are unlikely to be collected and has raised a provision for doubtful debts over those debts based on an assessment of collectability. The collection of long overdue parking infringement debts is managed by Fines Victoria.

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.

(e) 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.

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

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

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

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

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

Note 8 Managing uncertainties

8.3 Financial instruments (cont)

(f) Sensitivity disclosure analysis

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

- A parallel shift of +0% and -0.50% in market interest rates (AUD) from year-end rates of 4.35%.

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

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. (For plant and equipment carrying amount is considered to approximate fair value given short useful lives). At balance date, 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 every 4 years. The valuation is performed either by experienced council officers or independent experts.

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

Note 8 Managing uncertainties

8.4 Fair value measurement (cont)

The following table sets out the frequency of revaluations by asset class.

Asset class	Revaluation
Land	1 Year
Buildings	1 Year
Roads	4 Years
Bridges	4 Years
Footpaths and cycleways	4 Years
Drainage	4 Years
Recreational, leisure and community facilities	4 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 classes of assets, revaluation increases and decreases are offset.

Impairment of assets

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

8.5 Events occurring after balance date

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

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

Note 9 Other matters

9.1 Reserves

Council at the end of the reporting period held the following reserve balances:

Summary	2024	2023
	\$'000	\$'000
Asset revaluation reserves	1,744,419	1,455,084
Asset replacement reserve	75,793	79,638
Asset development reserve	181,548	142,281
	2,001,760	1,677,003

(a) Asset revaluation reserves

2024	Balance at beginning of reporting period	Increase (decrease)	Balance at end of reporting period
	\$'000	\$'000	\$'000
Property			
Land and land improvements	983,608	(19,986)	963,622
Buildings	103,784	77,194	180,978
	1,087,392	57,208	1,144,600
Plant and equipment			
Plant machinery and equipment	(59)	(30)	(89)
Fixtures fittings and furniture	(1,087)	-	(1,087)
Artworks	2,979	-	2,979
	1,833	(30)	1,803
Infrastructure			
Roads	225,516	99,063	324,579
Bridges	(3,864)	57,406	53,542
Drainage	85,788	50,564	136,352
Telecommunication Conduits	1,541	1,860	3,401
Public Lighting	467	368	835
Parks, open space and streetscapes	56,411	22,896	79,307
	365,859	232,157	598,016
Total asset revaluation reserves	1,455,084	289,335	1,744,419

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

Note 9 Other matters

9.1 Reserves (cont)

(a) Asset revaluation reserves (cont)

2023	Balance at beginning of reporting period	Increase (decrease)	Balance at end of reporting period
	\$'000	\$'000	\$'000
Property			
Land and land improvements	1,097,911	(114,303)	983,608
Buildings	112,681	(8,897)	103,784
	1,210,592	(123,200)	1,087,392
Plant and equipment			
Plant machinery and equipment	(14)	(45)	(59)
Fixtures fittings and furniture	(338)	(749)	(1,087)
Artworks	3,024	(45)	2,979
	2,672	(839)	1,833
Infrastructure			
Roads	171,561	53,955	225,516
Bridges	(5,016)	1,152	(3,864)
Drainage	57,379	28,409	85,788
Telecommunication Conduits	363	1,178	1,541
Public Lighting	(119)	586	467
Parks, open space and streetscapes	58,438	(2,027)	56,411
	282,606	83,253	365,859
Total asset revaluation reserves	1,495,870	(40,786)	1,455,084

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

(b) Other reserves*

2024	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
Asset replacement reserve	79,638	3,862	(7,707)	75,793
Asset development reserve	142,281	61,332	(22,065)	181,548
Total Other reserves	221,919	65,194	(29,772)	257,341
2023				
Asset replacement reserve	59,461	22,451	(2,274)	79,638
Asset development reserve	134,616	31,402	(23,737)	142,281
Total Other reserves	194,077	53,853	(26,011)	221,919

*see next page for breakdown of other reserves

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

Note 9 Other matters

9.1 Reserves

(b) Other reserves (cont)

	2024	2023
	\$'000	\$'000
Asset replacement reserve		
Strategic properties reserve	4,819	4,819
Non standard street lighting contribution	3,901	3,901
Synthetic turf replacement reserve	1,880	1,880
Traffic lights construction	943	943
Purchase of Lutheran Church and Cemetery	380	380
Technology improvement fund reserve	946	5,264
LASF defined benefit plan liability	3,739	3,739
Strategic investment reserve	26,756	28,914
Transport infrastructure reserve	28	28
Waste reserve	3,955	4,270
Native vegetation offset site maintenance	1,317	1,572
Aboriginal Gathering Place	6,000	6,000
Strategic operation reserve	4,516	3,196
Regional Aquatic and Sports reserve	14,283	14,283
Resilience and Emergency Management	449	449
Plant replacement	1,221	-
Community Grants reserve	660	-
	75,793	79,638
Asset development reserve		
Parklands contribution	12,832	10,153
Developer contribution plan (DCP) reserves	164,023	119,134
Planning permit drainage levy	2,361	10,641
Net gain compensation	1,562	1,587
Plenty road duplication	84	80
Street tree contributions reserve	686	686
	181,548	142,281

Purpose of Reserves

Asset replacement reserve

Strategic properties reserve	Accumulate funds for land purchases and asset development as determined by Council.
Non standard street lighting contribution	Maintain non-standard lights for agreed period.
Synthetic turf replacement reserve	Enable replacement of Synthetic Turf Pitches at designated locations.
Traffic lights construction	Maintain traffic signals for agreed period.
Purchase of Lutheran Church and Cemetery	Enable funding to purchase the church site.
Technology improvement fund reserve	Enable replacement of technology hardware and software.
LASF defined benefit plan liability	Protection against future calls on employees defined benefits superannuation fund.
Strategic investment reserve	Enable funding of future infrastructure projects.
Transport infrastructure reserve	Enable funding of future transport infrastructure projects.
Waste reserve	Enable funding from waste operation to ensure legislative compliance.
Native vegetation offset site maintenance	Enable to fund native vegetation works which Council take over from developers

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

Note 9 Other matters

9.1 Reserves

(b) Other reserves (cont)

Purpose of Reserves (cont)

Asset replacement reserve (cont)

Aboriginal Gathering Place	Enable to fund the delivery of an Aboriginal Gathering Place to support enhanced outcomes, increase connection to culture, and facilitate healing for Aboriginal people.
Strategic operation reserve	Enable funding for future strategies and various activities that have been identified as part of the transformation required for City of Whittlesea.
Regional Aquatic and Sports reserve	Enable to fund the delivery of a new regional state-of-the-art centre to support the community to lead healthy and active lifestyles.
Resilience and Emergency Management	Enable funding to rapidly respond to the incidents and emergency situations that may arise in our community.
Plant replacement	Enable funding to support the replacement of Council's plant and fleet
Community Grants reserve	Funding to foster community connection, well-being, vibrant events, and provide tangible support for local volunteers

Asset development reserve

Parklands contribution	Funding from developers for the provision of open space and associated infrastructure.
Developer contribution plan (DCP) reserves	Developer contributions received for future community facilities and assets.
Planning permit drainage levy	Funding from developers to expand drainage infrastructure to absorb extra inflow due to multi-unit developments.
Net gain compensation	Funds contributed by developers for the maintenance cost of trees/bushland areas for a 10-year period.
Plenty road duplication	Funding from developers for Plenty Road duplication works.
Street tree contributions reserve	Contributions received from developers to maintain street trees which Council takes on responsibility for.

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

Note 9 Other matters

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	2024	2023
	\$'000	\$'000
Surplus/(deficit) for the year	159,412	133,629
<i>Non cash adjustments:</i>		
(Profit)/loss on disposal of property, infrastructure, plant and equipment	(945)	(605)
Share of net (profit)/loss of associate and joint ventures	(33)	203
Loss on Write-off of property, infrastructure, plant and equipment	4,034	9,730
Depreciation and amortisation	52,123	48,583
Contributions - Non-monetary assets	(107,465)	(100,656)
Finance costs	118	192
Finance costs - leases	150	91
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(15,672)	(11,924)
(Increase)/decrease in prepayments	(390)	425
Increase/(decrease) in trade and other payables	7,461	3,836
Increase/(decrease) in trust funds	18,160	(1,880)
(Increase)/decrease in inventories	27	20
Increase/(decrease) in provisions	2,133	4,134
(Increase)/decrease in other assets	(953)	(3,017)
Net cash provided by/(used in) operating activities	118,160	82,761

9.3 Superannuation

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

Accumulation

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

Defined Benefit

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

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

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

Note 9 Other matters

9.3 Superannuation (cont)

Funding arrangements

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

Net investment returns 5.7% pa

Salary information 3.5% pa

Price inflation (CPI) 2.8% pa.

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

Employer contributions

(a) Regular contributions

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

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

(b) Funding calls

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

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.

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

Note 9 Other matters

9.3 Superannuation (cont)

(b) Funding calls (cont)

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

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

The 2023 triennial actuarial investigation surplus amounts

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

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

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

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

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

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

The 2024 interim actuarial investigation

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

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

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

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

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

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

9.3 Superannuation (cont)

The 2020 triennial investigation

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

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

Superannuation contributions

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

Scheme	Type of Scheme	Rate	2024 \$'000	2023 \$'000
Vision super	Defined benefit	11.0% (2023:10.5%)	124	124
Vision super	Accumulation fund	11.0% (2023:10.5%)	10,702	9,132

There were \$483,008 in contributions outstanding to the above schemes as at 30 June 2024.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2025 is \$177,500

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

Note 10 Change in accounting policy

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



City of Whittlesea

Performance Statement

For the year ended 30 June 2024

Performance Statement

For the year ended 30 June 2024

Description of municipality

The City of Whittlesea is located in Melbourne's northern suburbs, about 20 kilometres from the city centre. It is one of Melbourne's largest municipalities, covering a land area of approximately 490 square kilometres.

The majority of the City of Whittlesea population live in urban areas. This is split across the major established suburbs of Bundoora, Epping, Lalor, Mill Park and Thomastown, the current growth area precincts of Mernda, Doreen, South Morang, Epping North and Wollert, and the rural areas of Donnybrook and Whittlesea Township and surrounds. Significant future growth is projected for Wollert and Donnybrook. The rural areas of the municipality are characterised by farming, forested areas and historic township communities including Whittlesea Township.

The Wurundjeri Willum people and the Taungurung people were the original inhabitants of the area and are the traditional owners of this land. Compared with other municipalities, the City of Whittlesea has the third largest population of Aboriginal and Torres Strait Islanders (ATSI) by person count in Metropolitan Melbourne, with 2,389 ATSI residents.

Service Performance Indicators

For the year ended 30 June 2024

Results

Service / Indicator / Measure [Formula]	2021	2022	2023	2024		Comment
	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	0.77	2.82	3.85	N/A	4.22	Pool visits continue to increase year-on-year with visitations exceeding pre-pandemic levels. A number of successful programs have resulted in growth in participation, with both Mill Park Leisure (MPL) and Whittlesea Swim Centre (WSC) increasing by more than 14% and Thomastown Aquatic and Recreation Centre (TRAC) by 10%. Slightly warmer weather than last year also had a positive impact, allowing WSC to extend opening hours for 23 days.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100%	100%	100%	N/A	100%	During the 2023-24 financial year, Council successfully prosecuted seven animal management matters.

Results

	2021	2022	2023	2024		Comment
	Actual	Actual	Actual	Target as per budget	Actual	
Service / Indicator / Measure [Formula]						
Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	80.20%	97.28%	N/A	100.00%	In 2023, Council conducted 115 follow up inspections which were identified as having either a critical or major non-compliance. Council has achieved a 100% result.
Governance Consultation and engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	54	55	52	55	51	Council continues to authentically engage with our local community, to ensure their voices are considered in decision-making. In 2023-24 we consulted on 44 projects, held 159 community-based pop-ups, and received over 9000 contributions from community. Council endorsed an update to the Community Engagement Policy in December 2023 to support continuous improvement of the engagement function.

Results

	2021	2022	2023	2024		Comment
Service / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	
Libraries Participation <i>Library membership</i> [Number of registered library members / Population] x100	#N/A	#N/A	#N/A	N/A	18.83%	The opening of the new Mernda Library has seen a steady increase in library memberships with 2,289 new members. The addition of Click and Collect library hubs and mini branches within new and growing communities is also helping to address access to library services in these areas.
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	73.35%	70.99%	72.08%	N/A	73.60%	Council result has improved year-on-year, which reflects the service’s recovery from the pandemic. However, Council continues to be impacted by workforce shortages in the MCH sector.
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	88.41%	71.78%	77.03%	N/A	80.71%	Council has improved engagement with our Aboriginal community through our Deadly Boorais, Deadly Families program.

Results

	2021	2022	2023	2024		Comment
Service / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	
<p>Roads</p> <p>Condition</p> <p><i>Sealed local roads maintained to condition standards</i></p> <p>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100</p>	91.41%	91.64%	92.99%	93.50%	97.24%	This year has seen significant improvement in the number of sealed local roads maintained to condition standards. This reflects a combination of completed road asset renewals and the addition of new roads to Council's Asset Register. Late in the year a condition audit was commissioned for the sealed local road network, confirming that a very high proportion of roads are below intervention level.
<p>Statutory Planning</p> <p>Service standard</p> <p><i>Planning applications decided within required time frames</i></p> <p>[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100</p>	76.33%	63.52%	76.32%	68.00%	67.84%	Council delivered 67% of our decisions within the required time frame for the financial year. While this is a slight reduction from previous years due to the complexity and quality of applications, Council continues to issue permits effectively and efficiently, benchmarking well against other interface Councils.

Results

	2021	2022	2023	2024		Comment
Service / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	
<p>Waste Management</p> <p>Waste diversion</p> <p><i>Kerbside collection waste diverted from landfill</i></p> <p>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</p>	46.05%	46.06%	44.98%	52.00%	44.46%	<p>Across the four bins we have seen variation to the quantities collected across all streams. The quantity of landfill material has gone up, likely due to the increase in population. The quantity of recycling has decreased, likely due to the container deposit scheme impacts. The quantity of glass has gone up, as this is the first full year of service. The quantity of Food Organics and Garden Organics (FOGO) material has increased due to the increase in population and increase in the number of people opting into the service. However, the overall reduction in the diversion rate is considered to be primarily due to the introduction of the container deposit scheme, as this material is diverted from the kerbside system into the return collection points. Over 3.5 million CDS containers have been collected via the four vending machines on Council managed land within the City of Whittlesea.</p>

* N/A – Has been assigned to all the indicators that are not required to provide a target for the 2023-24 financial year

Definitions

"Aboriginal child" means a child who is an Aboriginal person.

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006.

"Active library borrower" means a member of a library who has borrowed a book from the library.

"Annual report" means an annual report prepared by a council under section 98 of the Act.

"Class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act.

"Class 2 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act.

"Critical non-compliance outcome notification" means a notification received by council under section 19N (3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health.

"Food premises" has the same meaning as in the *Food Act 1984*.

"Local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*.

"Major non-compliance outcome notification" means a notification received by a council under section 19N (3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken.

"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age.

"population" means the resident population estimated by council.

Financial Performance Indicators
For the year ended 30 June 2024

	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Efficiency <i>Expenditure level</i> <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,848.47	\$2,599.22	\$2,788.42	\$3,015.00	\$2,892.11	\$3,014.98	\$2,999.09	\$2,882.09	\$2,924.82	Our expenses per property assessment have increased mainly due to an increase in employee costs and net loss on write-off of property, Infrastructure, plant and equipment. This indicator is projected to decrease in future year primarily because expenses are not rising significantly, while property assessments are experiencing growth.
Revenue level <i>Average rate per property assessment</i> [Sum of all general rates and municipal charges / Number of property assessments]	\$1,707.29	\$1,745.37	\$1,758.10	N/A	\$1,795.24	\$1,841.11	\$1,871.53	\$1,901.96	\$1,885.25	Our average rate per property assessment has increased due to a minimal rate increase applied in line with the Victorian Government's fair go rates system.

	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Liquidity Working capital Current assets compared to current liabilities [Current assets / Current liabilities] x100	305.84%	301.42%	326.87%	248.96%	268.65%	333.48%	303.04%	297.75%	289.08%	During 2023-24 current liabilities increased primarily due to increase in trust funds and deposits relating to fire service levy at 30 June 2024. This is expected to decrease in line with Council's budget.
Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	89.69%	-152.40%	-155.52%	N/A	-184.29%	-186.70%	-174.93%	-173.41%	-172.71%	The definition of unrestricted cash subtracts cash and equivalents from current restrictions (primarily trust funds, statutory reserves and grants received in advance) but importantly does not include \$265 million of term deposits classified as other financial assets in 2023-24. Under this definition, we exceed our available cash on hand, however we have sufficient cash balance to meet these commitments.

	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	1.50%	7.84%	6.12%	N/A	4.43%	12.45%	28.39%	37.70%	40.36%	Council did not draw down additional borrowings in the 2023-24 financial year. This indicator is forecast to increase in future years due to planned borrowings to fund future infrastructure investment.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	3.98%	0.98%	1.34%	N/A	1.24%	2.03%	4.51%	6.10%	6.89%	The ratio decreased from 2022-23 primarily due to repayment of loans and borrowings, whilst rate revenue increased in line with the rate cap. The indicator is forecast to increase in future years in line with our expected borrowings to fund future infrastructure investment.

	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	2.07%	6.53%	5.48%	N/A	4.70%	10.20%	22.82%	29.77%	31.30%	Council has not drawn down on additional loans the 2023-24 financial year, resulting in a decrease in non-current liabilities. The indicator is forecast to increase in future years in line with our expected borrowings to fund future infrastructure investment.
Asset renewal and upgrade Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	82.21%	85.56%	62.53%	76.99%	82.19%	66.76%	68.19%	72.07%	68.97%	The ration has increased compared to prior year due to higher renewal and upgrade expenditure undertaken compared to depreciation. Outer years forecast more moderate levels of capital works expenditure which is driven by the level of funding allocated to asset renewals and upgrades as part of the planning and budgeting process and priorities based on asset condition.

	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	-12.96%	-0.22%	-0.21%	N/A	-2.58%	-4.16%	-3.88%	1.11%	-1.73%	The adjusted underlying deficit has increased primarily due to the timing of the 2024-25 Financial Assistance Grant payments as in prior financial years a significant portion was paid a year in advance. Additionally, employee costs have increased due to increased workcover levy, redundancy payments, and an increase in employee costs in line with the new Enterprise Bargaining Agreement. Future years' projections are expected to improve with income levels anticipated to increase at a greater level than expenditure.

	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	71.77%	71.78%	69.62%	73.98%	72.11%	72.61%	75.00%	75.61%	75.98%	Council continues to ensure rating levels are based on the community's capacity to pay and within the State Government rate cap limits. This result remains within the expected range.
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.28%	0.28%	0.27%	N/A	0.27%	0.27%	0.29%	0.30%	0.31%	Council rates have moved in a consistent proportion to property values.

* N/A – Has been assigned to all the indicators that are not required to provide a target for the 2023-24 financial year

Definitions

"Adjusted underlying revenue" means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to above

"Adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

"Asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

"Current assets" has the same meaning as in the AAS

"Current liabilities" has the same meaning as in the AAS

"non-current assets" means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities

"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

"Own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants

"population" means the resident population estimated by council

"Rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"Recurrent grant" means a grant other than a non-recurrent grant

"Residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"Restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

"Unrestricted cash" means all cash and cash equivalents other than restricted cash.

Sustainable Capacity Indicators

For the year ended 30 June 2024

Results

	2021	2022	2023	2024	Comment
Indicator / Measure [Formula]	Actual	Actual	Actual	Actual	
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,130.01	\$1,047.63	\$1,155.34	\$1,203.92	This indicator has increased mainly due to material and services costs increased as a result of higher inflation and continued investment in staffing resources to support delivery of growing population needs.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$10,382.47	\$10,847.64	\$11,482.30	\$12,634.94	Council's investment in infrastructure was maintained at a consistent level and in proportion to the population growth.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	171.53	171.78	167.56	165.71	Council's length of roads has slightly decreased in comparison to population growth.
Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$846.66	\$892.08	\$980.34	\$1,089.75	The indicator has increased due to higher interest income received as a result of increases in the interest rate, and higher rates income in line with the rate cap and growth of the municipality.

Results

	2021	2022	2023	2024	Comment
Indicator / Measure [Formula]	Actual	Actual	Actual	Actual	
Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$128.48	\$137.52	\$155.84	\$73.20	Council has received less recurrent grant funding primarily due to the timing of the 2024-25 Financial Assistance Grants payments as in prior financial years a significant portion was paid a year in advance.
Disadvantage <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	5.00	5.00	4.00	4.00	Our community remains relatively disadvantaged socio-economically compared to other local government areas.
Workforce turnover <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	16.7%	17.7%	12.4%	20.5%	In 2023-24 Council implemented structure changes to strengthen service delivery for our community, which has resulted in an increase in our turnover rate compared to the 2022-23 financial year. Council is committed to be an employer of choice in order to attract and retain staff. Some specialist skills areas such as nursing, urban planning and engineering remain scarce across their respective industry sectors.

Other Information

For the year ended 30 June 2024

1. Basis of preparation

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

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its Financial Plan on 21 May 2024. The Financial Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Financial Plan can be obtained by contacting council.

Certification of the Performance Statement

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

Aaron Gerrard

Principal Accounting Officer

Dated:

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

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

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

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

Lydia Wilson

Administrator

Dated:

Peita Duncan

Administrator

Dated:

Craig Lloyd

Chief Executive Officer

Dated:

4.3 Adoption of the Election Period Policy

Director/Executive Manager: Executive Manager Office of Council & CEO

Report Author: Executive Manager Office of Council & CEO

Executive Summary

The purpose of this report is to:

- Advise Council on the feedback received following the Election Period policy being on public display via Council's Engage web page seeking community feedback during the period 21 August 2024 to 27 August 2024.
- To seek Council endorsement of the Election Period policy.

The amendments made to the Election Period policy (Policy), to align it with the *Local Government Amendment (Governance and Integrity) Act 2024*, were made under the Application of Policy heading and replaced the previous commencement of the election period from 24 September 2024 to midday Tuesday 17 September 2024.

Officers' Recommendation

THAT Council:

1. Note there were nine unique visits to Council's Engage page, two downloads of the Election Period policy and no feedback provided.
2. Endorse the Election Period policy at Attachment 1 to this report.
3. Note the attached Election Period policy will replace the Election Period policy adopted in June 2024 which formed part of Council's Governance Rules.

Background / Key Information

At the Council meeting of 20 August 2024, Council resolved to release the amended Election Period policy for community feedback.

In June 2024, the *Local Government Amendment (Governance and Integrity) Act 2024* passed through Parliament which amended the Election period commencement date for the October 2024 General Local Elections.

The Election period commencement date is now set for 17 September 2024 commencing at 12 noon, previously it was set to commence on 24 September 2024.

The attached Election Period policy will be incorporated within the Governance Rules in accordance with s 69 of the *Local Government Act 2020*.

Alignment to Community Plan, Policies or Strategies

Alignment to Whittlesea 2040 and Community Plan 2021-2025:

High Performing Organisation

We engage effectively with the community, to deliver efficient and effective services and initiatives, and to make decisions in the best interest of our community and deliver value to our community.

Considerations of *Local Government Act (2020) Principles*

Financial Management

There are no financial implications with the adoption of the Election Period policy.

Community Consultation and Engagement

Community consultation was undertaken between the period 21 August 2024 to 27 August 2024.

Other Principles for Consideration

Overarching Governance Principles and Supporting Principles

- (a) Council decisions are to be made and actions taken in accordance with the relevant law.
- (b) Priority is to be given to achieving the best outcomes for the municipal community, including future generations.
 - (i) The transparency of Council decisions, actions and information is to be ensured.

Public Transparency Principles

- (b) Council information must be publicly available unless—
 - (i) the information is confidential by virtue of the *Local Government Act* or any other Act; or

- (ii) public availability of the information would be contrary to the public interest.
- (c) Council information must be understandable and accessible to members of the municipal community.
- (d) Public awareness of the availability of Council information must be facilitated.

Council Policy Considerations

Environmental Sustainability Considerations

No Implications.

Social, Cultural and Health

No Implications.

Economic

No Implications.

Legal, Resource and Strategic Risk Implications

Amending the Election Period policy aligns with the requirements of the *Local Government Amendment (Governance and Integrity) Act 2024* and *Local Government Act 2020*.

Implementation Strategy

Communication

The Election Period policy will be made available on Council's website and embedded in Council's Governance Rules.

Critical Dates

The amended Election Period commencement date is 17 September 2024 therefore, it is critical the Election Period policy is adopted prior.

Declaration of Conflict of Interest

Under Section 130 of the *Local Government Act 2020* officers providing advice to Council are required to disclose any conflict of interest they have in a matter and explain the nature of the conflict.

The Responsible Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

Attachments

1. Election Period Policy August 2024 [4.3.1 - 11 pages]



Appendix 2 – Election Period Policy

Policy statement

This Policy has been developed in order to ensure that general elections and by-elections for the Council are conducted in a manner that is ethical, fair and equitable, and are publicly perceived as such.

It specifies procedures intended to ensure the Council makes appropriate decisions, takes appropriate actions or uses resources appropriately during the Election Period before a general election, a by election and at other times as specified in this policy.

Further, this policy:

- facilitates the continuation of the ordinary business of local government in the Council throughout the Election Period in a responsible and transparent manner;
- ensures the authority of an incoming council is not restricted by decisions to which it may find itself unreasonably bound and unable to change. This could include significant contractual matters;
- establishing procedures to ensure that access to information held by Council is made equally available and accessible to candidates during the Council, Federal or State elections;
- places limits on public consultation and the scheduling of Council events during the Election Period;
- requires that materials produced by the Council and Whittlesea Council must not contain matter that will affect voting at the election;
- sets out the requirements for a Councillor who is a candidate in an election, including a Council, Federal or State election.

Background

This policy has been prepared in accordance with the *Local Government Act 2020* (Vic) which requires Council to include an election period policy in its Governance Rules to be applied by Council during the election period, a by election and at other times as specified in this policy.

Scope

This Policy relates to the Council, Councillors, Council Committees, the CEO and Council officers, their behaviour and decision making during the 'caretaker' period.

This policy replaces and overrides any previous policy that refers to the Election Period.

Relevant Documents

All City of Whittlesea policies comply with:

Victorian Charter of Human Rights and Responsibilities
Local Government Act 2020 (Vic)
Freedom of Information Act 1982 (Vic)
Public Transparency Policy



Procedural Guidelines

1. Application of Policy

Council will function in accordance with this Policy during the election period commencing at **noon on Tuesday 17 September 2024 and ending 6pm on Saturday 26 October 2024.**

1.1 Role of Chief Executive Officer

In addition to the CEO statutory responsibilities, the CEO has the following responsibilities in supporting the implementation and application of the Policy:

- All Councillors and Council Officers are informed of and supported in the application of this policy at least 30 days prior to the commencement of the Election Period;
- Make a public statement or media release that corrects inaccurate information or statements about Council made by candidates without naming the candidate, where they deem it appropriate; and
- Matters of Council business requiring decisions prohibited during the Election Period by this Policy or the Act are, where possible, scheduled for Council to enable resolution prior to the commencement of the Election Period or deferred where appropriate for determination by the incoming Council.

2. Decisions by Council

- 2.1.1 In accordance with section 69 of the Act Council is prohibited from making any decisions during the Election Period for a general election that:
- (a) relates to the appointment or remuneration of the CEO, but not to the appointment or remuneration of an Acting CEO;
 - (b) commits the Council to expenditure exceeding one per cent of the Council's income from general rates, municipal charges and service rates and charges in the preceding financial year;
 - (c) the Council considers could be reasonably deferred until the next Council is in place; or
 - (d) the Council considers should not be made during an Election Period.
- 2.1.2 Council is prohibited from making any Council decisions during the Election Period for a general election or a by election that would enable the use of Council's resources in a way that is intended to influence, or is likely to influence, voting at the election.
- 2.1.3 During the Election Period, the Council, a Committee of Council, the CEO, of Council officer acting under delegation will not:



- (a) approve, amend or repeal any policy, plan or strategy, including those contained in or related to the Whittlesea Council Planning Scheme, which has been adopted by the Council; or
- (b) use their position to influence Council officers, or access Council resources of information in support of any election campaign or candidacy.

2.1.4 A Council decision made in contravention of subsection (a) or (b) above is invalid under the Act.

2.1.5 Council can continue to make town planning decisions under the *Planning and Environment Act 1987* during the election period and they will still be processed in accordance with usual practices and statutory timelines.

2.2.1 Prohibition on Council

Council or a Council Officer under delegation is unable to make Major Policy Decisions and any major policy decision made during the election period is deemed to be invalid under the Act and may be compensable.

2.1.3 Extraordinary Circumstances

If Council considers that there are extraordinary circumstances which require the making of a major policy decision during the Election Period that in doing so would breach the Act, the Council may apply in writing request an exemption from the Minister for Local Government.

2.2 Council Meetings

Scheduled Council meetings will continue to take place during the Election Period. However, the following adjustments will be made to the Agenda:

- (a) Public Question Time will be suspended;
- (b) Notice of Motions will not be allowed;
- (c) Councillors will limit their discussion during debate to the topic under consideration and will avoid raising Electoral Matter; and
- (d) Reports for the consideration of Council will be referred to the CEO for approval before inclusion on the meeting agenda.

3. Application of Resources

- 3.1.1 The use of Council resources, including, but not limited to, vehicles, staff, services, property, equipment, stationery, websites, social media and hospitality for any Council, Federal or State election campaign purposes is prohibited.
- 3.1.2 Where the use of Council resources appears to relate to the election campaign of a Councillor standing in or for re-election, the matter must be referred to the CEO or their delegate.
- 3.1.3 In accordance with section 304 of the Act, a Councillor or Council officer must not use Council resources in a way that is intended to or is likely to affect the result of



an election under this Act.

3.1.4 A Councillor or Council officer must not use Council resources to intentionally or recklessly print, publish or distribute or cause, permit or authorise to be printed, published or distributed any electoral material during the Election Period on behalf of, or purporting to be on behalf of, the Council unless the electoral material only contains information about the election process or is otherwise required in accordance with, or under, any Act or regulations.

3.1.5 A Councillor or Council officer must not at any time disclose, use or release information provided to them in the course of their role which is confidential.

4. **Candidacy**

A Councillor must not use Council resources for candidacy, or any purpose that may be perceived as being used either as an individual or political party. This applies to a Councillor standing in a Council, Federal or State election, and for any other elected position, for example, positions on boards. Such use would constitute misuse of position.

5. **Federal and State Government Elections**

5.1.1 Councillor will ensure there is a demonstrable distinction between their obligations to Council and their personal interests as a candidate, or member of a political party, in an election period prior to a Federal or State election.

5.1.2 Once a Councillor becomes an endorsed candidate of a registered political party or publicly expresses an intention to run as a candidate in a Federal or State election, is a 'Prospective Candidate' will provide written advice to the CEO, as soon as practicable. The CEO will then advise all Councillors.

6. **Public Consultation and Council Events**

6.1.1 Public consultation activities may be necessary during the election period to ensure that the community is continuing to be consulted in decision making processes. Where it is within Council's control to do so, Council will seek to avoid actions which will require Councillor public consultation during the election period. Councillors will not attend or be involved in public consultation.

6.1.2 Any public consultation will avoid express or implicit links to the election.

7. **Council Events**

Council will ensure that any significant Council events are scheduled to occur outside the election period. Where a Council event must be held during the election period, Councillor involvement will be minimised.



8. Council Publications

8.1 Prohibition on Publishing Material during the Election Period

- 8.1.1 The Chief Executive Officer will only certify electoral advertisements and information about the election process.
- 8.1.2 A Councillor or Council Officer will not print, publish or distribute, or be involved in the printing, publishing or distribution of an electoral advertisement, handbill, pamphlet or notice during the election period if the electoral advertisement, handbill, pamphlet or notice has not been certified by the Chief Executive Officer.

8.2 Certification of Publications

- 8.2.1 Election process publications which require certification include:
- (a) Brochures, pamphlets, handbills, flyers, magazines and books;
 - (b) Reports (other than Agenda papers and Minutes);
 - (c) Advertisements and notices, except newspaper notices of Meetings;
 - (d) New website material;
 - (e) Social media publications (which includes Facebook and Twitter posts and video footage);
 - (f) Emails with multiple addresses, used for broad communication with the community;
 - (g) Mass mail outs or identical letters sent to a large number of people by or on behalf of the Council;
 - (h) Media releases;
 - (i) Material to publicise a function or event; and
 - (j) Any publication or distribution of Councillor's speeches.
- 8.2.2 Application should be made to the Chief Executive Officer who will seek certification of the publication of election advertisements.
- 8.2.3 Copies of all certified documents and applications will be retained for three (3) years by the City of Whittlesea.

8.3 Prohibited Material

'Electoral matter' is taken to be intended or likely to affect voting in an election if it contains an express or implicit reference to, or comment on:

- (a) The election;
- (b) A candidate in the election; or
- (c) An issue submitted to, or otherwise before, the voters in connection with the election.

It's therefore likely that "electoral matter" will include material which:



- (d) Publicises the strengths or weaknesses of a candidate;
- (e) Advocates the policies of the Council or of a candidate;
- (f) Responds to claims made by a candidate; or
- (g) Publicises the achievements of the elected Council or particular Councillors.

8.4 Council Publications Including Councillor Information

Council publications printed, published or distributed during the election period will not include any reference to individual Councillors, unless Council is legally obliged to include any such reference.

8.5 Website

- 8.5.1 Councillor contact information will remain available on the website during the election period, but Councillors' profiles will be removed.
- 8.5.2 Any news published on Council's website during the election period must be certified by the Chief Executive Officer.

8.6 Annual Report

- 8.6.1 Council is required to produce and put on public display a copy of its Annual Report. The Annual Report may be published by the CEO, or delegate during the election period. The Annual Report will not contain any electioneering or material that could promote individual Councillors.
- 8.6.2 The Annual Report does not require certification by the CEO; however, any publication of an extract or summary of the Annual Report will require certification.

8.7 Council and Committee Agendas and Minutes

Agenda papers and Minutes of Council and Committee Meetings do not require certification by the CEO, or delegate, unless they are printed or published for wider distribution.

8.8 Social Media

- 8.8.1 Any publication on social media sites including Facebook, Twitter, blogs and wiki pages during the election period must be certified by the CEO, or delegate.
- 8.8.2 Staff responsible for administering Council's social media sites will monitor them during the election period and use moderation features where available to ensure no electoral matter is posted.



9. Council Resources

9.1 Application of Resources

9.1.1 Council resources, including email addresses, photos, offices, vehicles, staff, hospitality, services, property (including intellectual property), equipment and stationery must be used exclusively for normal Council business during the election period and must not be used in connection with any election campaign or issue.

9.1.2 Any Councillor misusing their position to gain or attempt to gain, directly or indirectly, an advantage for themselves or any other person or to cause or attempt to cause detriment to Council or another person may breach section 76D of the Act. Circumstances involving the misuse of a position include using public funds or resources in a manner that is improper or unauthorised may be prosecuted.

9.2 Role of Executive Assistant to Mayor

The Mayor's Executive Assistant cannot be asked to undertake any tasks connected directly or indirectly with a Councillor's election campaign.

9.3 Use of Council Equipment by Councillors

Councillors (including those standing for re-election) must give back all Council owned equipment (such as laptops, printers, security passes etc.) prior to 6pm on the day of the election. The timing is to be agreed prior to the election period. Councillors standing for re-election must not use Council equipment such as printers as a resource to assist with election campaigns.

9.4 Councillors Entitlement to Reimbursement

Reimbursements of Councillors' out-of-pocket expenses during the election period will only apply to costs that have been incurred in the performance of normal Council duties and not for expenses that support or relate to a candidate's election campaign.

9.5 Council Branding

Council logos, letterheads, or other corporate branding or intellectual property must not be used for, or linked in any way to, a candidate's election campaign.

9.6 Officers' Discretion

Where the use of Council resources appears to relate to the election campaign of a Councillor standing for re-election, the matter must be referred to the CEO or Delegate.

10. Media Services

10.1 Restriction on Services

10.1.1 During the election period, the Council's Public Affairs and Customer Service Departments' services must not be used in any way that might promote a Councillor as an election candidate.



10.1.2 Council publicity during the election period will be restricted to communicating normal Council activities and initiatives and is subject to CEO, or delegate approval and certification.

10.2 Media Releases/Spokespersons

10.2.1 Media releases will minimise references to specific Councillors and will not promote a Councillor as an election candidate. The CEO or Delegate will be referenced instead.

10.2.2 Media releases will require certification by the CEO or delegate.

10.3 Councillors

Councillors will not use their position as elected representatives or their access to Council Officers and other Council resources to gain media attention in support of an election campaign.

10.4 Council Employees

In accordance with the staff Code of Conduct, during the election period, no Council employee may make any public statement that relates to an election issue unless prior approval has been obtained from the CEO or Delegate.

11. Assistance to Candidates

11.1 Role of Returning Officer

All election related enquiries from candidates, whether sitting Councillors or not, will be directed to the Returning Officer or, where the matter is outside the responsibilities of the Returning Officer, to the CEO or Delegate.

11.2 Candidate Information

11.2.1 Council will provide candidates with a Councillor Candidate Information Kit to assist them in running and nominating for Council.

11.2.2 Candidates will complete a Nomination Form, which will be available from the Returning Officer, accompanied by the prescribed nomination fee.

11.2.3 Candidates will complete and submit an Election Campaign Donation Return in the prescribed form within 40 days after election day. The return must contain details of any campaign donation or gift valued at more than the gift disclosure threshold (currently \$500 as at June 2022) which was received between the date 30 days after the previous election and the date 30 days after the current election.

11.3 Access to Information & Candidate Information

11.3.1 A Councillor may continue to access Council information only as it is necessary for them to perform their role as a Councillor.



- 11.3.2 All election candidates have equal rights to Council information relevant to their election campaign from the Council administration in accordance with the Council's Public Transparency Policy and the *Freedom of Information Act 1982* (Vic).
- 11.3.3 Neither Councillors nor Candidates will receive information or advice from Council officers that may improperly advantage Candidates in the election.
- 11.3.4 Council will provide Candidates with a copy of a Councillor Candidate Information Kit (if any) produced by the Victorian Electoral Commission to assist them in running and nominating for Council.

11.4 Information Request Register

The Governance team will maintain an Information Request Register during the Election Period.

12 Staff member as a candidate

- 12.1.1 Section 34 of the Act prohibits a person who is a staff member of Whittlesea City Council serving as a Whittlesea City Council Councillor.
- 12.1.2 Under Section 256(8) of the Act a member of Staff is not prevented from nominating as a candidate at an election if for the duration of the Election Period for that election if:
 - (a) the person has taken leave from that office or position; and
 - (b) the person does not perform any of the duties of that office or position.
- 12.1.3 A Staff Member cannot take the oath or affirmation of office as a Whittlesea City Council Councillor unless they resign from that office or position before taking the oath or affirmation of office.
- 12.1.4 In the event that a Council officer nominates as a candidate for a Council, Federal or State election, the officer will immediately notify their Director or Executive Manager in writing with a copy to the Executive Manager Office of Council & CEO. On receiving such notice the relevant manager will enter into an agreed work plan with the staff member to ensure:
 - There is no conflict of interest between the staff member's duties as a Council employee or access to information and their role as an election candidate;
 - The staff member does not have access to information that would place them at an advantage over other candidates in the election; or
 - No Council resources are used in support of the staff member's candidacy.
- 12.1.5 The agreed work plan must be approved by the relevant Director and forwarded to the CEO and Executive Manager Office of Council & CEO.



Definitions

Where terms used in this Policy are defined in the *Local Government Act 2020* (Act), their use in this Policy is consistent with the definitions in the Act.

Words	Meaning/Definition
Act	means the <i>Local Government Act 2020</i> (Vic).
Candidate	means a person who is nominated to stand for a Council, Federal or State election.
Chief Executive Officer	means the person appointed by Council to be its Chief Executive Officer, or any person acting in that position.
Community Consultation	means the process in which City of Whittlesea and Municipal Community connect with each other to exchange views, ideas and information to: <ul style="list-style-type: none"> (a) inform decisions; (b) build capacity; and (c) strengthen relationships.
Councillor	A person who holds the office of Member of Council or a person appointed as an Administrator for City of Whittlesea who performs the role of a Councillor for the purposes of section 28 of the Act.
Councillor Candidate Information Kit	means the Councillor Candidate Information Kit provided by the Victorian Electoral Commission.
Council Meeting	means a Council meeting that complies with the Act.
Delegate	means a Director or Executive Manager as appointed.
Election Day	means the day of an election as determined under the Act.
Election period	has the same meaning as 'election period' in section 3(1) of the Act and means the period that starts on the last day on which nominations for that election can be received and ends at 6pm on election day.
Electoral advertisement, handbill, pamphlet or notice	means any document that is produced for the purpose of communicating with the community and which contains electoral matter, such as: <ul style="list-style-type: none"> (a) Newsletters and other circulars (including those sent by email); (b) Media releases; (c) Leaflets, pamphlets, handbills, flyers, magazines and brochures; (d) Any new email, web based publications or social media posts; and (e) Mailouts to multiple addresses.
Electoral Material	means an advertisement, handbill, pamphlet or notices that contains Electoral Matter, but does not include an advertisement that is only announcing the holding of a meeting.
Electoral Matter	means matter which is intended or likely to affect voting in an election but does not include any electoral material produced by or on behalf of the election manager for the purposes of conducting an election. Electoral matter is to be taken to be intended or likely to affect voting in an election if it contains an express or implicit reference to, or comment on: <ul style="list-style-type: none"> (a) the election; or (b) a candidate in the election; or (c) an issue submitted to, or otherwise before, the voters in connection with the election



Inappropriate decisions	Includes any of the following: (a) decisions that would affect voting in an election; or (b) decisions that could reasonably be made after the election.
Information Request Register	This Information Request Register will be a public document that records all requests relating to Electoral Matters and non-routine requests for information by Councillors and Candidates, and the responses given to those requests.
Member of Council Staff	means a natural person appointed by the Chief Executive Officer (other than an independent contractor under a contract for services or a volunteer) to enable: (a) the functions of the Council to be carried out; and (b) the Chief Executive Officer to carry out their functions. The Chief Executive Officer is also a member of Council Staff.
Public consultation	A process that involves an invitation or invitations to individuals, groups or organisations or the community generally to comment on an issue, proposed action or proposed policy, and includes discussion of that matter with the public.
Publish	means publish by any means including by publication on the internet.
Major Policy Decision	Is defined by the Act to mean a decision (a) Relating to the employment or remuneration of a CEO, other than a decision to appoint an acting CEO; (b) To terminate the appointment of a CEO; To enter into a contract the total value of which exceeds 1% of Council's total revenue from rates and charges in the preceding financial year.
Significant decision	In the context of this policy, significant decisions include: (a) decisions that may irrevocably commit the incoming Council to substantial expenditure or to other significant actions; and (b) decisions that may have an irrevocable and significant impact on the municipality or a significant section of the community.

5 Closure