



M(10) – 24 SEPTEMBER 2024

Ordinary Council Meeting

Minutes

The **Ordinary Meeting** of the **Alpine Shire Council** was held wholly by electronic means on **24 September 2024** and commenced at **5:00pm**.

PRESENT

COUNCILLORS

Cr John Forsyth - Mayor*

Cr Simon Kelley - Deputy Mayor*

Cr Katarina Hughes*

Cr Ron Janas*

Cr Tony Keeble*

Cr Sarah Nicholas*

Cr Kelli Prime*

** attendance via electronic means*

OFFICERS

Nathalie Cooke - A/Chief Executive Officer*

Tony Cooper - A/Director Customer and Community*

Alan Rees - Director Assets*

** attendance via electronic means*

APOLOGIES

Will Jeremy - Chief Executive Officer

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1. Recording and livestreaming of Council meetings

The Acting CEO read the following statement:

All council meetings are filmed with both video and audio being recorded.

This meeting is being held online and audio and video is focused on Councillors and Council Officers.

In accordance with Alpine Shire Council Governance Rules adopted on 27 July 2024, Question Time, Notices of Motion, General Business and Reports by Delegates will not be presented during the election period.

The reasoning behind recording council meetings is to hold us more accountable and improve transparency of Council's decision-making to our community.

The full meeting is being streamed live on Council's YouTube channel which is "Alpine Shire Council" and will also be available on the YouTube channel shortly after this meeting.

2. Acknowledgement of traditional custodians, and recognition of all people

All to stand, the Mayor read the following statement:

Alpine Shire Council acknowledges the Traditional Custodians of the lands on which we are meeting today. Council also acknowledges all of the Traditional Custodians of the wider lands of the area known as the Alpine Shire.

We also acknowledge those people who have contributed to the rich fabric of our community and strive to make wise decisions that will improve the quality of life for all.

3. Confirmation of minutes

3.1 ORDINARY COUNCIL MEETING – M(9) – 27 AUGUST 2024

Cr Kelley

Cr Janas

That the minutes of Ordinary Council Meeting M(10) held on 27 August 2024 as circulated be confirmed.

Carried

4. Apologies

Will Jeremy, Chief Executive Officer

5. Obituaries / congratulations

In accordance with Alpine Shire Council Governance Rules (2024), question time will not be held during the election period.

6. Declarations by Councillors of conflict of interest

Nil

7. Public questions

In accordance with Alpine Shire Council Governance Rules (2024), question time will not be held during the election period.

8. Presentation of reports by officers

8.1 DIRECTOR ASSETS – ALAN REES

8.1.1 Petition - Rubbish Collection Frequency

Election Period Statement

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

INTRODUCTION

This report relates to a petition seeking more frequent collection of public rubbish bins in Bright.

Cr Nicholas

Cr Hughes

That Council acknowledges the petition titled 'Petition regarding more frequent Rubbish Collection' received at the Ordinary Council Meeting held on 27 August 2024.

Carried Unanimously

BACKGROUND

On 27 August 2024, a member of the community hand delivered a petition to Council relating to the public bins in Bright. The petition was assessed and considered to satisfy Council's Governance rule G4 'Petitions'. The petition contains 235 signatories and states:

To the Alpine Shire Council, this petition, on behalf of concerned residents in Bright, draws to the attention of the Alpine Shire, our town, with its incredible scenery, beautiful walking trails, pristine rivers, Autumn scenery, festivals, and towering mountains ... of rubbish! For too long, "beautiful Bright's public bins have gone unemptied with adequate frequency. Alpine Shire, and their contractors, should be the ones on top of our town's bins, and not the trash. Our petition is to request:

- our public bins emptied more frequently, especially during weekends, events, and public holidays; or*
- replace the current contractors with more effective ones.*

At the same Ordinary Council Meeting, Council considered Council officers' review of the public bins and amenities cleaning services regime undertaken in mid-2024. Council resolved to support the recommended changes to the servicing regime based on observations about specific "hot spot" areas that have seen significant usage and littering, and the need for additional bins at various locations throughout the Shire owing to the realisation of additional public amenities and bin installations across the shire.

ISSUES

Visitor numbers to Alpine Shire vary significantly throughout the year due to seasonal tourism, events and public holidays. High visitation during peak periods leads to increased demand for cleaning services across public amenities and bin servicing that requires more frequent servicing. Maintaining a high standard is challenging without a regular review of service levels.

Council officers undertook a review of the public bins and amenities cleaning services in mid-2024, and Council resolved to vary the contract to facilitate the recommended changes required to the service regime at the Ordinary Council Meeting held on 27 August 2024.

POLICY IMPLICATIONS

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 4.2 Planning and development that reflects the aspirations of the community.

FINANCIAL AND RESOURCE IMPLICATIONS

There are no financial implications related to receiving and noting this petition.

Council has already considered the need to increase the number of required bin and facility cleaning services needed to cater for current and expected demand, and to accommodate new public amenities and bin installations across the shire at the Ordinary Council Meeting held on 27 August 2024.

RISK MANAGEMENT

There are no risks associated with this report.

CONSULTATION

Appropriate engagement has occurred with relevant stakeholders in the awarding of Contract No CQ23019 for Public Bins and Amenities Cleaning Services and the subsequent variation to the contract considered by Council at the Ordinary Council Meeting held on 27 August 2024.

CONCLUSION

Council notes the petition. Council also notes that the need to vary this contract to cater for an increase in the number of required bin and facility cleaning services, and to accommodate new public amenities and bin installations across the shire was already considered by Council at the Ordinary Council Meeting held on 27 August 2024.

DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020* and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Director Assets
- Manager Growth and Future
- Facilities Officer

ATTACHMENT(S)

Nil

8.2 ACTING DIRECTOR CUSTOMER AND COMMUNITY – TONY COOPER

8.2.1 Instruments of Delegation

File Number: Delegations Register

Election Period Statement

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

INTRODUCTION

Instruments of Delegation, are an important means of Council ensuring its officers hold the appropriate legislative powers for the various Acts and Regulations that Council administers. This report refreshes delegations to the Chief Executive Officer, and to members of Council staff.

Cr Janas

Cr Prime

That Council:

1. *Exercise the powers conferred by section 11(1)(b) of the Local Government Act 2020, so that:*
 - a. *There be delegated to the person holding the position, acting in or performing the duties of Chief Executive Officer the powers, duties and functions set out in attachment 8.2.2.a "S5 - Instrument of Delegation from Council to the Chief Executive Officer" (instrument S5), subject to the conditions and limitations specified in that instrument;*
 - b. *Instrument S5 be signed and sealed at the appropriate stage of this meeting;*
 - c. *Instrument S5 comes into force on 12 October 2024;*
 - d. *On the coming into force of instrument S5, the previous version of instrument S5 dated 26 March 2024 be revoked; and*
 - e. *The duties and functions set out in instrument S5 must be performed, and the powers set out in the instruments must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.*
2. *Exercise the powers conferred by the legislation referred to in attachment (8.2.2.b) "S6 - Instrument of Delegation from Council to Members of Council Staff (instrument S6), so that:*
 - a. *There be delegated to the members of Council staff holding, acting in or performing the duties of the offices or positions referred to in instrument S6a, the powers, duties and functions set out in that instrument, subject to the conditions and limitations specified in that Instrument;*
 - b. *Instrument S6 be signed and sealed at the appropriate stage of this meeting;*

- c. *Instrument S6 comes into force on 12 October 2024;*
 - d. *On the coming into force of instrument S6, the previous version of instrument S6 dated 26 March 2024 be revoked; and*
 - e. *The duties and functions set out in instrument S6 must be performed, and the powers set out in the instruments must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.*
3. *Exercise the powers conferred by the legislation referred to in attachment 8.2.2.c. "S18 - Instrument of Sub-Delegation from Council to Members of Council Staff (EPA 2017)"(instrument S18), so that:*
- a. *There be delegated to the members of Council staff holding, acting in or performing the duties of the offices or positions referred to in instrument S18, the powers, duties and functions set out in that instrument, subject to the conditions and limitations specified in that Instrument*
 - b. *Instrument S18 be signed and sealed at the appropriate stage of this meeting*
 - c. *Instrument S18 comes into force on 12 October 2024;*
 - d. *On the coming into force of instrument S18, the previous version of instrument S18 dated 26 March 2024 be revoked; and*
 - e. *The duties and functions set out in instrument S18 must be performed, and the powers set out in the instruments must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.*

Carried Unanimously

BACKGROUND

Election Period

During the Election Period, Council must ensure that it does not make any decisions that contravene sections 69(2) or 69(3) of the *Local Government Act 2020*. This means that Council is prohibited from making decisions relating to the appointment or remuneration of the CEO, committing Council to expenditure exceeding \$220,000 (excluding GST), or making decisions that are defined in Council's Election Period Policy that could be reasonably deferred until after the election, or should not be made during the Election Period. Council's Election Period Policy does not prohibit Council from appropriately delegating the powers, duties, and functions arising from legislation during the Election Period.

As outlined in the remainder of this report, Council officers require current and accurate delegations to fulfil their duties. If Council chose to defer the decision to delegate its powers, duties, and functions arising from legislation until after the Election, any staff position titles that do not appear in the most recent signed versions (in this case, from March 2024), will not have any delegations. This impacts the newly titled Director Corporate and Community position (which will replace the Director Customer and Community) and the new Manager Regulatory Services position (which will replace the Manager Statutory Planning, Compliance, and Local Laws role and the Manager Building and Environmental Health role). Both of these roles carry key responsibilities in managing Council's statutory services, and unless they receive appropriate and timely

delegation from the legislation under which they operate, they are unable to support the officers that report to them. It is estimated that there are more than 80 pieces of legislation that cover these two roles, when considering the powers passed on directly from Council, as well as those that are sub-delegated by the CEO.

The delegation of Council's powers, duties, and functions is a routine process presented to a Council meeting, which was most recently presented to the Ordinary Council meeting held in March 2024. Preparation for changes in staff and position titles are the reason that delegations are being presented now, rather than being withheld until after the Election.

Legislative powers, duties, and functions

Many legislative Acts and Regulations provide Council with specific powers, duties or functions. To enable Council as an organisation to run smoothly, many of these powers, duties and functions are delegated to the Chief Executive Officer (CEO), who can then further sub-delegate these duties to Staff. This ensures that decisions are made on a timely basis, without the need for every legislative decision being presented to a Council meeting.

Council's S5 Instrument of Delegation to the CEO passes on Council's powers directly to the CEO. For instances where decisions are required that are not within the CEO's delegation, these must be presented directly to Council - for example, where a purchase exceeds the CEO's financial delegation.

Where legislation allows it, the CEO then sub-delegates specific legislative duties to staff, via a separate Instrument. Some legislation does not allow sub-delegation via the CEO, so Council must delegate these powers directly to staff using the S6 Instrument of Delegation to Council Staff.

The Environment Protection Authority delegates several of its powers to Council, which must then be sub-delegated to Council staff. The S18 Instrument of Sub-Delegation to Members of Council Staff ensures this occurs.

ISSUES

Legislative updates

There have been no changes made to the S5 Instrument of Delegation or the S18 Instrument of Delegation, however both are being updated as part of due process to ensure that all the legislative powers available at the time of this meeting are passed on the CEO and Council staff.

There have minor updates to the legislative powers, duties, and function in the S6 Instrument of Delegation since it was last adopted in March 2024. These apply to the *Road Management Act 2004*, *Residential Tenancies (Caravan Parks and Movable Dwellings Registration and Standards) Regulations 2024*, and the *Food Act 1984*. These have been included in the document, with the appropriate members of Council staff delegated to those legislative provisions.

Staff members with delegated duties

The two new positions (Director Corporate and Community and Manager Regulatory Services) have been added to the delegations to ensure that they have the appropriate powers, duties, and functions once staff members are appointed to those roles.

POLICY IMPLICATIONS

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 5.2 A responsible, transparent and responsive organisation

FINANCIAL AND RESOURCE IMPLICATIONS

Council has an annual subscription for Maddocks delegations and authorisations service that is allowed for in Council’s annual budget. Appropriate delegations and authorisations allow Council and Council staff to operate effectively within legislative frameworks.

RISK MANAGEMENT

Risk	Likelihood	Impact	Mitigation Action / Control
Delegations are not in place or are out of date	Possible	Moderate	Ensure that all Council approved delegations are up-to-date to ensure that staff can undertake their statutory duties.

CONSULTATION

No external consultation is required. Council to CEO delegations have been discussed with the relevant staff and CEO.

CONCLUSION

A review and update of the S5 Instrument of Delegation to the CEO, S6 Instrument of Delegation to Members of Council Staff, and S18 Instrument of Sub-Delegation to Members of Council Staff (EPA 2017), will ensure that the CEO and Council officers can undertake the powers, duties and functions relating to their role. The transfer of these powers, duties, and functions does not constitute a decision that is prohibited during the Election Period.

DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Chief Executive Officer

- A/Director Customer and Community
- Governance Officer

ATTACHMENT(S)

- 8.2.2.a. S5 - Instrument of Delegation from Council to the Chief Executive Officer - September 2024
- 8.2.2.b. S6 - Instrument of Delegation from Council to Members of Council Staff - September 2024
- 8.2.2.c. S18 - Instrument of Sub-Delegation from Council to Members of Council Staff (EPA 2017) - September 2024

8.2.2 Instruments of Appointment and Authorisation - *Planning and Environment Act 1987*

File Number: Delegations register

Election Period Statement

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

INTRODUCTION

Instruments of appointment and authorisation are an important means of Council ensuring that its officers are appropriately authorised under the relevant Acts that Council administers. This report provides for a permanent appointment to Council's Executive Team, and a change in position in Council's Planning Team.

Cr Kelley
Cr Hughes

That Council exercise the powers conferred by section 147(4) of the Planning and Environment Act 1987, so that:

- 1. The following members of Council staff referred to in attachment 8.2.3 "S11A – Instrument of Appointment and Authorisation – Planning & Environment Act 1987" (the Instrument) be appointed and authorised as set out in the Instrument;*
 - a. Director Corporate and Community*
 - b. Senior Statutory Planning Officer*
- 2. The Instruments come into force on the dates specified in the individual Instruments, and remain in force until Council determines to vary or revoke them;*
- 3. The Instruments be signed and sealed at the appropriate stage of this meeting.*
- 4. On the coming into force of the Instruments, the previous "S11A – Instrument of Appointment and Authorisation – Planning and Environment Act 1987" for the following members of Council staff, as dated, be revoked;*
 - a. Director Customer and Community, dated 25 June 2024*
 - b. Planning Officer, dated 30 January 2024*
 - c. Strategic Planning Coordinator, dated 7 June 2022*

Carried Unanimously

BACKGROUND

Election Period

During the Election Period, Council must ensure that it does not make any decisions that contravene sections 69(2) or 69(3) of the *Local Government Act 2020*. This means that Council is prohibited from making decisions relating to the appointment or

remuneration of the CEO, committing Council to expenditure exceeding \$220,000 (excluding GST), or making decisions that are defined in Council's Election Period Policy that could be reasonably deferred until after the election, or should not be made during the Election Period. Council's Election Period Policy does not prohibit Council from appointing Authorised Officers during the Election Period.

As outlined in the remainder of this report, Council officers require current and accurate authorisations to fulfil their duties. If Council chose to defer the decision to appoint and authorise staff to these statutory positions until after the Election, the officers would be unable to exercise the powers of an Authorised Officer under the *Planning and Environment Act 1987* until such time as the authorisation is approved.

The authorisation of staff with planning responsibilities is a routine process presented to a Council meeting, which has occurred at Council meetings held in the 2024 calendar year in January, February, June, and August. Changes in staff and position titles are the reason behind the regular presentation to Council.

ISSUES

Authorised Officers

Authorised officers have statutory powers under relevant legislation. In the case of Council's staff in with planning responsibilities, the attached Instruments of Appointment and Authorisation under the *Planning and Environment Act 1987* mean that they are authorised officers for the purposes of that Act.

While Council may delegate its powers, duties or functions to staff, so that a delegate acts on behalf of the Council, staff appointed as authorised officers have their own statutory powers under the relevant Act.

Planning and Environment Act 1987

Section 188(1)(b) of the *Planning and Environment Act 1987* specifies that "a planning authority ... may by instrument delegate any of its powers, discretions or functions under this Act to an officer of the authority". However, Section 188(2)(c) specifically prevents an officer from further sub-delegating any duty, function or power. Therefore, as the responsible authority, Council must authorise staff directly using the "S11A – Instrument of Appointment and Authorisation – Planning and Environment Act 1987", rather than via the Chief Executive Officer.

Maddocks Delegations and Authorisations Service

Council utilises the delegations and authorisations service provided by law firm Maddocks. This is a template system used by many councils and provides a detailed way of ensuring that appropriate delegations and authorisations are given to Council staff. All of the relevant legislation affecting local government, including Acts and regulations and the sections that relate to the powers, duties and functions of Council are outlined within the template and the relevant officer is allocated accordingly.

POLICY IMPLICATIONS

Ensuring authorisations are kept up to date ensures that Council's planning staff can undertake their statutory roles.

The recommendation is in accordance with the following Strategic Objective of the Council Plan 2021-2025:

- 5.2 A responsible, transparent and responsive organisation

FINANCIAL AND RESOURCE IMPLICATIONS

Council has an annual subscription to the Maddocks delegation and authorisation service that is provided for in Council's annual budget. There are no other financial implications associated with these instruments of appointment and authorisation.

Appropriate authorisations allow Council and Council staff to operate effectively and within legislative frameworks.

RISK MANAGEMENT

Risk	Likelihood	Impact	Mitigation Action / Control
Authorisations are not in place or are out of date	Possible	Moderate	<ul style="list-style-type: none"> • Ensure that all Council officers have up-to-date authorisations to ensure that they can undertake their duties.

CONSULTATION

The relevant staff and Director have been consulted during the preparation of the Instruments of Appointment and Authorisation. There is no requirement to consult the community in the preparation of these instruments.

CONCLUSION

The appropriate appointment of authorised officers to enforce the *Planning and Environment Act 1987* is required to ensure that Council officers can undertake their statutory roles, and does not constitute a decision that is prohibited during the Election Period.

DECLARATION OF CONFLICT OF INTEREST

In accordance with section 130 of the *Local Government Act 2020*, and Chapter 7 section A6 of Council's Governance Rules, the following officers declare that they have no interests to disclose in providing this report.

- Acting Director Customer and Community

- Manager Corporate
- Governance Officer

ATTACHMENT(S)

- 8.2.3.a S11A – Instrument of Appointment and Authorisation – Planning & Environment Act 1987 – Director Corporate and Community
- 8.2.3.b S11A – Instrument of Appointment and Authorisation – Planning & Environment Act 1987 – Senior Statutory Planning Officer

9. Informal Meeting of Councillors

In accordance with Alpine Shire Council Governance Rules (2020) no Informal Meeting of Councillors is to be tabled during the election period.

10. Reports by Delegates

In accordance with Alpine Shire Council Governance Rules (2020) no Reports by Delegates is to be tabled during the election period

11. General business

In accordance with Alpine Shire Council Governance Rules (2020) general business will not be held during the election period.

12. Motions for which notice has previously been given

In accordance with Alpine Shire Council Governance Rules (2020) no Notices of Motion is to be received during the election period.

13. Reception and reading of petitions

In accordance with Alpine Shire Council Governance Rules (2020), no Reception and reading of petitions is to be received during the election period.

14. Documents for sealing

Election Period Statement

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

Cr Hughes

Cr Prime

That the following documents be signed and sealed.

- 1. S5 - Instrument of Delegation from Council to the Chief Executive Officer - September 2024*
- 2. S6 - Instrument of Delegation from Council to Members of Council Staff - September 2024*
- 3. S18 - Instrument of Sub-Delegation from Council to Members of Council Staff (EPA 2017) - September 2024*
- 4. S11A – Instrument of Appointment and Authorisation – Planning & Environment Act 1987 – Director Corporate and Community*
- 5. S11A – Instrument of Appointment and Authorisation – Planning & Environment Act 1987 – Senior Statutory Planning Officer*

Carried

There being no further business the Chairperson declared the meeting closed at 5:14p.m.

DRAFT Report prepared on 4th October 2024

Alpine Shire Council

ANNUAL FINANCIAL REPORT
for the year ended 30 June 2024



Alpine Shire Council**Annual Financial Report**

for the year ended 30 June 2024

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Alpine Shire Council**Annual Financial Report**
for the year ended 30 June 2024

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Content Overview

These financial statements are General Purpose Financial Statements and cover the consolidated operations for Alpine Shire Council

All figures presented in these financial statements are presented in Australian Currency.

These financial statements were authorised for issue by the Council on dd MMMM yyyy
Council has the power to amend and reissue these financial statements.

Alpine Shire Council

Annual Financial Report for the year ended 30 June 2024

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.

Tony Cooper

Principal Accounting Officer CPA

Dated: dd MMMM yyyy

Bright, Victoria

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

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

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

[Councillor]

[Councillor]

Dated: dd MMMM yyyy

Bright, Victoria

[Councillor]

Councillor

Dated: dd MMMM yyyy

Bright, Victoria

Will Jeremy

Chief Executive Officer

Dated: dd MMMM yyyy

Bright, Victoria

Alpine Shire Council

Annual Financial Report for the year ended 30 June 2024

Victorian Auditor-General's Office Report

Insert VAGO Report here

Alpine Shire Council

Annual Financial Report for the year ended 30 June 2024

Victorian Auditor-General's Office Report (continued)

Insert VAGO Report here

Alpine Shire Council

Comprehensive Income Statement

for the year ended 30 June 2024

	Note	2024 \$ '000	2023 \$ '000
Income / Revenue			
Rates and charges	3.1	21,916	20,837
Statutory fees and fines	3.2	566	557
User fees	3.3	1,195	1,239
Grants - operating	3.4	4,707	9,478
Grants - capital	3.4	4,235	3,116
Contributions - monetary	3.5	839	906
Contributions - non monetary	3.5	3,217	573
Net gain on disposal of property, infrastructure, plant and equipment	3.6	–	40
Fair value increment on investment properties	6.2	(672)	1,675
Other income	3.7	2,606	2,451
Total income / revenue		38,609	40,872
Expenses			
Employee costs	4.1	12,170	10,417
Materials and services	4.2	15,629	15,343
Depreciation	4.3	5,329	5,090
Amortisation - Intangible assets	4.4	12	53
Allowance for impairment losses	4.5	–	(2)
Net loss on disposal of property, infrastructure, plant and equipment	3.6	222	–
Other expenses	4.6	835	693
Landfill rehabilitation expense	4.7	161	2,276
Adjustment for prior year understatement of landfill rehabilitation expense	4.7	–	701
Total expenses		34,358	34,571
Surplus/(deficit) for the year		4,251	6,301
Other comprehensive income:			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain/(loss)	6.1	50,837	(7,751)
Total items which will not be reclassified subsequently to the operating result		50,837	(7,751)
Total other comprehensive income		50,837	(7,751)
Total comprehensive result		55,088	(1,450)

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

Alpine Shire Council

Balance Sheet

as at 30 June 2024

	Note	2024 \$ '000	2023 \$ '000
Assets			
Current assets			
Cash and cash equivalents	5.1	11,051	13,683
Trade and other receivables	5.1	2,290	2,133
Prepayments	5.2	22	710
Other financial assets	5.1	27,000	29,500
Inventories	5.2	103	96
Contract assets	5.1	895	598
Other assets	5.2	60	4
Total current assets		41,421	46,724
Non-current assets			
Property, infrastructure, plant and equipment	6.1	345,472	293,826
Investment property	6.2	10,000	5,450
Intangible assets	5.2	377	135
Total non-current assets		355,849	299,411
Total assets		397,270	346,135
Liabilities			
Current liabilities			
Trade and other payables	5.3	2,662	4,280
Trust funds and deposits	5.3	699	420
Contract and other liabilities	5.3	11,095	12,350
Provisions	5.4	3,067	4,172
Total current liabilities		17,523	21,222
Non-current liabilities			
Contract and other liabilities	5.3	312	349
Provisions	5.4	3,732	3,949
Total non-current liabilities		4,044	4,298
Total liabilities		21,567	25,520
Net assets		375,703	320,615
Equity			
Accumulated surplus		179,283	134,274
Reserves	9.1	196,420	145,612
Total Equity		375,703	279,886

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

Alpine Shire Council

Statement of Changes in Equity

for the year ended 30 June 2024

	Note	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserves \$ '000	Other Reserves \$ '000
2024					
Balance at beginning of the financial year		279,886	134,274	139,540	6,072
Correction of prior period errors – retrospective		40,729	40,729	–	–
Surplus/(deficit) for the year		4,251	4,251	–	–
Other comprehensive income					
Net asset revaluation gain/(loss)	6.1	50,837	–	50,837	–
Other comprehensive income		50,837	–	50,837	–
Total comprehensive income		55,088	4,251	50,837	–
Transfers to other reserves	9.1	–	(815)	–	815
Transfers from other reserves	9.1	–	844	–	(844)
Balance at end of the financial year		375,703	179,283	190,377	6,043
2023					
Balance at beginning of the financial year		281,336	127,973	147,291	6,072
Surplus/(deficit) for the year		6,301	6,301	–	–
Other comprehensive income					
Net asset revaluation gain/(loss)	6.1	(7,751)	–	(7,751)	–
Other comprehensive income		(7,751)	–	(7,751)	–
Total comprehensive income		(1,450)	6,301	(7,751)	–
Transfers to other reserves	9.1	–	–	–	–
Transfers from other reserves	9.1	–	–	–	–
Balance at end of the financial year		279,886	134,274	139,540	6,072

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

Alpine Shire Council

Statement of Cash Flows

for the year ended 30 June 2024

	Note	2024 Inflows/ (Outflows) \$ '000	2023 Inflows/ (Outflows) \$ '000
Cash flows from operating activities			
Rates and charges		21,893	20,714
Statutory fees and fines		566	557
User fees		1,231	1,276
Grants - operating		4,731	9,525
Grants - capital		2,525	6,756
Contributions - monetary		923	997
Interest received		1,568	573
Rent received		581	1,211
Trust funds and deposits taken		520	172
Other receipts		47	36
Net GST refund/payment		1,667	521
Employee costs		(11,958)	(10,450)
Materials and services		(19,471)	(18,586)
Trust funds and deposits repaid		(213)	(36)
Other payments		(735)	(459)
Net cash provided by/(used in) operating activities	9.2	3,875	12,807
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	31,722	(9,587)
Proceeds from sale of property, infrastructure, plant and equipment		–	(45)
Proceeds from sale of investments		2,500	2,500
Net cash provided by/(used in) investing activities		34,222	(7,132)
Net Increase (decrease) in cash and cash equivalents			
		38,097	5,675
Cash and cash equivalents at the beginning of the financial year		13,683	8,008
Cash and cash equivalents at the end of the financial year			
		51,780	13,683
Financing arrangements	5.5	315	315
Restrictions on cash assets	5.1	699	420

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

Alpine Shire Council

Statement of Capital Works

for the year ended 30 June 2024

	2024	2023
	\$ '000	\$ '000
Property		
Land	39	–
Total land	<u>39</u>	<u>–</u>
Buildings	2,794	2,198
Total buildings	<u>2,794</u>	<u>2,198</u>
Total property	<u>2,833</u>	<u>2,198</u>
Plant and equipment		
Plant, machinery and equipment	528	434
Fixtures, fittings and furniture	–	81
Computers and telecommunications	148	186
Library books	77	73
Total plant and equipment	<u>753</u>	<u>774</u>
Infrastructure		
Roads	2,382	4,509
Bridges	208	5
Footpaths and cycleways	100	155
Drainage	270	651
Recreational, leisure and community facilities	1,865	227
Waste management	594	1,068
Total infrastructure	<u>5,419</u>	<u>6,615</u>
Total capital works expenditure	<u>9,005</u>	<u>9,587</u>
Represented by:		
New asset expenditure	687	1,256
Asset renewal expenditure	2,851	1,308
Asset upgrade expenditure	5,467	7,023
Total capital works expenditure	<u>9,005</u>	<u>9,587</u>

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

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 1. Overview

Introduction

The Alpine Shire Council (Council) was established by an Order of the Governor in Council on 18 November 1994 and is a body corporate.

The Council's main office is located at 2 Churchill Avenue, Bright, Victoria 3741

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 Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

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

Accounting policy information

1.1 Basis of accounting

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

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

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.

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.

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 5.4.)
- the determination of landfill provisions (refer to Note 5.4.)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- 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

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)

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 1. Overview (continued)

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.

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2. Analysis of our results

Note 2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of greater than \$100,000 and movements over 10% where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figure details below are those adopted by Council on 27 June 2023. The budget was based on assumptions that were relevant at the time of adoption of the budget. Council set guidelines and parameters for income 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.

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

	Budget 2024 \$ '000	Actual 2024 \$ '000	Variance \$ '000	Variance %	Ref
2.1.1 Income / Revenue and expenditure					
Income / Revenue					
Rates and charges	22,001	21,916	(85)	(0.39)%	
Statutory fees and fines	527	566	39	7.40%	
User fees	995	1,195	200	20.10%	1
Grants - operating	5,607	4,707	(900)	(16.05)%	2
Grants - capital	5,666	4,235	(1,431)	(25.26)%	3
Contributions - monetary	690	839	149	21.59%	4
Contributions - non monetary	1,300	3,217	1,917	147.46%	5
Net gain on disposal of property, infrastructure, plant and equipment	–	–	–	∞	
Fair value increment on investment properties	–	(672)	(672)	∞	6
Other income	1,662	2,606	944	56.80%	7
Total income / revenue	38,448	38,609	161	0.42%	
Expenses					
Employee costs	12,004	12,170	(166)	(1.38)%	
Materials and services	15,580	15,629	(49)	(0.31)%	
Depreciation	7,250	5,329	1,921	26.50%	8
Amortisation - intangible assets	41	12	29	70.73%	
Allowance for impairment losses	–	–	–	∞	
Net loss on disposal of property, infrastructure, plant and equipment	(25)	222	(247)	988.00%	9
Other expenses	840	835	5	0.60%	
Landfill rehabilitation expense	85	161	(76)	(89.41)%	10
Total expenses	35,775	34,358	1,417	3.96%	
Surplus/(deficit) for the year	2,673	4,251	1,578	59.03%	

Alpine Shire Council**Notes to the Financial Statements**

for the year ended 30 June 2024

Note 2.1 Performance against budget (continued)**(i) Explanation of material variations****Variance Explanation
Ref**

1. Higher level of use of the Council's Transfer Stations for waste disposal.
2. Timing of Financial Assistance Grants over the last two years has been inconsistent.
3. Lower than budgeted due to incomplete capital projects as a result of resourcing constraints. Revenue remains as a liability until milestones are attained and acquitted.
4. Higher revenue for the High Country Library Network due to development of new 3 year agreement.
5. Gifted assets above budget - relates to gifted land from developer's inclusion of Porepunkah Holiday park.
6. A valuation of an investment property was less than the amount Council had spent upgrading the facility leading to a write down.
7. Higher interest rates on term deposits has led to higher than expected revenue.
8. Budget has been too high over the last couple of years.
9. Disposal and write off's - refer to note 6 for details.
10. Landfill expense increased due to the cost of works being higher than budgetted.

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.1 Performance against budget (continued)

	Budget 2024 \$ '000	Actual 2024 \$ '000	Variance \$ '000	Variance %	Ref
2.1.2 Capital works					
Property					
Land	–	39	39	∞	
Total land	–	39	39	∞	
Buildings	2,910	2,794	(116)	(3.99)%	1
Total buildings	2,910	2,794	(116)	(3.99)%	
Total property	2,910	2,833	(77)	(2.65)%	
Plant and equipment					
Plant, machinery and equipment	595	528	(67)	(11.26)%	
Fixtures, fittings and furniture	–	–	–	∞	
Computers and telecommunications	810	148	(662)	(81.73)%	2
Library books	86	77	(9)	(10.47)%	
Total plant and equipment	1,491	753	(738)	(49.50)%	
Infrastructure					
Roads	4,510	2,382	(2,128)	(47.18)%	3
Bridges	1,125	208	(917)	(81.51)%	4
Footpaths and cycleways	150	100	(50)	(33.33)%	
Drainage	370	270	(100)	(27.03)%	5
Recreational, leisure and community facilities	2,485	1,865	(620)	(24.95)%	6
Waste management	1,509	594	(915)	(60.64)%	7
Total infrastructure	10,149	5,419	(4,730)	(46.61)%	
Total capital works expenditure	14,550	9,005	(5,545)	(38.11)%	
Represented by:					
New asset expenditure	4,178	687	(3,491)	(83.56)%	
Asset renewal expenditure	5,716	2,851	(2,865)	(50.12)%	
Asset upgrade expenditure	4,656	5,467	811	17.42%	
Total capital works expenditure	14,550	9,005	(5,545)	(38.11)%	

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance	Explanation
----------	-------------

Ref	Explanation
-----	-------------

- | | |
|----|--|
| 1. | Delays related to works associated with the Myrtleford Memorial Hall. |
| 2. | Delays in developing strategies has lead to underspend in 2023/24. |
| 3. | A general increase in work across the roads network due to damage from prior period. |
| 4. | Delays in awarding contract for Nimmo Bridge in 2023/24 has lead to reduced expenditure 2023/24. |
| 5. | Increased expenditure as Council undertook increased levels of renewal as assets were identified throughout the period. |
| 6. | Delays in the Dinner Plain Snowmaking project due to delays in equipment delivery and the Myrtleford Splashpark due to procurement delays. |
| 7. | Costs associated with the Porepunkah landfill capping works were funded through the Landfill reserve. |

Alpine Shire Council**Notes to the Financial Statements**

for the year ended 30 June 2024

Note 2.2 Analysis of Council results by program**2.2.1 Analysis of Council results by program**

Council delivers its functions and activities through the following programs.

The Council introduced a new organisational structure which commenced on 9 January 2023. The 2023/24 Financial statements are the first full financial year of operation.

Executive

Includes all human resources support and advocacy activities. This area also includes remuneration for the Council workforce, the Mayor and the Councillors

Building and Environmental Health

Building and Environmental Health provides various regulatory services to uphold the amenity and safety of the community such as assessment of building and waste water applications, conduct of fire safety and environmental health inspections, registration of food premises

Community Development

Community Development supports a thriving, connected community and focuses on building community capacity through community services such as youth activities, community grants, emergency management and the Maternal and Child Health service

Corporate

Corporate manages the supporting functions that help Council to deliver services in a responsible and sustainable manner. Services include financial control and planning, revenue collection, governance, health and safety, risk management and information technology.

Customer Experience

Customer Experience oversees library services, the visitor information centres, events throughout the Shire and the communications and marketing on behalf of Council.

Engineering and Assets

Engineering and Assets delivers the critical projects to develop, renew and upgrade our community assets.

Growth and Future

Growth and Future centres around delivering the strategic planning and economic development capability for the Shire's long term future. It also has a strong focus on planning for the Council's vision for a climate sensitive sustainable future.

Operations

Operations is responsible for maintaining vital civil assets in order to underpin the wellbeing of the community. It is also responsible for maintaining the Council's property and contracts. Services include maintenance of local roads, bridges and drainage, footpaths, open spaces and buildings, operations, and occupational health and safety.

Statutory Planning, Compliance and Local Laws

Statutory Planning assesses planning applications submitted by individuals and businesses, management of animals and enforcement of local laws.

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

Functions/activities	Income / Revenue \$ '000	Expenses \$ '000	Surplus / (Deficit) \$ '000	Grants included in income / revenue \$ '000	Total assets \$ '000
2024					
Executive	–	1,838	(1,838)	–	–
Building and Environmental Health	158	843	(685)	–	–
Community Development	741	2,053	(1,312)	1,298	–
Corporate	23,883	3,762	20,121	466	41,421

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.2 Analysis of Council results by program (continued)

Functions/activities	Income / Revenue \$ '000	Expenses \$ '000	Surplus / (Deficit) \$ '000	Grants included in income / revenue \$ '000	Total assets \$ '000
Customer Experience	897	3,188	(2,291)	186	–
Engineering and Assets	8,984	5,929	3,055	6,835	342,543
Growth and Future	3	1,540	(1,537)	–	10,000
Operations	3,370	13,630	(10,260)	149	3,306
Statutory Planning, Compliance and Local Laws	573	1,575	(1,002)	8	–
Total functions and activities	38,609	34,358	4,251	8,942	397,270
2023					
Executive	26	11,169	(11,143)	26	–
Building and Environmental Health	402	33	369	6	–
Community Development	3,271	768	2,503	3,271	–
Corporate	26,285	4,859	21,426	5,732	23,090
Customer Experience	513	660	(147)	246	–
Engineering and Assets	3,860	13,763	(9,903)	3,150	279,050
Growth and Future	20	1,323	(1,303)	20	–
Operations	5,807	947	4,860	143	3,266
Statutory Planning, Compliance and Local Laws	648	308	340	–	–
Unattributed	–	–	–	–	40,729
Total functions and activities	40,832	33,830	7,002	12,594	346,135

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Funding for the delivery of our services

	2024 \$ '000	2023 \$ '000
3.1 Rates and charges		
Council uses capital improved value (CIV) as the basis of valuation of all properties within the shire. The CIV of a property is the total market value of the land plus buildings and other improvements.		
The valuation base used to calculate general rates for 2023/2024 was \$7,683 million (\$5,899 million in 2022/2023). The 2023/2024 rate in the dollar was 0.002246 for residential, 0.001640 for farm and 0.003213 for commercial/industrial (2022/23 0.002750 for residential, 0.003933 for farm and 0.002008 for commercial/industrial).		
General rates	17,021	16,383
Waste charges	4,241	3,363
Dinner Plain special rate	156	168
Supplementary rates and rate adjustments	59	362
Interest on rates and charges	111	114
Revenue in lieu of rates	328	447
Total rates and charges	21,916	20,837

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

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

3.2 Statutory fees and fines

Town planning fees	293	289
Health services	135	143
Animal and roadside trading permits	–	8
Infringements and costs	95	100
Land information certificates	19	17
Permits	20	–
Other	4	–
Total statutory fees and fines	566	557

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

Registration and other permits	1	–
Building services	259	252
Waste management services	611	572
Engineering works	22	25
Leisure centre and recreation	15	11
Community centres	13	92
Legal costs recovered	17	37
Visitor information centres	238	236
Library income	18	13
Other fees / charges	1	1
Total user fees	1,195	1,239

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Funding for the delivery of our services (continued)

User fees by timing of revenue recognition

User fees recognised at a point in time	1,195	1,239
Total user fees	1,195	1,239

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.

	2024	2023
	\$ '000	\$ '000

3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants	3,673	6,436
State funded grants	5,269	6,158
Total grants received	8,942	12,594

(a) Operating Grants**Recurrent - Commonwealth Government**

Financial Assistance Grants ¹	207	5,683
--	-----	-------

Recurrent - State Government

School crossing supervisors	46	44
Maternal and child health	459	335
Other	3	-
Rates administration	109	49
Youth services	91	93
Senior citizen centres	-	7
Library services	162	168
Immunisation funding	-	12
Weed management	21	24
Tobacco activity	7	6
Total recurrent operating grants	1,105	6,421

Non-recurrent - Commonwealth Government

Other	775	-
Bushfire Recovery	1,976	26

Non-recurrent - State Government

Family and children	137	-
Maternal and child health	25	-
Other	20	-
Learning and development	-	-
Municipal emergency resourcing program	124	-
Economic development and tourism	4	89
Housing	-	-
Community development	48	246
COVID-19 Recovery	60	-
Youth services	59	323
Flood/storm incident and recovery	100	550
Waste	82	59
Bushfire Recovery	192	1,764

continued on next page ...

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Funding for the delivery of our services (continued)

	2024 \$ '000	2023 \$ '000
Total non-recurrent operating grants	3,602	3,057
Total operating grants	4,707	9,478
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	715	693
Total recurrent capital grants	715	693
Non-recurrent - Commonwealth Government		
LRCI	-	-
Roads	-	34
Non-recurrent - State Government		
Buildings	490	-
Other	336	-
Capital projects	150	15
Roads	1,399	1,285
Bridges	1,115	-
Recreational, leisure	30	25
Pathways	-	1,064
Total non-recurrent capital grants	3,520	2,423
Total capital grants	4,235	3,116

(c) Recognition of grant income

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

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

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

General purpose	1,032	6,233
Specific purpose grants to acquire non-financial assets	6,389	3,116
Other specific purpose grants	1,358	3,057
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	163	188
	8,942	12,594

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

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Funding for the delivery of our services (continued)

	2024 \$ '000	2023 \$ '000
Operating		
Balance at start of year	751	26
Received during the financial year and remained unspent at balance date	85	971
Received in prior years and spent during the financial year	(477)	(246)
Balance at year end	359	751
Capital		
Balance at start of year	11,563	8,609
Received during the financial year and remained unspent at balance date	(905)	2,954
Balance at year end	10,658	11,563

Unspent grants are determined and disclosed on a cash basis.

(1) Decrease in Financial Assistance Grant is due to timing of payment. The majority of the 23/24 grant was paid and recognised in the 22/23 accounts, whilst the 24/25 grant was paid in 24/25 and will be recognised in the 24/25 accounts.

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Funding for the delivery of our services (continued)

	2024 \$ '000	2023 \$ '000
3.5 Contributions		
Monetary contributions		
Monetary	839	906
Total monetary contributions	839	906
Non-monetary contributions		
Non-monetary	3,123	573
Other	94	–
Total non-monetary contributions	3,217	573
Total contributions	4,056	1,479

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

Roads	432	403
Other infrastructure	2,691	170
Total non-monetary contributions	3,123	573

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

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

Property, infrastructure, plant and equipment

Proceeds of sale	–	45
Written down value of assets disposed	(222)	(5)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(222)	40
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(222)	40

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

3.7 Other income

Interest on investments	1,624	1,064
Rent	909	1,174
Other	70	–
Sundry income	3	213
Total other income	2,606	2,451

Interest is recognised as it is earned.

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

Alpine Shire Council

Notes to the Financial Statements
for the year ended 30 June 2024

Note 4. The cost of delivering services

	2024	2023
	\$ '000	\$ '000
4.1 Employee costs		
(a) Employee costs		
Wages and salaries - permanent	9,254	7,485
WorkCover	240	153
Wages and salaries - casual	565	643
Annual leave and long service leave	895	1,116
Superannuation	1,200	1,000
Fringe benefits tax	16	20
Total employee costs	12,170	10,417

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	15	33
	15	33

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	389	337
Employer contributions - other funds	796	630
	1,185	967

Employer contributions payable at reporting date	57	27
Total superannuation costs	1,200	1,000

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2023 is \$12,690. 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

General maintenance	1,587	1,041
Information technology	240	148
Insurance	59	670
Administration	4,077	2,044
Operational	6,328	6,826
Asset maintenance	1,872	3,472
Non-recurrent projects	1,466	1,142
Total materials and services	15,629	15,343

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

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 4. The cost of delivering services (continued)

	2024 \$ '000	2023 \$ '000
4.3 Depreciation		
Property		
Buildings - non specialised	1,719	1,705
Total depreciation - property	1,719	1,705
Plant and equipment		
Plant machinery and equipment	464	528
Fixtures fittings and furniture	30	26
Computers and telecomms	122	130
Library books	84	77
Total depreciation - plant and equipment	700	761
Infrastructure		
Roads	1,529	1,407
Bridges	577	577
Footways and cycleways	170	149
Drainage	252	133
Recreational, leisure and community	76	56
Waste management	64	62
Parks open spaces and streetscapes	242	240
Total depreciation - infrastructure	2,910	2,624
Total depreciation	5,329	5,090

Refer to note 6 for a more detailed breakdown of depreciation charges and accounting policy.

4.4 Amortisation - Intangible assets

Software and Implementation costs	12	53
Total Amortisation - Intangible assets	12	53

4.5 Allowance for impairment losses

Other debtors	-	(2)
Total allowance for impairment losses	-	(2)
Movement in allowance for impairment losses in respect of debtors		
Balance at the beginning of the year	(2)	(2)
New allowances recognised during the year	-	1
Amounts already allowed for and written off as uncollectible	-	(1)
Balance at end of year	(2)	(2)

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

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 4. The cost of delivering services (continued)

	2024 \$ '000	2023 \$ '000
4.6 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	14	75
Councillors' allowances	298	227
Other	94	–
Council grants and contributions	429	369
Impairment losses	–	22
Total other expenses	835	693
4.7 Landfill rehabilitation expenses		
Landfill rehabilitation expenses		
Additional provisions	161	2,276
Total landfill rehabilitation expenses	161	2,276
Adjustment for prior year understatement of landfill rehabilitation expense processed via current year Comprehensive Income Statement	–	701

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations

	2024 \$ '000	2023 \$ '000
5.1 Financial assets		
(a) Cash and cash equivalents		
Current		
Cash on hand	2	2
Cash at bank	11,049	13,681
Total current cash and cash equivalents	11,051	13,683
Total cash and cash equivalents	11,051	13,683
(b) Other financial assets		
Current		
Term deposits	27,000	29,500
Total current other financial assets	27,000	29,500
Total other financial assets	27,000	29,500
Total current financial assets	38,051	43,183
Total cash and cash equivalents and other financial assets	38,051	43,183
External restrictions		
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include Trust Funds and Deposits.		
Total unrestricted cash and cash equivalents	10,352	13,263
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
Total funds subject to intended allocations	9,969	9,463

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

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

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

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	2024 \$ '000	2023 \$ '000
(c) Trade & Other Receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	1,607	1,046
Net GST receivable	401	378
<i>Non-statutory receivables</i>		
Other debtors	284	711
Allowance for expected credit loss - other debtors	(2)	(2)
Total current trade and other receivables	2,290	2,133
Total trade and other receivables	2,290	2,133

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

(d) Ageing of receivables

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

Current (not yet due)	82	585
Past due by up to 30 days	3	1
Past due between 31 and 180 days	24	82
Past due between 181 and 365 days	18	5
Past due by more than 1 year	157	36
Total trade and other receivables	284	709

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$2,000(2023: \$2,094) were impaired. The amount of the allowance raised against these debtors was \$2,000(2023: \$2,094).

All of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

(f) Contract assets**Current**

Contract Assets	895	598
Total contract assets	895	598

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

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	2024 \$ '000	2023 \$ '000
5.2 Non-financial assets		
(a) Inventories		
Current		
Merchandise	103	96
Total current inventories	103	96
Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.		
(b) Other assets		
Current		
Other	60	4
Total current other assets	60	4
Prepayments	22	710
Total current Prepayments	22	710
(c) Intangible assets		
Software and implementation costs	377	135
Total intangible assets	377	135
	Software	Total
	\$ '000	\$ '000
Gross Carrying Amount		
Balance at 1 July 2023	295	295
Other additions	391	391
Balance at 30 June 2024	686	686
Accumulated amortisation and impairment		
Balance at 1 July 2023	160	160
Amortisation expense	-	-
Balance at 30 June 2024	160	160
Net book value at 30 June 2023	135	135
Net book value at 30 June 2024	526	526

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.

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	2024 \$ '000	2023 \$ '000
5.3 Payables, trust funds and deposits and contract and other liabilities		
(a) Trade and other payables		
Current		
<i>Non-statutory payables</i>		
Trade payables	2,004	2,295
Accrued expenses	636	1,959
<i>Statutory payables</i>		
Other	2	–
Other creditors	20	26
Total current trade and other payables	2,662	4,280
(b) Trust funds and deposits		
Current		
Fire services levy	338	168
Retention amounts	251	122
Subdivision works	52	80
Other deposits	58	50
Total current trust funds and deposits	699	420
(c) Contract and other liabilities		
Contract liabilities		
Current		
Grants received in advance:		
Grants received in advance - operating	–	751
Grants received in advance - capital	11,018	11,563
Total grants received in advance	11,018	12,314
User fees received in advance:		
Other	40	–
Total user fees received in advance	40	–
Total current contract liabilities	11,058	12,314
Other liabilities		
Current		
Lease income received in advance	37	36
Total current other liabilities	37	36
Total current contract and other liabilities	11,095	12,350
Other liabilities		
Non-current		
Lease income received in advance	312	349
Total Other liabilities	312	349
Total non-current contract and other liabilities	312	349

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

Trust funds and deposits

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

Contract liabilities

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

Other liabilities

Grant consideration was received from numerous government entities to support the construction of a number of varied assets. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the staged completion of these projects. As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

Lease Income Received in Advance - This represents lease income received in advance for the Bright and Myrtleford Caravan Park leases at the start of the lease to be recognised on a straight line basis over the life of the leases (21 years).

Purpose and nature of items

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

Fire 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.

Subdivision works – Council receives deposits as a form of surety from property developers until certain works are completed. Once the works are completed the amounts are refunded.

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	Employee provisions \$ '000	Landfill restoration \$ '000	Total \$ '000
5.4 Provisions			
2024			
Balance at the beginning of the financial year	1,716	6,405	8,121
Additional provisions	974	731	1,705
Amounts used	(766)	(1,701)	(2,467)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	10	(570)	(560)
Balance at the end of the financial year	1,934	4,865	6,799
Provisions			
Provisions - current	1,803	1,264	3,067
Provisions - non-current	131	3,601	3,732
Total Provisions	1,934	4,865	6,799
2023			
Balance at the beginning of the financial year	1,924	4,541	6,465
Additional provisions	865	2,723	3,588
Amounts used	(1,064)	(412)	(1,476)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(9)	(447)	(456)
Balance at the end of the financial year	1,716	6,405	8,121
Provisions			
Provisions - current	1,604	2,568	4,172
Provisions - non-current	112	3,837	3,949
Total Provisions	1,716	6,405	8,121
		2024	2023
		\$ '000	\$ '000

(a) Employee provisions**Current provisions expected to be wholly settled within 12 months**

Annual leave	817	526
Long service leave	726	138
Other accrued and parental leave	159	159
	1,702	823

Current provisions expected to be wholly settled after 12 months

Annual leave	–	141
Long service leave	101	640
	101	781

Total current employee provisions

	1,803	1,604
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Non-Current

Long service leave	131	112
Total Non-Current Employee Provisions	131	112

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	2024 \$ '000	2023 \$ '000
Aggregate Carrying Amount of Employee Provisions:		
Current	1,803	1,604
Non-current	131	112
Total Aggregate Carrying Amount of Employee Provisions	1,934	1,716

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

Annual leave

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

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

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

Long service leave

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

Paid parental leave and other accrued leave

A liability for paid parental leave, time in lieu and rostered day off is recognised in the provision for employee benefits under the Alpine Shire Enterprise Agreement 2020. The liability is measured at the nominal value as it expected to be settled within 12 months.

Key assumptions:

Weighted average increase in employee costs	4.45%	4.35%
Weighted average discount rates	4.35%	4.06%
Weighted average settlement period in years	2	2

(b) Landfill restoration**Current**

Current	1,264	2,568
Total current	1,264	2,568

Non-current

Non-current	3,601	3,837
Total non-current	3,601	3,837

Council is obligated to restore former landfill sites at Myrtleford and Porepunkah to a particular standard.

The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken, which has been estimated based on current understanding of work required to reinstate the sites to this standard.

Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs

Key assumptions:

Weighted average increase in restoration costs	3.12%	3.08%
Weighted average discount rates	4.35%	4.06%
Weighted average settlement period in years	3	3

Alpine Shire Council**Notes to the Financial Statements**

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	2024	2023
	\$ '000	\$ '000
5.5 Financing arrangements		
The Council has the following funding arrangements in place as at 30 June 2024.		
Bank overdraft	250	250
Credit card	50	50
Bank guarantees	15	15
Total Facilities	315	315
Used facilities	29	24
Used facilities	29	24
Unused facilities	286	291

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

5.6 Commitments

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

(a) Commitments for expenditure

	Not later than 1 year \$ '000	Later than 1 year and not later than 2 years \$ '000	Later than 2 years and not later than 5 years \$ '000	Later than 5 years \$ '000	Total \$ '000
2024					
Operating					
Waste management	3,668	3,775	9,750	–	17,193
Electricity	412	412	1,235	823	2,882
Cleaning	917	911	2,733	–	4,561
Other	777	711	85	–	1,573
Total	5,774	5,809	13,803	823	26,209
Capital					
Buildings	158	–	–	–	158
Roads	138	–	–	–	138
Other	1,001	–	–	–	1,001
Total	1,297	–	–	–	1,297
2023					
Operating					
Waste management	1,965	2,858	2,169	–	6,992
Electricity	412	412	1,235	1,235	3,294
Cleaning	412	42	14	–	468
Other	198	1,158	–	–	1,356
Total	2,987	4,470	3,418	1,235	12,110
Capital					
Buildings	113	–	–	–	113
Roads	336	–	–	–	336
Other	1,693	–	–	–	1,693
Total	2,142	–	–	–	2,142

Alpine Shire Council**Notes to the Financial Statements**

for the year ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

	2024	2023
	\$ '000	\$ '000

(b) Operating lease receivables***Operating lease receivables***

The Council has entered into commercial property leases on some properties, consisting of caravan parks, a community centre and a cafe. These properties held under operating leases have remaining non-cancellable lease terms between 1 and 18 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:

Not later than one year	497	396
Later than one year and not later than five years	1,930	1,379
Later than five years	3,080	1,920
	<u>5,507</u>	<u>3,695</u>

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	Carrying amount 30 June 2023 \$ '000	Additions \$ '000	Contributions \$ '000	Revaluation \$ '000	Disposal \$ '000	Depreciation \$ '000	Write-off \$ '000	Transfers \$ '000	Carrying amount 30 June 2024 \$ '000
Property	107,516	2,253	–	42,239	–	(1,719)	–	193	150,482
Plant and equipment	4,252	616	–	–	(23)	(700)	–	–	4,145
Infrastructure	171,058	3,483	1,123	8,599	–	(2,910)	–	3,221	184,574
Work in progress	11,000	2,653	–	–	–	–	(199)	(7,204)	6,250
Total	293,826	9,005	1,123	50,838	(23)	(5,329)	(199)	(3,790)	345,451

Summary of Work in Progress	Opening WIP \$ '000	Additions \$ '000	Write-off \$ '000	Transfers \$ '000	Closing WIP \$ '000
Property	5,701	580	(145)	(3,665)	2,471
Plant and equipment	–	137	–	–	137
Infrastructure	5,299	1,936	(54)	(3,539)	3,642
Total	11,000	2,653	(199)	(7,204)	6,250

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

	Land \$ '000	Land under roads \$ '000	Total land \$ '000	Buildings \$ '000	Total buildings \$ '000	Work in progress \$ '000	Total property \$ '000
Property							
At fair value 1 July 2023	43,589	27,552	71,141	88,276	88,276	5,701	165,118
Accumulated depreciation at 1 July 2023	–	–	–	(51,901)	(51,901)	–	(51,901)
	43,589	27,552	71,141	36,375	36,375	5,701	113,217
Movements in fair value							
Additions	–	–	–	2,253	2,253	580	2,833
Revaluation	23,829	4,882	28,711	(11,010)	(11,010)	–	17,701
Disposal	–	–	–	–	–	–	–
Write-off	–	–	–	–	–	(145)	(145)
Transfers	–	–	–	193	193	(3,665)	(3,472)
	23,829	4,882	28,711	(8,564)	(8,564)	(3,230)	16,917
Movements in accumulated depreciation							
Depreciation and amortisation	–	–	–	(1,719)	(1,719)	–	(1,719)
Accumulated depreciation on revaluation	–	–	–	29,598	29,598	–	29,598
	–	–	–	27,879	27,879	–	27,879
At fair value 30 June 2024	67,418	32,435	99,853	74,665	74,665	2,471	176,989
Accumulated depreciation at 30 June 2024	–	–	–	(24,022)	(24,022)	–	(24,022)
Carrying amount	67,418	32,435	99,853	50,643	50,643	2,471	152,967

Alpine Shire Council

Notes to the Financial Statements
for the year ended 30 June 2024

Note 6. Assets we manage (continued)

	Plant machinery and equipment \$ '000	Fixtures fittings and furniture \$ '000	Computers and telecomms \$ '000	Library books \$ '000	Total \$ '000	Work in progress \$ '000	Total plant and equipment \$ '000
Plant and Equipment							
At fair value 1 July 2023	6,959	552	1,087	1,012	9,610	–	9,610
Accumulated depreciation at 1 July 2023	(3,695)	(340)	(606)	(717)	(5,358)	–	(5,358)
	<u>3,264</u>	<u>212</u>	<u>481</u>	<u>295</u>	<u>4,252</u>	<u>–</u>	<u>4,252</u>
Movements in fair value							
Additions	528	–	11	77	616	137	753
Revaluation	–	–	–	–	–	–	–
Disposal	(79)	–	–	–	(79)	–	(79)
Transfers	–	(38)	38	–	–	–	–
	<u>449</u>	<u>(38)</u>	<u>49</u>	<u>77</u>	<u>537</u>	<u>137</u>	<u>674</u>
Movements in accumulated depreciation							
Depreciation and amortisation	(464)	(30)	(122)	(84)	(700)	–	(700)
Accumulated depreciation of disposals	56	–	–	–	56	–	56
Accumulated depreciation on revaluation	–	–	–	–	–	–	–
	<u>(408)</u>	<u>(30)</u>	<u>(122)</u>	<u>(84)</u>	<u>(644)</u>	<u>–</u>	<u>(644)</u>
At fair value 30 June 2024	7,409	514	1,137	1,089	10,149	137	10,286
Accumulated depreciation at 30 June 2024	(4,103)	(371)	(729)	(802)	(6,005)	–	(6,005)
Carrying amount	<u>3,306</u>	<u>143</u>	<u>408</u>	<u>287</u>	<u>4,144</u>	<u>137</u>	<u>4,281</u>

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

	Roads \$ '000	Bridges \$ '000	Footpaths and cycleways \$ '000	Drainage \$ '000	Recrea- tional, leisure and community \$ '000	Waste \$ '000	Parks open spaces and streets- capes \$ '000	Total \$ '000	Work in progress \$ '000	Total infra- structure \$ '000
Infrastructure										
At fair value 1 July 2023	156,405	56,194	17,034	36,790	6,240	1,653	3,284	277,600	5,299	282,899
Accumulated depreciation at 1 July 2023	(62,925)	(17,574)	(7,736)	(13,942)	(2,274)	(458)	(1,633)	(106,542)	–	(106,542)
	93,480	38,620	9,298	22,848	3,966	1,195	1,651	171,058	5,299	176,357
Movements in fair value										
Additions	2,108	208	100	270	275	522	–	3,483	1,936	5,419
Contributions	190	–	37	206	391	–	299	1,123	–	1,123
Revaluation	–	7,554	–	–	–	–	(67)	7,487	–	7,487
Disposal	–	–	–	–	–	–	–	–	–	–
Write-off	–	–	–	–	–	–	–	–	(54)	(54)
Transfers	3,193	–	–	–	28	–	–	3,221	(3,539)	(318)
	5,491	7,762	137	476	694	522	232	15,314	(1,657)	13,657
Movements in accumulated depreciation										
Depreciation and amortisation	(1,529)	(577)	(170)	(252)	(76)	(64)	(242)	(2,910)	–	(2,910)
Accumulated depreciation of disposals	–	–	–	–	–	–	–	–	–	–
Accumulated depreciation on revaluation	–	978	–	–	–	–	134	1,112	–	1,112
	(1,529)	401	(170)	(252)	(76)	(64)	(108)	(1,798)	–	(1,798)
At fair value 30 June 2024	161,897	63,957	17,172	37,266	6,934	2,175	3,518	292,919	3,642	296,561
Accumulated depreciation at 30 June 2024	(64,455)	(17,173)	(7,906)	(14,192)	(2,349)	(521)	(1,741)	(108,337)	–	(108,337)
Carrying amount	97,442	46,784	9,266	23,074	4,585	1,654	1,777	184,582	3,642	188,224

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

Acquisition

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

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

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

Asset recognition thresholds and depreciation periods

	Depreciation Period years	Threshold Limit \$ '000
Land	-	-
Land under roads	-	5
Buildings	15 to 100 years	5
Roads	20 to 80 years	5
Bridges	70 years	5
Drainage	50 to 100 years	5
Footpaths and cycleways	22 to 60 years	5
Recreational, leisure and community facilities	15 to 50 years	5
Parks, open space and streetscapes	20 to 50 years	5
Waste management	12 to 20 years	-
Plant, machinery and equipment	3 to 20 years	2
Fixtures, fittings and furniture	5 to 20 years	2
Computers and telecomms	3 to 10 years	2

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation

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

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 land under roads

Valuation of land was undertaken by a qualified independent valuation firm, LG Valuations in May 2024. The valuation of land 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.

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

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

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

Valuation of buildings

Valuation of buildings was undertaken by a qualified independent valuation firm, LG Valuations in May 2024.

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

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Land	–	–	67,418	Jun/24	Independent
Land under roads	–	–	32,435	Jun/24	Independent
Specialised buildings	–	–	47,797	Jun/24	Indexation
Non-specialised buildings	–	–	2,846	Jun/24	Indexation
Total	–	–	150,496		

Valuation of infrastructure

Valuation of Council's infrastructure assets was performed by an asset management consultant Robert Uebergang, Bachelor of Engineering (Civil). The date of the current valuation is detailed in the following table.

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

Infrastructure asset values are not expected to be materially impacted by COVID-19 as at 30 June 2024.

Formal revaluations were undertaken for Infrastructure assets during 2022/23 (Roads, Stormwater and Sporting Infrastructure) which were predominately based on industry standard unit rates (Rawlinson's Construction Cost Guide) and are largely immune to the impacts of COVID-19.

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Roads	–	–	97,597	Jun/23	Independent
Bridges	–	–	46,784	Jun/22	Independent
Footpaths and cycleways	–	–	9,309	Jun/23	Independent
Drainage	–	–	23,280	Jun/23	Independent
Waste management	–	–	1,654	Jun/22	Independent
Recreational, leisure & community facilities	–	–	4,585	Jun/23	Independent
Parks, open space & streetscapes	–	–	1,777	Jun/22	Independent
Total	–	–	184,986		

Reconciliation of specialised land

	2024 \$ '000	2023 \$ '000
Land under roads	32,435	4,630
Parks and reserves	4,017	6,488
Facilities	20,421	5,567
Office/depots	8,829	2,553
Total specialised land	65,702	19,238

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage

6.2 Investment property

	2024 \$ '000	2023 \$ '000
Balance at beginning of financial year	5,450	3,775
Fair value increment	(672)	1,675
Other ¹	5,222	–
Balance at end of financial year	10,000	5,450

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

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by a qualified independent valuer LG Valuation Services Pty Ltd (API Registration no. 62901) who has recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property as at 31 May 2024.

(1) One holiday park at each of Porepunkah and Tawonga have been recorded for the first time

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 7. People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Council is the parent entity.

(b) Key Management Personnel

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

Details of KMP at any time during the year are:

Councillors

John Forsyth - Mayor - 1 June 2023 - 30 June 2024
 Simon Kelley - Councillor 1 July 2023 - 28 November 2023, Deputy Mayor 29 November 2023 - 30 June 2024
 Tony Keeble - Deputy Mayor 1 July 2023 - 28 November 2023, Councillor 29 November 2023 - 30 June 2024
 Ron Janas - Councillor 1 July 2023 to 30 June 2024
 Kelli Prime - Councillor 1 July 2023 to 30 June 2024
 Katarina Hughes - Councillor 1 July 2023 to 30 June 2024
 Sarah Nicholas - Councillor 1 July 2023 to 30 June 2024

Chief Executive Officer and other key management personnel

Will Jeremy - Chief Executive Officer (1 July 2023 - 30 June 2024)
 Alan Rees - Acting Chief Executive Officer (29 Mar 2024 - 7 Apr 2024)
 Helen Havercroft - Director Customer and Community (1 July 2023 - 30 June 2024)
 Ebony Buckley - Acting Director Customer and Community (6 Sept 2023 - 4 Oct 2023)
 Alan Rees - Director Assets (1 July 2023 - 30 June 2024)

	2024	2023
	No.	No.
Total Number of Councillors	7	7
Total of Chief Executive Officer and other Key Management Personnel	4	4
Total Number of Key Management Personnel	11	11

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 7. People and relationships (continued)

(c) Remuneration of Key Management Personnel

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

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

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

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

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

	2024 \$ '000	2023 \$ '000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	908	808
Other long-term employee benefits	14	13
Post-employment benefits	65	59
Total	987	880

	2024 No.	2023 No.
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$10,000 - \$19,999	1	–
\$20,000 - \$29,999	2	5
\$30,000 - \$39,999	3	1
\$40,000 - \$49,999	1	1
\$50,000 - \$59,999	–	1
\$90,000 - \$99,999	1	–
\$180,000 - \$189,999	–	1
\$190,000 - \$199,999	–	1
\$200,000 - \$209,999	2	–
\$250,000 - \$259,999	–	1
\$260,000 - \$269,999	1	–
	11	11

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 7. People and relationships (continued)

(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 \$ '000	2023 \$ '000
Short-term employee benefits	–	157
Other long-term employee benefits	–	7
Post-employment benefits	–	15
Termination benefits	–	–
Total	–	179

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

	2024 No.	2023 No.
Income Range:		
\$170,000 - \$179,999	–	1
	–	1

	2024 \$ '000	2023 \$ '000
Total remuneration for the reporting year for other senior staff included above, amounted to:	–	179

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 7. People and relationships (continued)

	2024 \$ '000	2023 \$ '000
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7.2 Related party disclosure

(a) Transactions with related parties

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

Tourism North East

The CEO is a member of the Tourism North East board of directors. Tourism North East provides marketing and advertising services for Council.

Alpine Children's Services

A Councillor and a Director are Board members. Alpine Children's Services provides provides a nurturing and stimulating environment for the delivery of high quality and affordable childhood education.

Alpine Community Plantation

A director is the Chair of Alpine Community Plantation. The purpose of ACP is operate community recreational space near Bright.

Paid to Related Parties	286	210
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Partners of key management personnel that are employed by Council (No.)

Council employed partners of Key Management Personnel. This is a normal Council employee/contractor relationship	1	1
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(b) Outstanding balances with related parties

The outstanding balances owing with related parties is to Tourism North East	-	5
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(c) Loans to/from related parties

There were no loans either to or from related parties.

(d) Commitments to/from related parties

Council had contracted with MomentumOne to provide labour hire services for seasonal swimming pools for three years to September 2022. Both parties mutually agreed that this contract would cease prior to the 2021/22 outdoor swimming season. MomentumOne's contract to provide recruitment, onboarding and payroll services for Council employees funded the Working for Victoria program and ended 31 August 2021.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties

8.1 Contingent assets and liabilities

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

(a) Contingent assets

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

(b) Contingent liabilities

Contingent liabilities are:

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

Superannuation

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

Landfill

Council is responsible for three small landfill sites that have been closed for more than twenty years at Myrtleford, Mount Beauty and Harrietville. These sites are being monitored by Council and it may be required to perform rehabilitation works in the future. It is estimated that the works if required are likely to cost \$3,700,000.

Liability Mutual Insurance

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

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

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties (continued)

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 borrowings. Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

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

Interest rate risk

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

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*.

Council manages interest rate risk by adopting an investment policy that ensures:

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

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

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

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has 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 has a policy for establishing credit limits for the entities Council deals with;
- Council may require collateral where appropriate; and
- Council only invests surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

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

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties (continued)

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and is deemed insignificant based on prior periods' data and current assessment of risk.

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

All financial liabilities are expected to be settled within normal terms of trade.

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of 0.75% and -1.00% in market interest rates (AUD) from year end rates of 4.10%.

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.

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties (continued)

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 4 years. The valuation is performed either by experienced Council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset Class	Revaluation frequency
Land	3-4 years
Buildings	3-4 years
Roads	3-4 years
Bridges	3-4 years
Footpaths and cycleways	3-4 years
Drainage	3-4 years
Recreational, leisure and community facilities	3-4 years
Waste management	3-4 years
Parks, open space and streetscapes	3-4 years
Other infrastructure	3-4 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 the same class of assets, revaluation increases and decreases within the year are offset.

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties (continued)

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.

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters

	Balance at beginning of reporting period \$ '000	Increase (decrease) \$ '000	Balance at end of reporting period \$ '000
9.1 Reserves			
(a) Asset revaluation reserves			
2024			
Property			
Land - non specialised	–	(12,747)	(12,747)
Land	26,856	36,576	63,432
Land under roads	–	4,882	4,882
Buildings	20,998	–	20,998
Buildings - non specialised	–	18,588	18,588
	47,854	47,299	95,153
Plant and equipment			
Books	94	–	94
	94	–	94
Infrastructure			
Roads	41,234	–	41,234
Bridges	32,908	8,532	41,440
Footpaths and cycleways	(1,032)	–	(1,032)
Drainage	8,007	–	8,007
Recreational, leisure and community facilities	1,407	–	1,407
Waste	7,983	–	7,983
Parks, open space and streetscapes	1,085	67	1,152
	91,592	8,599	100,191
Total asset revaluation reserves	139,540	55,898	195,438
2023			
Property			
Land	26,856	–	26,856
Buildings	20,998	–	20,998
	47,854	–	47,854
Plant and equipment			
Books	94	–	94
	94	–	94
Infrastructure			
Roads	54,740	(13,506)	41,234
Bridges	32,908	–	32,908
Footpaths and cycleways	1,764	(2,796)	(1,032)
Drainage	353	7,654	8,007
Recreational, leisure and community facilities	510	897	1,407
Waste	7,983	–	7,983
Parks, open space and streetscapes	1,085	–	1,085

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters (continued)

	99,343	(7,751)	91,592
Total asset revaluation reserves	147,291	(7,751)	139,540

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

	Balance at beginning of reporting period \$ '000	Transfer from Accumulated Surplus \$ '000	Transfer to Accumulated Surplus \$ '000	Balance at end of reporting period \$ '000
(b) Other reserves				
2024				
Dinner Plain	845	–	495	1,340
Waste	4,853	(844)	–	4,009
Subdivision recreation	374	–	320	694
Total Other reserves	6,072	(844)	815	6,043
2023				
Dinner Plain	845	–	–	845
Waste	4,853	–	–	4,853
Subdivision recreation	374	–	–	374
Total Other reserves	6,072	–	–	6,072

The **Dinner Plain reserve** is maintained to ensure all rates raised from Dinner Plain properties are quarantined and invested back into Dinner Plain.

The **waste reserve** is maintained to fund landfill rehabilitation works. Where budgeted rehabilitation projects are not carried out in the financial year, funds are allocated to the reserve to fund future rehabilitation work.

The **subdivision recreation reserve** is maintained to account for contributions received under the *Subdivision Act 1988*. This reserve funds future recreational projects which meet the definition in the Act.

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters (continued)

	2024 \$ '000	2023 \$ '000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	4,251	6,301
Non-cash adjustments:		
Depreciation/amortisation	5,341	5,144
Profit/(loss) on disposal of property, infrastructure, plant and equipment	222	(40)
Fair value adjustments for investment property	672	(1,675)
Contributions - Non-monetary assets	(3,123)	(573)
Adjustment landfill rehabilitation expense	161	701
Additions for Intangibles	(142)	-
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(157)	(548)
(Increase)/decrease in inventories	(7)	6
(Increase)/decrease in prepayments	688	(592)
Increase/(decrease) in contract assets	(297)	(487)
Increase/(decrease) in other assets	(56)	-
Increase/(decrease) in trade and other payables	(1,618)	(231)
Increase/(decrease) in provisions	(1,047)	(208)
(Decrease)/increase in trust funds and other deposits	279	120
(Decrease)/increase in contract and other liabilities	(1,292)	3,641
Increase/(Decrease) in landfill restoration provision	-	1,248
Net cash provided by/(used in) operating activities	3,875	12,807

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

Funding Arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. A triennial actuarial investigation for the Defined Benefit category as at 30 June 2023 was conducted and completed by 31 December 2023. The vested benefit index (VBI) of the Defined Benefit category as at 30

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters (continued)

June 2023 was 104.1%. Council was notified of the 30 June 2023 VBI during August 2023. The financial assumptions used to calculate the 30 June 2023 VBI were:

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

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

Employer contributions

(a) Regular contributions

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

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

(b) Funding calls

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

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

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

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

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

The 2023 triennial actuarial investigation surplus amounts

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

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

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

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

Alpine Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters (continued)

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

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

The 2024 interim actuarial investigation

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

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

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

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

The 2020 triennial investigation

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

	2020 Triennial investigation \$m	2023 Triennial investigation \$m
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%)	15	33
Vision Super	Accumulation fund	11.0% (2023:10.5%)	389	337
Other funds	Accumulation fund	11.0% (2023:10.5%)	796	630

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

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2025 is \$12,690.

Alpine Shire Council

Notes to the Financial Statements for the year ended 30 June 2024

Note 10. Changes in accounting policies

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



ALPINE

SHIRE COUNCIL

Alpine Shire Council

Performance Statement

For the year ended 30 June 2024

Certification of the Performance Statement

For the year ended 30 June 2024

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*.

Tony Cooper
Principal Accounting Officer CPA

Date:

In our opinion, the accompanying Performance Statement of the Alpine Shire Council for the year ended 30 June 2023 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.

Councillor

Date:

Councillor

Date:

William Jeremy
Chief Executive Officer

Date:

Victorian Auditor General's Office Audit Report

For the year ended 30 June 2024

Victorian Auditor General's Office Audit Report (continued)

For the year ended 30 June 2024

Description of the municipality

For the year ended 30 June 2024

The Alpine Shire is situated in north-east Victoria, approximately 300km from the Victorian state capital Melbourne, and 70km south of Albury-Wodonga. The area of the Alpine Shire is 4,790 square kilometres consisting of 92% public land.

The Shire extends from mountain ranges to the valley floor, where residents choose to live predominantly around the three main towns of Bright, Myrtleford and Mount Beauty. Other members of the populace live in the smaller towns, villages and surrounding farming communities that are spread throughout the Shire.

The region offers a diverse lifestyle with a mix of culture, history and experiences. The region is a well-known destination for tourists with festivals, markets, exhibitions, sporting and recreational activities held throughout the Alpine Shire; together with a range of cafes, restaurants and wineries.

The estimated resident population of the Shire is 13,182, a number which significantly increases with the seasonal influx of tourists. Population demographics in the 2021 Census show a lower population of 0-49 year olds, but a much higher population of persons aged 50 and over, as compared to the Victorian averages.

Sustainable Capacity Indicators

For the year ended 30 June 2024

<i>Indicator / measure</i>	Results				Material Variations
	2020/21	2021/22	2022/23	2023/24	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,359	\$2,377	\$2,568	\$2,606	Total expenses are lower than previous years due to the write down of the landfill rehabilitation provision.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$14,467	\$16,858	\$16,528	\$26,208	The net value of Council assets increased from \$253m to \$345m as a result of formal valuations of Council's land, land under roads, and buildings.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	22.6	22.6	23.0	22.7	Length of local roads has increased slightly in 2023/24, due to the 2023 Road Audit and improved data reporting. This has had led to a slight reduction in the result for population density per length of road, despite a small increase in population compared to the previous year.
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,718	\$1,716	\$2,031	\$1,943	Own source revenue per head of municipal population decreased due to a negative impact on fair value increment as a result of a write down on an investment property.

Sustainable Capacity Indicators (continued)

For the year ended 30 June 2024

<i>Indicator / measure</i>	Results				Material Variations
	2020/21	2021/22	2022/23	2023/24	
<p>Recurrent grants</p> <p><i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]</p>	\$427.58	\$534.01	\$539.96	\$138.07	Recurrent grants per head of population are lower than previous years due to the timing of the Financial Assistance Grants. The majority of the 2023/24 amount was received in 2022/23, whilst the 2024/25 amount was received in 2024/25.
<p>Disadvantage</p> <p><i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]</p>	5	5	7	7	The Socio-Economic Indexes for Areas (SEIFA) relative socio-economic disadvantage index released from the 2021 census showed a 2 point increase compared to the 2016 census. A higher score indicates a relative lack of disadvantage. The Australian Bureau of Statistics suggests that a higher score may demonstrate fewer households with low incomes, fewer people without qualifications, or fewer people in low skilled occupations. It represents a shift in demographics since the last census, and likely related to the COVID-19 population shift from metropolitan to rural areas.

Sustainable Capacity Indicators (continued)

Sustainable Capacity Indicators (continued)

<i>Indicator / measure</i>	Results				Material Variations
	2020/21	2021/22	2022/23	2023/24	
<p>Workforce turnover</p> <p><i>Percentage of staff turnover</i></p> <p>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</p>	19.6 %	26.5 %	27.9 %	25.9 %	Staff turnover remains high, although there has been a slight reduction compared to a peak experienced in 2022/23. Council has experienced higher staff turnover since COVID-19 impacts in early 2020.

Service Performance Indicators

For the year ended 30 June 2024

Service / indicator / measure	Results			Target as per Budget	Result	Material Variations
	2020/21	2021/22	2022/23	2023/24	2023/24	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Population]	1.9	2.7	2.4	N/A	3.0	Utilisation of Council's three facilities increased substantially compared to the previous year. This was reflected in an increase in membership and casual visitation, particularly in Bright and Mount Beauty. Warmer summer weather also promoted increased visitation in the outdoor pools located in Mount Beauty and Myrtleford.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0%	0%	0%	N/A	0%	No animal management prosecutions were presented to court in 2023/24.

Service Performance Indicators (continued)

For the year ended 30 June 2024

Service/indicator/measure	Results			Target as per Budget	Result	Material Variations
	2020/21	2021/22	2022/23	2023/24	2023/24	
Food Safety Health and safety <i>Critical and major non-compliance outcome</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	100.0 %	100.0 %	100.0 %	N/A	0.0 %	No critical or major non-compliance notifications were received in calendar year 2023. A new Environmental Health Coordinator commenced with Council August 2023 and focused on improved food safety awareness to promote compliance with the Food Safety Standards and provide assistance and resources to support businesses impacted by significant events, such as flooding and power outages. Processes and procedures have also been improved to accurately capture and follow up on complaints.

Service Performance Indicators (continued)

For the year ended 30 June 2024

Service/indicator/measure	0			Target as per Budget	Result	Material Variations
	2020/21	2021/22	2022/23	2023/24	2023/24	
Governance Consultation and engagement Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	57	55	50	55	46	The reported decrease in satisfaction with Council's community consultation and engagement mirrors a decline in both Small Rural Council and Statewide averages compared to the previous years. Council changed from annual community surveying in 2022/23, to quarterly surveying in 2023/24, with the aim of reducing seasonal / single issue impacts on results. Council introduced an online engagement platform in October 2023, attracting 860 members by 30 June 2024. This digital platform helps to support the face-to-face and traditional engagement and communication methods that Council utilises.
Libraries Participation Library membership [Number of registered library members / Population] x100	N/A	N/A	N/A	N/A	32.2 %	Library membership is a new measure in 2023/24, hence there is no historical trend to compare to the current result.

Service Performance Indicators (continued)

For the year ended 30 June 2024

Service/indicator/measure	Results			Target as per Budget	Result	Material Variations
	2020/21	2021/22	2022/23	2023/24	2023/24	
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	81.8 %	83.4 %	83.4 %	N/A	84.0 %	Participation in the Maternal and Child Health service continues to show high demand for service.
<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	85.7 %	64.7 %	82.6 %	N/A	89.5 %	Council has a small number of First Nations children enrolled in the Maternal and Child Health service, therefore a slight change in participation creates a greater change in overall results.

Service Performance Indicators (continued)

For the year ended 30 June 2024

Service/indicator/measure	Results			Target as per Budget	Result	Material Variations
	2020/21	2021/22	2022/23	2023/24	2023/24	
Roads Condition <i>Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	98.8%	98.8%	99.4%	95.0%	99.6%	An external Road Auditor completed a full condition inspection on all Council-owned roads in 2023. The data received from the experienced auditors was used to determine the condition index of all Council-owned roads. This data is reviewed by Council staff each year to see if the road is retaining its condition and the results are fed back into the Asset Management System when inspected.
Statutory Planning Service standard <i>Planning applications decided within required time</i> [(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	62.3 %	41.4 %	19.4 %	67.0%	22.8%	Council has commissioned a new software system to assist in managing planning application processes, and the team continues to address data quality issues. Resourcing constraints have negatively impacted service standards.

Service Performance Indicators (continued)

For the year ended 30 June 2024

Service/indicator/measure	Results			Target as per Budget	Result	Material Variations
	2020/21	2021/22	2022/23	2023/24	2023/24	
Waste Management Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	40.0 %	40.0 %	39.8 %	47.0%	73.4 %	Council introduced a FOGO service commencing 1 July 2023, reflecting the large increase in kerbside collection diverted from landfill. This has been complemented by the tonnage of waste collected reducing significantly compared to the previous year.

Financial Performance Indicators

For the year ended 30 June 2024

Dimension / <i>indicator</i> /	Results			Target as per Budget	Result	Forecasts				Material Variations
	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	
Efficiency										
<i>Expenditure level</i>										
<i>Expenses per property</i> [Total expenses / Number of property assessments]	\$3,423	\$3,451	\$3,818	\$3,836	\$3,794	\$4,232	\$4,194	\$4,271	\$4,343	The expenses per property assessment reflect the ongoing levels of capital expenditure in renewing and upgrading community assets. A slight drop in the 2023/24 results represents a reduction in the landfill rehabilitation provision as capping works progress. The forecast figures increase in line with general budget indexation increase.
<i>Revenue level</i>										
<i>Average rate per property</i> [General rates and Municipal charges / Number of property assessments]	\$1,717	\$1,787	\$1,852	N/A	\$1,886	\$1,950	\$1,987	\$2,021	\$2,054	Growth in average rate per property assessment reflects continued compliance with the Victorian Government Fair Go Rates system.

Financial Performance Indicators (continued)

For the year ended 30 June 2024

Dimension / indicator /	Results			Target as per Budget	Result	Forecasts				Material Variations
	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	
Liquidity										
<i>Working capital</i>										
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	293.1 %	235.0 %	220.2 %	349.1%	236.4%	255.4%	241.3%	220.3%	205.4%	The ratio of current assets compared to current liabilities is affected by a reduction in current liabilities across both trade creditors and employee provisions. The decrease in future year forecasts shows Council reducing its cash position as it delivers projects.
<i>Unrestricted cash</i>										
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	15.1 %	18.2 %	-44.8 %	N/A	-60.7%	-61.2%	-44.7%	-39.0%	-32.6%	Unrestricted cash for the purposes of this measure exclude term deposits with a greater than 90 day maturity term. The increase in this measure is a result of an increase in liabilities due to unrecognised grants revenue. Unrecognised grants revenue is a liability until the terms of the grant have been met, at which time Council recognises the revenue as earned.

Financial Performance Indicators (continued)

For the year ended 30 June 2024

Dimension / indicator /	Results			Target as per Budget 2023/24	Result 2023/24	Forecasts				Material Variations
	2020/21	2021/22	2022/23			2024/25	2025/26	2026/27	2027/28	
Obligations										
Loans and borrowings										
<i>Loans and borrowings</i> [Interest bearing loans and borrowings / Rate revenue] x100	0.0 %	0.0 %	0.0 %	N/A	0.0%	23.9%	33.2%	18.5%	12.5%	Council continues to operate free from borrowings and has no plans to do so in the short to mid term.
<i>Loans and borrowings</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	0.0 %	0.0 %	0.0 %	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	Council continues to operate free from borrowings and has no plans to do so in the short to mid term.
Indebtedness										
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	17.6 %	11.1 %	16.1 %	N/A	15.8%	34.1%	41.9%	29.4%	24.3%	Non-Current liabilities decreased in 2023/24 as a result of a reduction of the landfill rehabilitation provision. This reduction was the result of work Council has undertaken to cap the landfills. Council has a number of contracts that expire in 2025/26 representing a peak in non-current liabilities. In following years, these decrease as these contracts expire, pending new contracts being awarded.

Financial Performance Indicators (continued)

For the year ended 30 June 2024

Dimension / indicator /	Results			Target as per Budget	Result	Forecasts				Material Variations
	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	
<i>Asset renewal and upgrade</i>										
<i>Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100</i>	93.1%	216.9%	163.7%	111.4%	163.7%	128.3%	114.5%	114.1%	113.4%	A number of renewal and upgrade projects were completed during 2023/24, and depreciation was less than budgeted. The forecast decrease in this ratio represents a decrease in the capital work plan. The capital work plan will be reassessed while preparing the 10 year Asset Plan, due in late 2025.

Financial Performance Indicators (continued)

For the year ended 30 June 2024

Dimension / indicator /	Results			Target as	Result	Forecasts				Material Variations
	2020/21	2021/22	2022/23	per Budget	2023/24	2024/25	2025/26	2026/27	2027/28	
Operating position <i>Adjusted underlying result</i>										
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	3.8 %	4.5 %	8.7 %	N/A	-10.7%	-16.0%	-12.0%	-12.1%	-12.2%	Adjusted underlying surplus (or deficit) is quite changeable from year to year depending on the amount of non-recurrent grant funding (including Bushfire and Flood Recovery related funding). Council received the majority of its 2023/24 Financial Assistance Grant in the prior year (2022/23), whilst the 2024/25 grant was wholly received in 2024/25. The decrease in the forecast ratio represents an increase in the cost of delivering services compared to the growth in rate revenue.

Financial Performance Indicators (continued)

For the year ended 30 June 2024

Dimension / indicator /	Results			Target as per Budget 2023/24	Result 2023/24	Forecasts				Material Variations
	2020/21	2021/22	2022/23			2024/25	2025/26	2026/27	2027/28	
Stability										
<i>Rates concentration</i>										
<i>Rates compared to adjusted underlying revenue</i>	59.7 %	60.2 %	54.6 %	67.7%	70.1%	68.4%	67.9%	67.9%	67.9%	Grants funding related to the Financial Assistance Grant was not received in 2023/24 - funding was received in 2022/23 and 2024/25, ensuring that rates show as a growing source of revenue.
[Rate revenue / Adjusted underlying revenue] x100										
<i>Rates effort</i>										
<i>Rates compared to property values</i>	0.50 %	0.37 %	0.34 %	N/A	0.28%	0.29%	0.29%	0.28%	0.27%	Increases in the Capital Improved Value (CIV) for property valuations across the Alpine Shire have occurred over the last couple of years. This has reduced the rate in the dollar compared to property values in the current year, and into future years.
[Rate revenue / Capital improved value of rateable properties in the municipality] x100										

Notes to the accounts

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 or the Council's satisfaction survey provider).

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

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

Definitions

For the year ended 30 June 2024

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

Definitions (continued)

For the year ended 30 June 2024

Key term	Definition
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
population	means the resident population estimated by council
rate revenue	means revenue from general rates, municipal charges, service rates and service charges
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash