

7.3.2 DRAFT 2023/24 FINANCIAL REPORT AND PERFORMANCE STATEMENT

Responsible Manager:	Yanthi Nilam, Manager Finance
Responsible Director:	Simone Wickes, Director Corporate Services

RECOMMENDATION

That Council

1. **Notes the draft City of Monash 2023/24 Annual Financial Statements, Performance Statement and Governance and Management checklist (the Statements) prepared in Accordance with the Local Government Act 2020;**
2. **Notes the 12 September 2024 recommendation of Council’s Audit & Risk Committee in relation to the Statements;**
3. **Adopts the Statements ‘in principle’ prior to them being provided to the Victorian Auditor-General’s Office for audit sign off;**
4. **Nominates the Mayor and Deputy Mayor to certify the Statements in their final form; and**
5. **Authorises the nominated Councillors and Officers to accept any further recommended changes to the Statements by the Victorian Auditor-General’s Office.**

INTRODUCTION

The 2023/24 Financial Statements, Performance Statement and Governance and Management checklist (the Statements) of the City of Monash have been prepared in accordance with the *Local Government Act 2020* (the Act) and the Local Government (Planning and Reporting) Regulations 2020 (the Regulations). The Financial Statements also comply with the Australian International Reporting Standards (AIFRS) framework. The Statements are included in Attachment 1-3 of this report.

COUNCIL PLAN STRATEGIC OBJECTIVES

Good Governance

Ensure a financially, socially and environmentally sustainable organisation.

BACKGROUND

A statutory approvals process for the Annual Accounts requires that the following process be undertaken:

- The Auditor-General must appoint an External Auditor to review the draft set of Financial and Performance Statements (the Statements) and to make a preliminary recommendation to Council’s Audit & Risk Committee. The Council’s appointed External Auditor is HLB Mann Judd;

- Council’s Audit & Risk Committee must meet to consider the draft statements and the preliminary recommendation made by the External Auditor, and if satisfied with the Statements as drafted, make a recommendation that the Statements be approved ‘In Principle’ by Council;
- The Council must nominate two Councillors to certify the Statements in their final form;
- The Council considers the Statements, approves them ‘In Principle’, and authorises that the Statements be submitted to HLB Mann Judd;
- The Statements are then submitted to Auditor-General office for review;
- Any issues arising from the draft Statements are resolved in the first instance with Council’s Principal Accounting Officer (the Director Corporate Services), and if necessary, Council’s Audit & Risk Committee, following which the Auditor-General will provide certification of the Statements;
- The Council’s Principal Accounting Officer, the Chief Executive Officer and the two nominated Councillors are then required to certify the Statements, and;
- Council’s Annual Report, incorporating the certified Statements, is considered by Council at a subsequent Council meeting.

DISCUSSION

Council’s Audit & Risk Committee met on Thursday 12 September 2024 to consider the Statements, and resolved:

“The Committee recommends that Council:

1. *endorses the 2023/24 draft Financial Statements, Performance Statement and Governance and Management checklist (the Statements), subject to resolution of any outstanding audit issues and minor amendments including;*
 - *Any non-material changes arising from completion of the audit; and*
 - *Material changes arising from the completion of audit procedures after consulting the Audit and Risk Committee Chair and reporting these to Council;*
2. *recommends that Council, at its meeting on 24 September 2024, adopts the Statements ‘in principle’ and forwards the Statements to the Auditor-General for certification.*
3. *nominates two Councillors to certify the final version of the Annual Financial Statement 2023/24 and*
4. *authorises the Chief Executive Officer to forward the Statements to the Auditor-General for certification.”*

FINANCIAL IMPLICATIONS

There are no financial implications to this report.

POLICY IMPLICATIONS

There are no policy implications to this report.

CONSULTATION

Community consultation was not required.

SOCIAL IMPLICATIONS

There are no social implications to this report.

HUMAN RIGHTS CONSIDERATIONS

There are no human rights implications to this report.

GENDER IMPACT ASSESSMENT

A GIA was not completed because this agenda item is not a 'policy', 'program' or 'service'.

CONCLUSION

Following completion of the required processes, including review by Council's Principal Accounting Officer, External Auditor and the Audit & Risk Committee, it is recommended that Council:

- Notes the draft City of Monash 2023/24 Annual Financial Statements, Performance Statement and Governance and Management checklist (the Statements) prepared in Accordance with the Local Government Act 2020;
- Notes the 12 September 2024 recommendation of Council's Audit & Risk Committee in relation to the Statements;
- Adopts the Statements 'in principle' prior to them being provided to the Victorian Auditor-General's Office for audit sign off;
- Nominates two Councillors to certify the Statements in their final form; and
- Authorises the nominated Councillors and Officers to accept any further recommended changes to the Statements by the Victorian Auditor-General's Office.

ATTACHMENT LIST

1. Draft Monash City Council Financial Statement 2023-24 [7.3.2.1 - 46 pages]
2. Monash Performance Statement 2023-24 [7.3.2.2 - 19 pages]
3. 2023-24 Governance and Management Checklist [7.3.2.3 - 4 pages]

MONASH CITY COUNCIL
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

DRAFT

Registered Office and Principal Place of Business: 293 Springvale Road, Glen Waverley Vic 3150

Monash City Council
Annual Financial Report

for the Year Ended 30 June 2024

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CERTIFICATION OF THE FINANCIAL STATEMENTS

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

.....
Principal Accounting Officer

Dated:
Simone Wickes CA

In our opinion, the accompanying financial statements presents fairly the financial transactions of the Monash City Council for the year ended 30 June 2024 and the financial position of the Council as of that date.

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

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

.....
Nicky Luo
Mayor

.....
Brian Little
Deputy Mayor

.....
Andi Diamond
Chief Executive Officer

Dated:

MONASH CITY COUNCIL

Comprehensive Income Statement For the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income/Revenue			
Rates & Charges	3.1	145,990	139,863
Statutory Fees & Fines	3.2	12,944	11,261
User Fees	3.3	29,111	24,750
Grants - Operating	3.4	16,971	24,155
Grants - Capital	3.4	26,162	17,072
Contributions - monetary	3.5	5,476	7,315
Contributions - non-monetary	3.5	102	616
Net (loss)/gain on disposal of Property, Infrastructure, Plant & Equipment	3.6	1,914	198
Share of net profit/(loss) of joint operation accounted for by the equity method	6.3	(30)	(381)
Other Income	3.7	3,617	3,732
Total Income/Revenue		242,257	228,581
Expenses			
Employee Costs	4.1(a)	94,735	90,551
Materials & Services	4.2	87,903	84,475
Depreciation	4.3	35,780	32,658
Amortisation-Intangible Assets	4.4	2,934	2,551
Depreciation - Right Of Use Assets	4.5	1,521	1,658
Finance Costs-Leases	4.6	181	136
Other Expenses	4.7	753	731
Total Expenses		223,807	212,760
Surplus/(deficit) for the year		18,450	15,821
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net Asset revaluation gain/(loss)	9.1 (a)	30,613	59,042
Total other Comprehensive income		30,613	59,042
Total Comprehensive result		49,063	74,863

The above Comprehensive Income Statement should be read in conjunction with the accompanying notes.

MONASH CITY COUNCIL

**Balance Sheet
As at 30 June 2024**

ASSETS	Note	2024 \$'000	2023 \$'000
Current Assets			
Cash & Cash Equivalents	5.1(a)	22,509	73,352
Trade & Other Receivables	5.1(c)	22,007	16,994
Other Financial Assets	5.1(b)	69	3,569
Prepayments	5.2(a)	901	715
Non Current Assets Classified as held for sale	6.1	30,315	6,315
Other Assets	5.2 (a)	2,368	6,067
Total Current Assets		78,169	107,012
Non-Current Assets			
Property, Infrastructure, Plant & Equipment	6.2	3,791,878	3,719,269
Right Of Use Assets	5.7	5,208	6,610
Intangible Assets	5.2(b)	11,708	9,985
Other Non Current Assets		695	711
Investments in joint arrangement accounted for using the equity method	6.3	224	217
Total Non-Current Assets		3,809,713	3,736,792
TOTAL ASSETS		3,887,882	3,843,804
LIABILITIES			
Current Liabilities			
Trade & Other Payables	5.3(a)	29,180	32,689
Trust Funds & Deposits	5.3(b)	18,191	16,247
Contract and other liabilities	5.3(c)	5,184	6,701
Provisions	5.4	19,654	20,689
Lease Liabilities	5.7	1,390	1,467
Total Current Liabilities		73,599	77,793
Non-Current Liabilities			
Provisions	5.4	1,931	1,470
Liabilities in joint arrangement accounted for using the equity method	6.3	3,516	3,479
Lease Liabilities	5.7	4,008	5,297
Total Non-Current Liabilities		9,455	10,246
TOTAL LIABILITIES		83,054	88,039
NET ASSETS		3,804,828	3,755,765
EQUITY			
Accumulated Surplus		1,077,890	1,055,433
Reserves	9.1	2,726,938	2,700,332
TOTAL EQUITY		3,804,828	3,755,765

The above Balance Sheet should be read in conjunction with the accompanying notes.

MONASH CITY COUNCIL

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

Note	2024				2023			
	Total 2024 \$'000	Accumulated Surplus 2024 \$'000	Asset Revaluation Reserve 2024 \$'000	Other Reserves 2024 \$'000	Total 2023 \$'000	Accumulated Surplus 2023 \$'000	Asset Revaluation Reserve 2023 \$'000	Other Reserves 2023 \$'000
Balance at beginning of the Financial Year	3,755,765	1,055,433	2,671,590	28,742	3,680,902	1,035,811	2,612,548	32,543
Surplus for the year	18,450	18,450	-	-	15,821	15,821	-	-
Net Asset revaluation gain/(loss)	9.1 30,613	-	30,613	-	59,042	-	59,042	-
Transfers from Other Reserves	9.1 -	9,390	-	(9,390)	-	10,005	-	(10,005)
Transfers to Other Reserves	9.1 -	(5,383)	-	5,383	-	(6,204)	-	6,204
Balance at End of the Financial Year	3,804,828	1,077,890	2,702,203	24,735	3,755,765	1,055,433	2,671,590	28,742

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

MONASH CITY 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 & Charges		146,450	140,743
Statutory Fees & Fines		12,944	11,261
User Fees		26,834	25,456
Grants - Operating		16,959	22,706
Grants - Capital		25,416	14,569
Contributions-monetary		5,476	7,315
Interest Received		2,775	2,441
Trusts and Refundable Deposits Taken		1,682	2,026
Other Receipts		796	711
Net GST Refund		14,818	12,454
Employee Costs		(99,093)	(96,593)
Materials and Services		(104,700)	(91,985)
Trusts and Refundable Deposits Repaid		358	(508)
Other Payments		(753)	(731)
Net cash provided by operating activities	9.2	49,962	49,865
Cash flows from investing activities			
Net Proceeds/(Payments) on Investment		3,500	28,000
Payments for Acquisition of Property, Infrastructure, Plant and Equipment		(107,190)	(56,206)
Proceeds from Sale of Property, Infrastructure, Plant and Equipment		4,556	577
Net cash used by investing activities		(99,134)	(27,629)
Cash flows from financing activities			
Interest paid-lease liability		(181)	(136)
Repayment of lease liabilities		(1,490)	(1,627)
Net cash used by financing activities		(1,671)	(1,763)
Net (decrease) increase in cash and cash equivalents		(50,843)	20,473
Cash and cash equivalents at the beginning of the financial year		73,352	52,879
Cash and cash equivalents at the end of the financial year	5.1 (a)	22,509	73,352
Financing arrangements	5.5		
Restrictions on cash assets	5.1		

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

MONASH CITY COUNCIL

Statement of Capital Works For the Year Ended 30 June 2024

	2024 \$'000	2023 \$'000
Property		
Land Improvements	235	459
Buildings & Building Improvements	40,985	21,805
Total property	41,220	22,264
Plant and equipment		
Plant, machinery and equipment	3,487	2,180
Fixtures, fittings and furniture	479	584
Computers and telecommunications	5,713	4,577
Library books	1,440	1,359
Total plant and equipment	11,119	8,700
Infrastructure		
Roads	9,516	11,964
Bridges	1,451	444
Footpaths and cycleways	4,496	5,412
Drainage	7,456	4,085
Recreational, leisure and community facilities	29,541	16,354
Waste management	112	146
Parks, open space and streetscapes	3,777	3,271
Off street car parks	444	234
Other infrastructure	832	818
Total infrastructure	57,625	42,728
Total capital works expenditure	109,964	73,692
Less transferred to operating as unable to capitalise from work in progress	(1,151)	(1,243)
Adjusted Balance of Capital Works Expenditure	108,813	72,449
Represented by:		
New asset expenditure	2,008	5,174
Asset renewal expenditure	54,405	60,533
Asset expansion expenditure	33,773	2,841
Asset upgrade expenditure	19,778	5,144
Total capital works expenditure	109,964	73,692
Less transferred to operating as unable to capitalise from work in progress	(1,151)	(1,243)
Adjusted Balance of Capital Works Expenditure	108,813	72,449

The above Statement of Capital Works should be read in conjunction with the accompanying notes.

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

Note 1 OVERVIEW

Introduction

The City of Monash was established by an Order of the Governor in Council on December 1994 and is a body corporate. The Council's main office is located at 293 Springvale Road, Glen Waverley, Victoria.

Statement of compliance

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

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

Accounting policy information

1.1 Basis of Accounting

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

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

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

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 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 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.4)
- the determination of landfill provisions (refer to Note 6.3)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.7)
- whether or not *AASB 1059 Service Concession Arrangements: Grantors* is applicable
- other areas requiring judgements

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

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

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

Note 2 ANALYSIS OF OUR RESULTS

2.1 Performance Against Budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold greater than 10 percent and \$1,000,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 30th May 2023. The budget was based on assumptions that were relevant at the time of adoption of the budget. Council set guidelines and parameters for revenue and expense targets in this budget in order to meet Council's business plan and financial performance targets for both the short and long-term. The budget did not reflect expected 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*.

2.1.1 Income/Revenue and Expenditure

	Budget 2024 \$'000	Actual 2024 \$'000	Variance 2024 \$'000	Variance 2024 %	Ref
Income/Revenue					
Rates and charges	146,084	145,990	(94)	(0.1%)	
Statutory fees and fines	11,066	12,944	1,878	17.0%	1
User fees	26,777	29,111	2,334	8.7%	2
Contributions - monetary	10,903	5,476	(5,427)	(49.8%)	3
Contributions - non monetary	-	102	102	100.0%	4
Grants - Operating (recurrent)	20,223	15,967	(4,256)	(21.0%)	5
Grants - Operating (non-recurrent)	-	1,004	1,004	100.0%	6
Grants - Capital (recurrent)	2,229	519	(1,710)	(76.7%)	7
Grants - Capital (non-recurrent)	28,891	25,643	(3,248)	(11.2%)	8
Other Revenue	3,628	3,617	(11)	(0.3%)	
Profit from Sale of Assets	-	1,914	1,914	0.0%	9
Share of net loss of joint operation	-	(30)	(30)	0.0%	
Total Income/Revenue	249,801	242,257	(7,544)		
Expenses					
Employee costs	94,411	94,735	(324)	(0.3%)	
Materials and Services	86,401	87,903	(1,502)	(1.7%)	10
Depreciation	33,393	35,780	(2,387)	(7.1%)	11
Amortisation-intangible assets	3,312	2,934	378	0.0%	
Depreciation- right of use assets	1,467	1,521	(54)	0.0%	
Finance Costs-leases	186	181	5	0.0%	
Other Expenses	834	753	81	9.7%	
Total Expenses	220,004	223,807	(3,803)		
Surplus/deficit for the year	29,797	18,450	(11,347)		

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

Note 2 Performance Against Budget (Cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	Statutory fees and fines are favourable to budget by \$1.88M or 17% mainly due to parking fine income and associated court fines income. Activity in business centres increased over the year which required increased parking patrols and enforcement requirements. New contractual arrangements also applied which set revised performance targets for the year.
2	User fees	User fees income was \$2.3M or 8.7% favourable to budget for the year. Demand for a 2nd domestic rubbish bin increased in 2023/24 which generated additional fee income but the main cause of the increase relates to recreational services fee income.
3	Contributions - monetary	Contributions - monetary are \$5.43M unfavourable to budget or 49.8%. This relates to lower reserve contributions received for the year. This applied to Public Open Space (POS), Drainage and Car Parking contributions budgeted to be received which are then transferred to the respective reserve. POS and Car Parking was the main variances to budget which relates to changed economic conditions during the year due to interest rate increases which have slowed development applications and project completion.
4	Contributions - non monetary	Contributions - non monetary are favourable to budget by \$0.10M. This relates to art donations and contributions received for the year at the Museum of Australian Photography.
5	Grants - Operating (recurrent)	Grants operating (recurrent) is unfavourable to budget by \$4.3M or 21% and this was due to Commonwealth Financial Assistance Grants income that was expected to be received in late 2023/24 which was received in July 2024. For several years Commonwealth Financial Assistance Grants has been advanced for the next year which was not the case in 2023/24. All Victorian local government will have been subject to this delay in funding.
6	Grants - Operating (non-recurrent)	Grants - Operating (non-recurrent) are \$1.0M favourable to budget. Additional one-off funding was received in Community Services, Youth Services and Sustainability Strategy from State Government.
7	Grants - Capital (recurrent)	Grants - Capital (recurrent) is unfavourable to budget by \$1.7M or 73% due to the Commonwealth Financial Assistance Grants for Local Roads funding component expected in late 2023/24 being received in July 2024.
8	Grants - Capital (non-recurrent)	Grants - Capital (non-recurrent) were \$3.2M unfavourable to budget. Whilst significant capital income grants were received during the year for specific capital projects, based on project milestones for these projects, income has been carried forward to next financial year to offset some of the planned expenditure.
9	Profit from Sale of Assets	Profit from Sale of Assets totalled \$1.9M during the year and this item is generally not budgeted for. Due to the works being undertaken by the Suburban Rail Loop Authority (SRLA) in the municipality, two properties were compulsorily acquired during the year which generated this profit; as the SRLA development continues there may be more properties in line for acquisition to support the project.
10	Materials and Services	Materials and Services were unfavourable to budget by \$1.5M or 1.7% for the year. Additional costs were incurred in insurances and also software support costs but the main cause related to additional general maintenance expenditure in response to the February 2024 storm event damage in streets and reserves. Significant clean-up was required over many months which has caused an unfavourable budget expenditure variance.
11	Depreciation	Depreciation costs were \$2.4M or 7.2% unfavourable to budget. Council's budget was adopted in May 2023 which was ahead of finalising the capital spend for the year. Capitalisation of assets was higher than expected which came after end of year and this results in higher depreciation costs. Council's capital works program in 2022/23 realised significant asset capitalisation; the same will occur in 2023/24 with Council achieving its largest ever capital expenditure program.

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

Note 2 Performance Against Budget (Cont'd)

2.1.2 Capital Works

	Budget 2024 \$'000	Actual 2024 \$'000	Variance 2024 \$'000	Variance 2024 %	Ref
Property					
Land Improvements	-	235	(235)	0.0%	
Buildings & Building improvements	63,200	40,985	22,215	35.2%	1
Total Property	63,200	41,220	21,980		
Plant and Equipment					
Plant, machinery and equipment	5,058	3,487	1,571	31.1%	2
Fixtures, fittings and furniture	392	479	(87)	(22.2%)	3
Computers and telecommunications	6,117	5,713	404	6.6%	
Library books	1,440	1,440	-	0.0%	
Total Plant and Equipment	13,007	11,119	1,888		
Infrastructure					
Roads	10,435	9,516	919	8.8%	
Bridges	1,817	1,451	366	20.1%	4
Footpaths and cycleways	4,570	4,496	74	1.6%	
Drainage	9,431	7,456	1,975	20.9%	5
Recreational, leisure and community facilities	26,711	29,541	(2,830)	(10.6%)	6
Waste management	-	112	(112)		
Parks, open space and streetscapes	4,939	3,777	1,162	23.5%	7
Off street car parks	430	444	(14)	(3.3%)	
Other Infrastructure	739	832	(93)	(12.6%)	8
Total Infrastructure	59,072	57,625	1,447		
Total Capital Works Expenditure	135,279	109,964	25,315		
Less transferred to operating as unable to capitalise from work in progress	-	(1,151)	1,151		
Adjusted Balance of Capital Works Expenditure	135,279	108,813	26,466		
Represented by:					
New asset expenditure	1,075	2,008	(933)		
Asset renewal expenditure	62,664	54,405	8,259		
Asset expansion expenditure	42,759	33,773	8,986		
Asset upgrade expenditure	28,782	19,778	9,004		
Total Capital Works Expenditure	135,280	109,964	25,316		
Less transferred to operating as unable to capitalise from work in progress	-	(1,151)	1,151		
Adjusted Balance of Capital Works Expenditure	135,280	108,813	26,467		
Funding sources represented by					
Grants	31,120	26,162	4,958		
Contributions	787	-	787		
Council Cash	103,372	83,802	19,570		
Total Capital Works Expenditure	135,279	109,964	25,315		

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

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings & Building improvements	Buildings & Building improvements is \$22.2M or 35.2% favourable to the adopted budget. Projects causing the majority of this variance relate to multi-year projects including the Bogong Avneue multi-level car park extension project and the child and family hub developments which have required funds to be carried forward into 2024/25 for project completion. This also applied to the multi-year Glen Waverley Civic Precinct project which will continue next year.
2	Plant, machinery and equipment	Plant, machinery and equipment is \$1.6M or 31.1% favourable to the adopted budget. The fleet and plant renewal program again experienced substantial supply chain procurement delays which requires funding to be carried forward into 2024/25. Council is gearing up to deal with these types of delays by forward planning and advance ordering items of fleet and plant required as replacement.
3	Fixtures, fittings and furniture	Fixtures, fittings and furniture had a minor \$87K unfavourable variance which was 22.2% over budget. This mainly related to office equipment renewal requirements that occurred during the year.
4	Bridges	Bridges are \$366K or 20.1% favourable to budget. The major variance relates to the bridge rehabilitation works required at Napier Park Reserve, over the Melbourne Water overland flow path, which has been delayed to prolonged negotiation with Melbourne Water on ownership and flooding design standard for this structure.
5	Drainage	Drainage works were \$1.97M or 20.9% favourable to budget. Drainage construction at Inverell Avenue and Simpson Drive (Development Contribution Plan (DCP) project funded from Reserve) were projects which cost less than expected. Stocks Road Drainage was delayed due to specialised subcontract availability for pipe jacking major drainage under High Street Road. The balance of project funding for Stcoks Road has been carried forward to 2024/25 to complete the works.
6	Recreational, leisure and community facilities	Recreational, leisure and community facilities are \$2.8M or 20.6% unfavourable to budget. This category includes major projects including the Glen Waverley Sports Hub, Jack Edwards reserve pavilion and the several projects being undertaken at Mount Waverley Reserve. Sports Hub expenditure for the year was higher than budget but the project achieved a better than budget result. The other 2 sites will see considerable development in 2024/25. Pinewood Reserve cricket nets construction and Ashwood Reserve Hockey Pitch projects were added during the year but both projects attracted grant funding.
7	Parks, open space and streetscapes	Parks, open space and streetscapes was \$1.16M or 23.5% favourable to budget. Several projects were favourable to budget but the Portman Street project did not proceed and the kingsway redevelopment project has been carried forward into 2024/25.
8	Other Infrastructure	Other infrastructure is \$93K or 12.6% unfavourable to budget. The main cause of this variance relates to the Hughesdale local area traffic management (LATM) project works which cost more than the original budget. Also, the Blackspot program road hump treatment in Haughton Road was an additional project included in the capital works program as additional funding was received.

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

Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.2.1 Analysis of Council results by program

Chief Executive

This division provides corporate management necessary to ensure the effective, efficient and innovative implementation of programs and communication of Council's achievement in policies and programs to external and internal audiences. It includes Communications, Customer Experience and People and Safety.

Corporate Services

This division works across the organisation to support departments to deliver services and projects that benefit Monash's diverse community. This entails planning, strategic discussion, continuous improvement, business assurance, monitoring and reporting. The division also manages Council processes in relation to tendering and procurement, coordinates the annual planning and budgeting processes, in addition to providing transactional support in relation to levying rates and charges, payments to suppliers and support organisation to embrace digital capabilities and efficiency.

Community Services

This division provides a wide range of customer focused services which are relevant, of high quality, responsive to community needs and are accessible to all residents of Monash. It includes Active Monash, Aged and Community Support, Children, Youth and Family Services, Arts and Libraries, Community Strengthening and Economic Development.

City Development

This division aims to further develop the Council's environment through effective strategic city, environmental and social planning, building control and municipal regulation. It includes City Planning, Community Amenity, Engineering, Property and City Design and Strategic Planning.

City Services

This division's role is to efficiently provide and maintain City infrastructure and facilities to meet operating performance standards set by other divisions. It includes Capital Works, Facilities and Infrastructure Maintenance, Corporate Governance and Legal, Horticultural Services, Strategic Asset Management, Sustainable Monash.

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

Note 2.2 Analysis of Council results by program

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

	Income/Revenue \$'000	Expenses \$'000	Surplus/(Deficit) \$'000	Grants included in income/Revenue \$'000	Total assets \$'000
2024					
Chief Executive	1,138	9,971	(8,833)		
Corporate Services	154,657	57,722	96,935	215	3,887,882
Community Services	31,467	52,031	(20,564)	15,733	
City Development	19,430	25,736	(6,306)	740	
City Services	35,562	78,344	(42,782)	26,445	
	242,254	223,804	18,450	43,133	3,887,882
2023					
Chief Executive	1,008	10,374	(9,366)	-	-
Corporate Services	157,292	54,323	102,969	6,888	3,843,804
Community Services	27,825	48,500	(20,675)	14,048	-
City Development	16,836	23,023	(6,187)	832	-
City Services	25,620	76,540	(50,920)	19,459	-
	228,581	212,760	15,821	41,227	3,843,804

**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 municipal district. The CIV of a property is the value of the land and all improvements. The valuation base used to calculate general rates for 2023/24 was \$97.521 billion (2022/23 \$100.291 billion). The 2023/24 rate in the dollar for residential was \$0.00144455 (2022/23 \$0.00132475) and for other properties \$0.00147110 (2022/23 \$0.00153235).

General Rates	139,796	134,190
Pension Rebate	(1,023)	(1,001)
Cultural & Recreational	210	247
Supplementary rates & rate adjustments	2,063	1,769
Recycling & Waste Levy	4,414	3,874
Interest on rates and charges	530	784
Total Rates and Charges	145,990	139,863

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

3.2 Statutory Fees and Fines

Infringements	7,014	5,919
Court Recoveries	1,735	1,137
Town Planning Fees	3,019	3,025
Land Information Certificates	192	167
Permits	984	1,013
Total Statutory Fees and Fines	12,944	11,261

Statutory fees and fines (including parking fees and fines) are recognised as income when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

3.3 User Fees

Aged, Health and Children's Services	2,579	2,650
Recreation Fees	12,122	9,834
Waste Transfer Station	2,768	2,780
Building Services Fees	2,469	2,180
Library Fees and Fines	61	45
Bin Charges	3,049	2,274
Lease Charges	628	520
Hire and Rental Charges	1,284	1,246
Other Fees and Charges	4,151	3,221
Total User Fees	29,111	24,750

User fees by timing of revenue recognition

User fees recognised over time	211	225
User fees recognised at a point in time	28,900	24,525
Total User Fees	29,111	24,750

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

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

	2024 \$'000	2023 \$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	10,325	19,016
State funded grants	32,808	22,211
Total grants received	43,133	41,227
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	284	7,860
Family and Children	1,550	1,360
General Home Care	7,609	7,027
Recurrent - State Government		
Family and Children	450	431
Maternal & child health	1,770	1,807
Libraries	1,348	1,311
General Home care	2,027	1,187
Youth Services	91	87
School crossing supervisors	723	702
Other	115	318
Total recurrent operating grants	15,967	22,090
Non Recurrent - State Government		
Community	545	476
Youth services	191	288
Gallery	-	23
COVID-19 Grant Relief	-	819
Other	268	459
Total non-recurrent operating grants	1,004	2,065
Total operating grants	16,971	24,155
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	498	806
Recurrent - State Government		
Libraries	21	21
Total recurrent capital grants	519	827
Non Recurrent - Commonwealth Government		
Local Roads and Community Infrastructure (LRCI)	384	1,963
Non Recurrent - State Government		
Buildings & Building improvements	7,102	3,505
Computers and Telecommunications	-	5
Footpaths & Cycleway	391	311
Parks & Open space and streetscapes	1,231	678
Recreational & Leisure and community facilities	16,535	9,783
Total non recurrent capital grants	25,643	16,245
Total capital grants	26,162	17,072
Total Grants	43,133	41,227
(c) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	701	1,466
Received during the financial year and remained unspent at balance date	914	701
Received in prior years and spent during the financial year	(701)	(1,466)
Balance at year end	914	701
Capital		
Balance at start of year	4,925	1,502
Received during the financial year and remained unspent at balance date	356	4,925
Received in prior years and spent during the financial year	(4,925)	(1,502)
Balance at year end	356	4,925
(d) 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 grants	215	5,927
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	42,918	35,300
Total Grants	43,133	41,227

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

	2024 \$'000	2023 \$'000
3.5 Contributions		
Monetary	5,476	7,315
Non-monetary	102	616
Total Contributions	5,578	7,931

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

Other	102	616
Total Non-Monetary Contributions	102	616

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

Land & Buildings		
Proceeds from Sale of Assets	3,564	-
Written Down Value of Assets Disposed	(1,871)	-
Write back of Revaluation on Assets Disposed	(277)	-
Gain on Disposal of Land & Buildings	1,416	-
Plant & Equipment		
Proceeds from Sale of Assets	992	577
Written Down Value of Assets Disposed	(289)	(379)
Gain on Disposal of Plant & Equipment	703	198
Infrastructure		
Written Down Value of Assets Disposed	(205)	-
Loss on Disposal of Infrastructure and Plant & Equipment	(205)	-
Total		
Proceeds from Sale of Assets	4,556	577
Write back of Revaluation on Assets Disposed	(277)	-
Written Down Value of Assets Disposed	(2,365)	(379)
Total Net Gain/(Loss) on Disposal of Property, Infrastructure, Plant and Equipment	1,914	198

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

3.7 Other Income

Interest	2,465	2,702
Other Income	1,152	1,030
Total Other Income	3,617	3,732

Interest is recognised progressively as it is earned.

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

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

	2024	2023
	\$'000	\$'000
Note 4 THE COST OF DELIVERING SERVICES		
4.1 (a) Employee Costs		
Salaries & Wages	78,074	74,695
Work cover	1,228	805
Casual staff	8,992	8,126
Superannuation	9,352	8,465
Fringe Benefits Tax	301	475
Long Service Leave	989	2,075
Other Employee Related costs	1,124	1,253
	<u>100,060</u>	<u>95,894</u>
Less: Amounts capitalised (non-current assets constructed by Council)	(5,325)	(5,343)
Total Employee Costs	94,735	90,551
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	268	375
	<u>268</u>	<u>375</u>
Employer contributions at payable date	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,937	3,957
Employer contributions - Australian Super	1,075	914
Employer contributions - Hesta Super	658	748
Employer contributions - other funds	2,818	2,354
	<u>8,488</u>	<u>7,973</u>
Employer contributions at payable date	595	117
Refer to note 9.3 for further information relating to Council's superannuation obligations.		
4.2 Materials and Services		
Waste Management Services	24,730	24,872
Building Maintenance	7,431	7,627
General Maintenance	15,958	13,148
Local Law Services	6,522	6,022
Fleet Management	1,083	969
Legal costs	2,246	2,612
General Administration Costs	9,156	9,831
Consultants	2,194	1,993
Utilities	4,511	5,071
Insurance	2,905	2,441
Information Technology	8,027	6,913
Bad and doubtful debts	13	(18)
Other	3,126	2,994
	<u>87,903</u>	<u>84,475</u>
Expenses are recognised as they are incurred and reported in the financial year to which they relate.		
4.3 Depreciation		
Buildings	8,333	7,999
Plant and Equipment	5,505	5,852
Infrastructure	21,852	18,807
	<u>35,780</u>	<u>32,658</u>
Refer to note 5.2(b), 5.7 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.		
4.4 Amortisation - Intangible assets		
Intangible Assets	2,934	2,551
	<u>2,934</u>	<u>2,551</u>
4.5 Depreciation - Right of use assets		
Property	443	489
Gym Equipment	208	237
Waste Contract- Vehicles	736	737
Printers	134	195
	<u>1,521</u>	<u>1,658</u>
4.6 Finance Costs - Leases		
Interest - Lease Liabilities	5.7	181
	<u>181</u>	<u>136</u>
4.7 Other Expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	75	72
Auditor's Remuneration - Internal Audit	133	143
Councillor Allowances	545	516
	<u>753</u>	<u>731</u>
4.8 Provision for bad and doubtful debts		
Parking fine debtors	1,598	1,762
Sundry debtors	12	(25)
	<u>1,610</u>	<u>1,737</u>
Movement in Provision for Doubtful Debts		
Balance at the beginning of the year	12,497	10,760
Provisions adjusted during the year	1,610	1,737
	<u>14,107</u>	<u>12,497</u>

**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		
Cash at bank	7,491	3,834
Cash on hand	18	18
Short term deposits (with a maturity date of 90 Days or less)	15,000	69,500
Total Cash and Cash Equivalents	22,509	73,352
(b) Other Financial Assets		
Term deposits - Current	-	3,500
Other	69	69
Total Other Financial Assets	69	3,569
Total Cash and Cash Equivalents and other financial assets	22,578	76,921

Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

Trust Funds and Deposits (Note 5.3 (b))	18,191	16,247
Statutory Reserves (Note 9.1 (b))	15,531	19,538
Total Restricted funds	33,722	35,785
Total Unrestricted Cash and Cash Equivalents	(11,213)	37,567

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days 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.

(c) Trade and Other Receivables

Current

Statutory Receivables

Rates Receivable	8,672	9,132
Parking Infringements	16,289	14,372
Less: Provision for Doubtful Debts	(14,029)	(12,431)
Net GST Receivable	2,513	1,867
	13,445	12,940

Non-Statutory Receivables

Sundry debtors	8,640	4,120
Less: Provision for Doubtful Debts	(78)	(66)
	8,562	4,054

Total Trade and Other Receivables	22,007	16,994
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Receivables are carried at invoice amount. A provision for doubtful debts is recognised based on past experience and other objective evidence of expected losses. This model considers both historic and forward looking information in determining the level of impairment.

(d) Ageing of Receivables

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

Current (not yet overdue)	1,932	1,076
Past due by up to 30 days	4,033	386
Past due between 31 and 180 days	2,675	2,658
Total Trade & Other Receivables	8,640	4,120

(e) Ageing of individually impaired Receivables

At balance date there were no other debtors representing financial assets that were impaired (2022/23 Nil).

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

	2024 \$'000	2023 \$'000
5.2 Non-Financial Assets		
(a) Other Assets		
Accrued Income	2,179	5,915
Prepayments	901	715
Other	189	152
Total Other Assets	3,269	6,782
(b) Intangible Assets		
	Software	
	\$'000	
Gross carrying amount		
Balance at 1 July 2023	19,538	
Additions	4,379	
	23,917	
Work in Progress	311	
Balance at 30 June 2024	24,228	
Accumulated amortisation		
Balance at 1 July 2023	(9,553)	
Amortisation expense	(2,967)	
Balance at 30 June 2024	(12,520)	
Net book value at 30 June 2023	9,985	
Net book value at 30 June 2024	11,708	

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.

	2024 \$'000	2023 \$'000
5.3 Payables, trust funds and deposits and contract and other liabilities		
(a) Trade and Other Payables		
Current		
Non-statutory Payables		
Operating Payables	11,678	13,131
Capital Payables	12,868	16,414
Employee Costs	2,974	1,484
Parking Infringements	1,660	1,660
Total Current Trade and Other Payables	29,180	32,689
(b) Trust Funds and Deposits		
Current		
Refundable Deposits	16,549	15,033
Retention Amounts	317	486
Fire Services Property Levy	1,282	590
Other Refundable Deposits	43	138
Total Current Trust Funds and Deposits	18,191	16,247
(c) Contract and other liabilities		
Current		
Grants received in advance - operating *	914	701
Grants received in advance - capital **	2,720	50
Rates Paid in Advance	1,180	948
Other	14	77
Total contract liabilities	4,828	1,776
Other liabilities		
Current		
Deferred capital grants	356	4,925
Total other liabilities	356	4,925
Total contract and other liabilities	5,184	6,701

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 the below. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

***Operating grants include:**

Youth Fest program (\$0.07M) This program supports young people to lead the planning and delivery of a diverse range of music, cultural and recreational events in their local community.

Kindergarten Planning Grant of (\$0.24M). Planning stream helps to scope development design and costing before it is tendered for construction.

Integrated Water Management Plan (\$0.02M) is to update Integrated Water Management Plan .

Free from Violence(\$0.03M) This program will provide three-year funding to support the implementation of the Local Government Guide for Preventing Family Violence .

MCH funding (\$0.39M). This funding is mainly for Maternal and child Health program .

**** Capital grants include:**

Facility upgrade funding (\$1.6M) for Jack Edwards Reserve Pavilion Redevelopment.

Melbourne Water funding (\$1.0M) for land acquisition and play ground equipmnt 8-26 Charles St Mt Waverley .

Other liabilities

Grant consideration was received from Federal (\$0.23M) to improve Monash Local Roads and Community Infrastructure in Phase 4 and State Government funding of (\$0.11M) for Jack Edwards Reserve Pavilion Redevelopment. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion of Jack Edwards Reserve Pavilion . As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

Purpose and nature of items

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

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

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

5.4 Provisions

2024	Annual leave \$ '000	Long service leave \$ '000	Total \$ '000
Balance at beginning of the financial year	(8,100)	(14,058)	(22,158)
Additional provisions	(6,502)	(2,265)	(8,767)
Amounts used	6,640	1,541	8,181
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	(117)	1,275	1,158
Balance at the end of the financial year	(8,079)	(13,507)	(21,586)

2023	Annual leave \$ '000	Long service leave \$ '000	Total \$ '000
Balance at beginning of the financial year	(8,374)	(13,627)	(22,001)
Additional provisions	(5,865)	(2,187)	(8,052)
Amounts used	6,490	1,639	8,129
Decrease in the discounted amount arising because of time and the effect of any change in the discount rate	(351)	117	(234)
Balance at the end of the financial year	(8,100)	(14,058)	(22,158)

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

5.4 Provisions (Cont'd)

	2024	2023
	\$'000	\$'000
(a) Employee Provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	5,732	5,575
Long service leave	1,347	1,888
	<u>7,079</u>	<u>7,463</u>
Current provisions expected to be wholly settled after 12 months		
Annual leave	2,347	2,525
Long service leave	10,228	10,701
	<u>12,575</u>	<u>13,226</u>
Total Current Provisions	<u>19,654</u>	<u>20,689</u>
Non-Current		
Long service leave	1,931	1,470
Total Non-Current Provisions	<u>1,931</u>	<u>1,470</u>

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

Annual leave

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

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

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

Long service leave

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

Key assumptions:	2024	2023
Increase in costs	2.30%	2.30%
Weighted average discount rates	4.35%	4.09%
Settlement period range	2-5 Years	2-5 Years

5.5 Financing Arrangements

	2024	2023
	\$'000	\$'000
The Council has the following funding arrangements in place.		
Credit card facilities	100	100
Transaction Negotiation Authority (TNA)	21,500	21,500
Total facilities	<u>21,600</u>	<u>21,600</u>
Used facilities	17	16
Unused facilities	21,583	21,584
Total facilities	<u>21,600</u>	<u>21,600</u>

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

5.6 Commitments

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

(a) Commitments for expenditure

2024	Not later than 1	Later than 1 year	Later than 2	Later than 5	Total
	year	and not later	years and not	years	
	\$'000	than 2 years	later than 5	years	\$'000
		\$'000	years	\$'000	
Operating					
Cleaning Services	3,235	2,850	-	-	6,085
Domestic Waste Collection	22,766	14,707	29,029	6,100	72,602
Other Operating Services	12,080	6,806	1,498	-	20,384
Printing & IT Infrastructure	7,286	3,817	1,797	-	12,900
Recycling	1,576	1,620	3,438	-	6,634
Repairs & Maintenance	3,034	1,674	520	-	5,228
Supply Meals/Foodstuffs	661	-	-	-	661
Traffic & Parking Management	3,951	3,974	8,431	-	16,356
Utilities & Fuel	1,598	1,523	4,568	1,523	9,212
Total Operating	56,187	36,971	49,281	7,623	150,062
Capital					
Buildings	4,524	4,212	6	-	8,742
Infrastructure	43,977	347	-	-	44,324
Total Capital	48,501	4,559	6	-	53,066

2023	Not later than 1	Later than 1 year	Later than 2	Later than 5	Total
	year	and not later	years and not	years	
	\$'000	than 2 years	later than 5	years	\$'000
		\$'000	years	\$'000	
Operating					
Cleaning Services	2,450	-	-	-	2,450
Domestic Waste Collection	21,310	18,661	37,937	5,992	83,900
Other Operating Services	7,369	5,568	4,530	-	17,467
Printing & IT Infrastructure	8,517	4,697	3,379	-	16,593
Recycling	1,521	1,558	5,058	-	8,137
Repairs & Maintenance	3,357	1,579	491	-	5,427
Supply Meals/Foodstuffs	569	-	-	-	569
Traffic & Parking Management	3,674	3,821	12,405	-	19,900
Utilities & Fuel	1,609	1,523	4,568	1,523	9,223
Total Operating	50,376	37,407	68,368	7,515	163,666
Capital					
Buildings	4,318	293	20	-	4,631
Infrastructure	40,644	15,117	82	-	55,843
Roads	823	-	-	-	823
Total Capital	45,785	15,410	102	-	61,297

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

5.7 Leases

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

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

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

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

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate (2.44%). Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

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

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

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

Under AASB 16 *Leases*, Council has elected to apply the temporary option which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

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

5.7 Leases (Cont'd)

Right-of-Use Assets	Property	Waste Contract - Vehicles	Gym Equipment	Printers	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	1,921	4,232	343	114	6,610
Additions	-	-	-	119	119
Depreciation charge	(443)	(736)	(208)	(134)	(1,521)
Balance at 30 June 2024	1,478	3,496	135	99	5,208

Lease Liabilities	2024	2023
	\$'000	\$'000
Maturity analysis - contractual undiscounted cash flows		
Less than one year	1,475	1,575
One to five years	4,146	4,904
More than five years	-	616
Total undiscounted lease liabilities as at 30 June:	5,621	7,095

Lease liabilities included in the Balance Sheet at 30 June:

Current	1,390	1,467
Non-current	4,008	5,297
Total lease liabilities	5,398	6,764

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

Note 6 ASSETS WE MANAGE

6.1 Non Current Assets Classified As Held For Sale

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

	2024 \$'000	2023 \$'000
Land & Buildings	30,315	6,315
Total Non Current Assets Classified As Held For Sale	30,315	6,315

6.2 Property, Infrastructure, Plant and Equipment

Summary of Property, Infrastructure, Plant and Equipment

Category	Carrying amount 30 June 2023 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers in/out \$'000	Adjustments & Write-off \$'000	Carrying amount 30 June 2024 \$'000
Land	2,620,216	-	-	7,690	-	-	-	(27,208)	2,600,698
Buildings	248,693	-	-	25,995	(8,333)	(1,871)	37,552	-	302,036
Plant and Equipment	18,711	-	-	-	(5,595)	(289)	6,751	-	19,578
Art Works	9,272	-	102	165	-	-	72	-	9,611
Infrastructure (At Fair Value)	703,208	-	-	-	(13,959)	-	18,587	-	707,836
Infrastructure (At Cost)	88,059	-	-	-	(7,893)	(205)	24,625	-	104,586
Work in progress	31,111	106,689	-	-	-	-	(89,065)	(1,202)	47,533
Total	3,719,270	106,689	102	33,850	(35,780)	(2,365)	(1,478)	(28,410)	3,791,878

Summary of Work in Progress

Category	Opening WIP 30 June 2023 \$'000	Additions \$'000	Transfer to Operating \$'000	Transfers out \$'000	Closing WIP 30 June 2024 \$'000
Buildings	9,395	61,668	(185)	(38,929)	31,949
Plant and Equipment	618	7,843	(507)	(6,924)	1,030
Infrastructure (At Fair Value)	3,507	15,786	(212)	(18,587)	494
Infrastructure (At Cost)	17,591	21,392	(298)	(24,625)	14,060
Total	31,111	106,689	(1,202)	(89,065)	47,533

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

6.2 Property, Infrastructure, Plant and Equipment (Cont'd)

Property	Land - specialised	Land - non specialised	Land under roads	Total land	Buildings - specialised	Work in progress	Total property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	1,994,388	623,176	2,652	2,620,216	456,602	9,395	3,086,213
Accumulated depreciation at 1 July 2023	-	-	-	-	(207,909)	-	(207,909)
	1,994,388	623,176	2,652	2,620,216	248,693	9,395	2,878,304
Movements in fair value							
Acquisition of assets at fair value	-	-	-	-	-	61,668	61,668
Revaluation increment	7,690	-	-	7,690	55,609	-	63,299
Fair value of assets disposed	-	-	-	-	(6,853)	-	(6,853)
Transfers to Properties for resale	(27,410)	-	-	(27,410)	-	-	(27,410)
Transfers to operating	-	-	-	-	-	(185)	(185)
Reclassification/Adjustments	202	-	-	202	-	-	202
Transfer to/(from) WIP	-	-	-	-	37,552	(38,929)	(1,377)
	(19,518)	-	-	(19,518)	86,308	22,554	89,344
Movements in accumulated depreciation							
Depreciation and amortisation	-	-	-	-	(8,333)	-	(8,333)
Revaluation increments	-	-	-	-	(29,614)	-	(29,614)
Accumulated depreciation of disposals	-	-	-	-	4,982	-	4,982
	-	-	-	-	(32,965)	-	(32,965)
At fair value 30 June 2024	1,974,870	623,176	2,652	2,600,698	542,910	31,949	3,175,557
Accumulated depreciation at 30 June 2024	-	-	-	-	(240,874)	-	(240,874)
Carrying amount	1,974,870	623,176	2,652	2,600,698	302,036	31,949	2,934,683

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

6.2 Property, Infrastructure, Plant and Equipment (Cont'd)

	Plant machinery and equipment	Fixtures fittings and furniture	Computers & telecomms	Library books	Work in progress	Total plant and equipment
(b) Plant and Equipment (At Cost)	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At Cost 1 July 2023	33,620	10,721	6,347	8,363	618	59,669
Accumulated depreciation at 1 July 2023	(20,172)	(9,257)	(5,123)	(5,788)	-	(40,340)
	13,448	1,464	1,224	2,575	618	19,329
Movements in fair value						
Acquisition of assets at Cost	-	-	-	-	7,843	7,843
Assets disposed at Cost	(2,073)	(4)	(12)	-	-	(2,089)
Transfers to operating	-	-	-	-	(507)	(507)
Transfer to/(from) WIP	4,030	756	546	1,419	(6,924)	(173)
	1,957	752	534	1,419	412	5,074
Movements in accumulated depreciation						
Depreciation and amortisation	(3,297)	(581)	(797)	(920)	-	(5,595)
Accumulated depreciation of disposals	1,785	3	12	-	-	1,800
	(1,512)	(578)	(785)	(920)	-	(3,795)
At Cost 30 June 2024	35,577	11,473	6,881	9,782	1,030	64,743
Accumulated depreciation at 30 June 2024	(21,684)	(9,835)	(5,908)	(6,708)	-	(44,135)
Carrying amount	13,893	1,638	973	3,074	1,030	20,608

Art Works (At Fair Value)	Art Works	Total Art Works
	\$'000	\$'000
At fair value 1 July 2023	9,272	9,272
	9,272	9,272
Movements in fair value		
Contributions	102	102
Revaluation increments/decrements	165	165
Transfer to/(from) WIP	72	72
	339	339
At fair value 30 June 2024	9,611	9,611
Carrying amount	9,611	9,611

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

6.2 Property, Infrastructure, Plant and Equipment (Cont'd)

(c) Infrastructure (At Fair Value)	Roads	Bridges	Footpaths & Cycleways	Drainage	Work in progress	Total infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	(At Fair Value) \$'000
At fair value 1 July 2023	631,516	6,429	223,422	502,931	3,507	1,367,805
Accumulated depreciation at 1 July 2023	(269,891)	(3,132)	(148,218)	(239,849)	-	(661,090)
	361,625	3,297	75,204	263,082	3,507	706,715
Movements in fair value						
Acquisition of assets at fair value	-	-	-	-	15,786	15,786
Transfers to operating	-	-	-	-	(212)	(212)
Transfer to/(from) WIP	11,351	1,727	4,257	1,252	(18,587)	-
	11,351	1,727	4,257	1,252	(3,013)	15,574
Movements in accumulated depreciation						
Depreciation and amortisation	(5,805)	(81)	(3,101)	(4,972)	-	(13,959)
	(5,805)	(81)	(3,101)	(4,972)	-	(13,959)
At fair value 30 June 2024	642,867	8,156	227,679	504,183	494	1,383,379
Accumulated depreciation at 30 June 2024	(275,696)	(3,213)	(151,319)	(244,821)	-	(675,049)
Carrying amount	367,171	4,943	76,360	259,362	494	708,330

Infrastructure (At Cost)	Recreational, leisure and community	Traffic management	Parks open spaces and streetscapes	Bicycle paths	Off street car parks	Other infrastructure	Work in progress	Total infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	(At Cost) \$'000
At Cost 1 July 2023	58,464	13,556	55,218	12,452	15,210	9,239	17,591	181,730
Accumulated depreciation at 1 July 2023	(16,730)	(5,575)	(31,744)	(4,552)	(9,329)	(8,150)	-	(76,080)
	41,734	7,981	23,474	7,900	5,881	1,089	17,591	105,650
Movements in fair value								
Acquisition of assets at Cost	-	-	-	-	-	-	21,392	21,392
Assets disposed	(414)	-	-	-	-	-	-	(414)
Transfers to operating	-	-	-	-	-	-	(298)	(298)
Transfer to/(from) WIP	19,480	144	3,138	49	1,814	-	(24,625)	-
	19,066	144	3,138	49	1,814	-	(3,531)	20,680
Movements in accumulated depreciation								
Depreciation and amortisation	(3,829)	(609)	(2,386)	(395)	(476)	(198)	-	(7,893)
Revaluation increments/(decrements)	209	-	-	-	-	-	-	209
	(3,620)	(609)	(2,386)	(395)	(476)	(198)	-	(7,684)
At Cost 30 June 2024	77,530	13,700	58,356	12,501	17,024	9,239	14,060	202,410
Accumulated depreciation at 30 June 2024	(20,350)	(6,184)	(34,130)	(4,947)	(9,805)	(8,348)	-	(83,764)
Carrying amount	57,180	7,516	24,226	7,554	7,219	891	14,060	118,646

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

6.2 Property, Infrastructure, Plant and Equipment (Cont'd)

(d) 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, costs include all materials used in construction, direct labour, and an appropriate share of directly attributable variable and fixed overheads.

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

Asset recognition threshold and description periods	Depreciation Period	Threshold Limit \$
<i>Land and Buildings</i>		
-Land	Indefinite	1
-Land under roads	Indefinite	1
-Buildings	25 - 50 Years	1
-Heritage Buildings	100 - 250 Years	1
<i>Plant and Equipment</i>		
-Plant Machinery & Equipment	2 - 20 Years	1,000
-Furniture, Fittings and Office Equipments	2 - 10 Years	1,000
-Art work	Indefinite	1
-Computer equipment	3 - 7 Years	1
-Library books	2 - 7 Years	1
<i>Infrastructure</i>		
-Roads	25 - 150 Years	1,000
- Footpaths and cycleways	25 - 150 Years	1,000
-Bridges	40 - 120 Years	1,000
-Drainage	100 Years	1,000
-Recreational leisure & community	10 - 100 Years	1,000
-Parks, open spaces & streetscape	10 - 100 Years	1,000
-Bicycle paths	30 Years	1,000
-Off street car parks	10 - 100 Years	1,000
-Traffic Management	20 - 25 Years	1,000
-Other infrastructure	10 - 50 Years	1,000
Intangible assets	3 - 10 Years	1,000
Right of Use Assets	2 - 10 Years	10,000

(e) Land under roads

Council recognises land under roads post 1 July 2008 at fair value.

(f) Repairs and Maintenance

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. 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 assets are expensed.

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

6.2 Property, Infrastructure, Plant and Equipment (Cont'd)

(g) Depreciation of Property, Plant and Equipment, Infrastructure

Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives and 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.

During the financial year, Council reviewed the useful life, and applicable depreciation rates, of all asset classes, in accordance with Australian Accounting Standard *AASB 116* "Property, Plant & Equipment". There has been no changes to Useful Life or Threshold Limits.

(h) Revaluation

Subsequent to the initial recognition of property and infrastructure assets, which are measured at their fair value, being the amount for which the assets could be exchanged subsequent to initial recognition. At reporting date each year, Council reviews the carrying value of the individual classes of assets to ensure that each asset materially approximates their fair value. Where the carrying value materially differs from the fair value, the class of assets is revalued.

Fair value valuations are determined in accordance with a valuation hierarchy, changes to which can only occur if an external change in the restrictions or limitations on the 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 valuation of land, buildings and infrastructure (Roads, Bridges, Footpaths, Drainage) assets on a cycle of 2 years. The valuations are performed either by appropriately experienced Council officers or independent experts engaged by Council.

Asset class	Revaluation frequency
Land	2 years
Buildings	2 years
Art Work	4 years
Roads	2 years
Bridges	2 years
Footpaths and cycleways	2 years
Drainage	2 years

Where assets are revalued, the revaluation increments arising from the valuations are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had previously been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments have been included in the asset revaluation reserve for that class of asset in which case the decrement is debited to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

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

6.2 Property, Infrastructure, Plant and Equipment (Cont'd)

Council	2024 \$'000	2023 \$'000
Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$36 and \$4,449 per square metre.	1,977,522	1,997,040
Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$250 to \$5,800 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 30 years to 250 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.	302,036	248,693
Infrastructure assets (Roads, Bridges, Footpaths, Drainage) are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 10 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.	707,836	703,208

(i) Valuation of land and buildings

Valuation of land and Buildings were undertaken by a qualified independent valuer Celeste Orange (CPV) of Westlink Consulting. The date and type of the current valuation is detailed in the following table. The valuation is at fair value based on current replacement cost less accumulated depreciation as at the date of valuation.

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

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

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

The date and type of the current valuation is detailed in the following table, the next full revaluation of these assets will be conducted in 2025-26.

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

Council	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation	Type of Valuation
Non-Specialised Land	-	623,176	-	1-Jun-24	Full
Specialised Land	-	-	1,974,870	1-Jun-24	Full
Specialised buildings	-	-	302,036	1-Jun-24	Full
Total	-	623,176	2,276,906		

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

(j) Valuation of Infrastructure

Valuation of Infrastructure assets (Roads, Bridges, Footpaths, Drainage) is in accordance with a valuation undertaken by the Strategic Asset Management Acting Coordinator, Sanjog Baral - Bachelor of Engineering (Civil).

The date and type of the current valuation is detailed in the following table. An index based revaluation was conducted in the current year, with reference to contracts awarded in 2023 and the Road and Bridge Construction Price Index for Victoria. The next revaluation of these assets will be conducted in 2024/25.

The date and type of the current valuation is detailed in the following table, a further revaluation assessment of Infrastructure assets (Roads, Bridges, Footpaths, Drainage) will be conducted in 2024/25.

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

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

Council	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation	Type of Valuation
Roads & Pavements	-	-	367,171	30-Jun-23	Index
Bridges	-	-	4,943	30-Jun-23	Index
Footpaths & Cycleways	-	-	76,360	30-Jun-23	Index
Drainage	-	-	259,362	30-Jun-23	Index
Total	-	-	707,836		

Reconciliation of Specialised Land

Council	2024 \$'000	2023 \$'000
Land under roads	2,652	2,652
Parks and reserves and other	1,974,870	1,994,388
Total specialised land	1,977,522	1,997,040

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

6.3 Investments in Joint Arrangement Accounted For Using The Equity Method

Regional Landfill Clayton South Unincorporated Joint Arrangement

Under an agreement dated 23 September 1986, the former City of Oakleigh (now vested in the Monash City Council) was contracted to purchase a 16.8% interest in the landfill site situated at 654 – 718 Clayton Road, Clayton South from the former City of Camberwell at a cost of \$0.84M.

Whilst the site was closed in December 2015, City of Camberwell continues to manage the site to ensure compliance with relevant environmental standards. Under Clause 2.2 of the purchase agreement Council receives 16.8% of any net operating surplus and pays 16.8% of any net operating deficit of the operations of the Clayton South Landfill Joint Arrangement. Council's share of net operating loss for the year ended 30 June 2024 was \$0.030M (2023 loss of \$0.381M), which has been recognised as an expense in the Comprehensive Income Statement.

The value of the joint investment in the Clayton South Landfill has been revalued at year end to reflect Council's share of net assets recorded in the unaudited accounts of the Joint operation at 30 June 2024 and is included in the Balance Sheet as follows:

**REGIONAL LANDFILL CLAYTON SOUTH JOINT OPERATION
Balance Sheet
As at 30 June 2024**

	2024 \$'000	2023 \$'000
Current Assets	1,453	1,328
Current Liabilities	(1,219)	(1,152)
Net Current Assets	234	176
Non-Current Assets	-	-
Non-Current Liabilities	(19,833)	(19,595)
Net Liability	(19,599)	(19,419)
Contribution-Re Land	1,659	1,659
Retained earnings	(21,258)	(21,078)
Deficit	(19,599)	(19,419)
Share of Monash City Council (16.8%) Movements		
Share in Joint Operation Equity as at 1 July	(3,262)	(2,881)
Share of net (loss)/ profit of joint operation	(30)	(381)
Share in Joint Operation Equity as at 30 June 2024	(3,292)	(3,262)
Represented in Council's Balance Sheet - Equity		
Non - Current Assets - Investment in Joint arrangement accounted for using the equity method	224	217
Non-Current Liability - Investment in Joint arrangement accounted for using the equity method	(3,516)	(3,479)
Net Liability	(3,292)	(3,262)

At the reporting date the Joint Venture recognised a provision for rehabilitation works which is measured at the present value of the Joint Venturers' best estimate of the costs associated with remediation of the site. Remediation is expected to be completed by 2050. The landfill in it's current state, is not yet "settled".

The calculation of the provision is based on a review of the Annual and planned equipment replacement aftercare costs of the site. These costs have been inflated at 6.5% per year. The present value calculation uses the Group of 100 discount rate forecasts for 26 years.

The provision is assessed at the end of each reporting period in order to ensure it accurately reflects the cost of closing and restoring the site.

A review has been undertaken during the 2020-21 financial year and as at August 2022 by James Mackenzie of Mackenzie Environmental Pty Ltd on estimates of future costs to operate the closed landfill site in accordance with the Environment Protection Act 2017 (the Act). The increase in provision relates to the expected post closure maintenance period costs. The provision is based on the best information available to management at year-end. This indicates aftercare costs of approximately \$1.1 million annually.

The major works remaining before the landfill settles: Gas infrastructure

**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
Monash City Council

Subsidiaries and Associates
Interests in Regional Landfill Clayton South Joint Operation is detailed in note 6.3.

(b) Key Management Personnel

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

Details of KMP at any time during the year are:

	2024	2023
	No	No
Key Management Personnel - Councillors		
From 1 July 2023 to 30 June 2024		
Councillor Paul Klisaris	1	1
Councillor Stuart James	1	1
Councillor Shane McCluskey	1	1
Councillor Josh Fergeus	1	1
Councillor Brian Little (Deputy mayor from 14th November 2023)	1	1
Councillor Geoff Lake	1	1
Councillor Theo Zographos	1	1
Councillor Rebecca Paterson	1	1
Councillor Anjalee De Silva	1	1
Councillor Nicky Luo (Deputy mayor till 13th November 2023 & Mayor from 14th Nover	1	1
Councillor Tina Samardzija (Mayor till 13th Novemver 2023)	1	1
Key Management Personnel - Officers		
Andi Diamond (Chief Executive Officer)	1	1
Simone Wickes(Director Corporate Services)(Started 8 Nov 2023)	1	-
Russell Hopkins (Director Community Services)	1	1
Peter Panagakos (Director City Development)	1	1
Jarrold Doake (Chief Operating Officer)	1	1
Danny Wain (Chief Financial Officer) (Retired 7 Nov 2023)	-	1
Joanne Robertson (Executive Manager, Communications)	1	1
Tracy Shoshan (Executive Manager - People and Safety)	1	1
Total Number of Councillors	11	11
Total of Chief Executive Officer and other Key Management Personnel	7	7
Total Number of Key Management Personnel	18	18

(c) Remuneration of Key Management Personnel

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

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

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

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

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

	2024	2023
	\$,000	\$,000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	2,392	2,358
Post-employment benefits	239	220
Long-term employee benefits	52	51
Total	2,683	2,629

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

	2024	2023
	No.	No.
\$30,000 - \$39,999	8	8
\$50,000 - \$59,999	1	1
\$60,000 - \$69,999	1	1
\$100,000 - \$109,999	1	1
	11	11

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

(c) Remuneration of Key Management Personnel (Cont'd)

Chief Executive Officer and the numbers of KMP's whose total remuneration from Council and any related entities, fall within the following bands:

	2024	2023
	No.	No.
\$190,000 - \$199,999	-	1
\$200,000 - \$209,999	2	1
\$260,000 - \$269,999	-	1
\$280,000 - \$289,999	-	1
\$300,000 - \$309,999	4	2
\$480,000 - \$489,999	-	1
\$490,000 - \$499,999	1	-
	<u>7</u>	<u>7</u>

(d) Remuneration of other senior staff

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

	2024	2023
	\$	\$
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	3,878	3,906
Other long-term employee benefits	98	99
Post-employment benefits	471	452
Total	<u>4,447</u>	<u>4,457</u>

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

	2024	2023
	No.	No.
Income Range:		
< \$170,000	-	1
\$170,000 - \$179,999	1	2
\$180,000 - \$189,999	5	9
\$190,000 - \$199,999	8	8
\$200,000 - \$209,999	3	-
\$210,000 - \$219,999	2	-
\$220,000 - \$229,999	3	3
	<u>22</u>	<u>23</u>
	<u>\$,000</u>	<u>\$,000</u>
Total remuneration for the reporting year for other senior staff included above, amounted to:	4,447	4,457

* Due to a definitional change the comparative figures in this note may not align with the previous year's annual report, which included disclosure of senior officers as defined in the *Local Government Act 2020*.

7.2 Related Party Disclosure

(a) Transactions with related parties

During the period Council entered into no reportable transactions with related parties.

(b) Outstanding balances with related parties

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

(c) Loans to/from related parties

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

(d) Commitments to/from related parties

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

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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.

As at 30 June 2024, there are no potential contingent assets (2023:nil).

(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

In addition to providing for ongoing rehabilitation and remediation Council's own former landfill site which sites outside the City of Monash boundary that may incur liabilities. The former tip site located at Spring Valley Reserve in the City of Greater Dandenong. This site was managed by the former City of Springvale under the overall management of a Regional Group. At balance date Council is unable to accurately assess whether it is liable, validity of the claims or the financial implications of such works and as such, at this time, in each case is unable to accurately measure and recognise as a provision.

Legal Matters

The Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors. As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

Liability Mutual Insurance

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

(c) Guarantees for Loans to Other Entities

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

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

	2024				Year Loan
	Outstanding	Waverley Hockey	Council Guarantee		Commenced
	Loan Liability	Club Liability	Limit		
Community Organisation					
Waverley Hockey Club	\$ 243,093	\$ 50,000	\$ 200,000		2023/24
	\$ 243,093	\$ 50,000	\$ 200,000		

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

8.2 Change in Accounting Standards

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

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

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

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

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

8.3 Financial Instruments

(a) Objectives and Policies

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

(b) Market Risk

Market risk is the risk that the fair value or future cash flows of the Council's 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. The Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes the Council's 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*. We manage interest rate risk by adopting an investment policy that ensures:

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

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

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

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

8.3 Financial Instruments (Cont'd)

(c) Credit Risk

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

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

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

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

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

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

(d) Liquidity Risk

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

To help reduce these risks Council:

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

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

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade.

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 (base rates are sourced from Reserve Bank of Australia):

- A parallel shift of +1.5% and -1.5% in market interest rates (AUD) from year-end rates of 0.150%.

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.

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

8.4 Fair Value Measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

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 to sell 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 operating statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

Assessment of the impairment of assets has been undertaken as part of Monash internal work plan and there have been no impairment write-downs in 2023/24 and 2022/23.

8.5 Events Occurring After Balance Date

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

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

Note 9 OTHER MATTERS

9.1 Reserves

	Balance at beginning of reporting period	Share of increase (decrease) on revaluation	Adjustments	Balance at end of reporting period
(a) Asset Revaluation Reserves 2024	\$'000	\$'000	\$'000	\$'000
Property				
Land	2,266,084	7,690	-	2,273,774
Buildings	89,892	25,995	(3,237)	112,650
Infrastructure				
Roads and Footpaths	138,794	-	-	138,794
Drainage	164,606	-	-	164,606
Other Infrastructure	9,196	-	-	9,196
Other				
Plant & Equipment	11	-	-	11
Library Books	250	-	-	250
Art Collection	2,757	165	-	2,922
Total Asset Revaluation Reserves	2,671,590	33,850	(3,237)	2,702,203
2023				
	Balance at beginning of reporting period	Share of increase (decrease) on revaluation	Adjustments	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
Property				
Land	2,266,084	-	-	2,266,084
Buildings	89,892	-	-	89,892
Infrastructure				
Roads and Footpaths	113,238	25,556	-	138,794
Drainage	130,787	33,819	-	164,606
Other Infrastructure	9,529	(333)	-	9,196
Other				
Plant & Equipment	11	-	-	11
Library Books	250	-	-	250
Art Collection	2,757	-	-	2,757
Total Asset Revaluation Reserves	2,612,548	59,042	-	2,671,590

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

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

Note 9 Other Matters (Cont'd)

	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) Statutory Reserve				
2024				
Drainage Reserve	6,935	1,003	(3,890)	4,048
Parking Reserve	4,333	-	-	4,333
Public Open Space Reserve	8,270	4,380	(5,500)	7,150
Total Statutory Reserves	19,538	5,383	(9,390)	15,531
2023				
Drainage Reserve	8,414	752	(2,231)	6,935
Parking Reserve	4,422	722	(811)	4,333
Public Open Space Reserve	10,503	4,730	(6,963)	8,270
Total Statutory Reserves	23,339	6,204	(10,005)	19,538

Drainage Reserve

New property developments are required to make a contribution towards Council's strategic drainage system where the development may impact on the drainage system. These funds are maintained by catchment area and when any strategic drainage projects are undertaken funds in that catchment area's account are utilised to fund these works.

Parking Reserve

Currently where a development is considered to increase the parking requirements of a centre the developer is required to pay a predetermined amount per additional parking space required.

Public Open Space Reserve (POS)

The Monash Planning Scheme requires that a person who proposes to subdivide land must make a contribution to the Council for public open space (being a percentage of the land intended to be used for residential, industrial or commercial purposes, or a percentage of the site value of such land, or a combination of both). If no amount is specified, a contribution for public open space may still be required under section 18 of the Subdivision Act 1988. These funds are then used to either upgrade recreational facilities in existing open space areas or provide additional open space in the municipality.

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(c) Discretionary Reserves				
2024				
Development Reserve	3,704	-	-	3,704
Superannuation Reserve	5,500	-	-	5,500
Total Discretionary Reserves	9,204	-	-	9,204
2023				
Development Reserve	3,704	-	-	3,704
Superannuation Reserve	5,500	-	-	5,500
Total Discretionary Reserves	9,204	-	-	9,204

Development Reserve

This is a discretionary reserve to provide for future capital upgrades.

Superannuation Reserve

This is a discretionary reserve to provide funding towards any future call to top-up the Defined Benefit category of Vision Super.

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

Note 9 Other Matters (Cont'd)

9.2 Reconciliation of Cash Flows from Operating Activities to Surplus

	2024 \$'000	2023 \$'000
Surplus for the year	18,450	15,821
Non-cash adjustments:		
Depreciation	35,780	32,658
Amortisation-Intangible Assets	2,934	2,551
Amortisation- Right Of Use Assets	1,521	1,658
Net (gain)/loss on disposal of Property, Infrastructure, Plant and Equipment	(1,914)	(198)
Non-monetary contributions	(102)	(616)
Capitalised Salaries (Note 4.1)	(5,325)	(5,343)
Share of (gain)/ loss from Clayton Joint Venture	30	381
Change in operating assets and liabilities		
(Increase)/Decrease in trade and other receivables	(1,468)	(6,141)
(Increase)/Decrease in Prepayments	(186)	(140)
(Increase)/Decrease in Current Refundable Deposits	1,944	1,464
Increase/(Decrease) in other liabilities	(1,517)	2,399
Increase/(decrease) in trade and other payables	388	5,213
Increase/(Decrease) in Current Provisions	(1,034)	35
(Decrease)/Increase in Non Current Provisions	461	123
Net cash provided by operating activities	49,962	49,865

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

Note 9 Other Matters (Cont'd) 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 Comprehensive Operating 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 Monash City Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

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

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

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

Employer contributions

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.

Funding calls

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

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

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

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

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

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

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

Note 9 Other Matters (Cont'd) 9.3 Superannuation

The 2023 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2023 and the last full investigation was conducted as at 30 June 2020.

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

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

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

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

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

The 2024 triennial actuarial investigation

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

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

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

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

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

The 2020 triennial investigation

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

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

Superannuation contributions

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

Scheme	Type of Scheme	Rate	2024 000	2023 000
Vision Super	Defined Benefit	11.00% (2023:10.5%)	268	375
Vision Super	Accumulation	11.00% (2023:10.5%)	3,937	3,957
Australian Super	Accumulation	11.00% (2023:10.5%)	1,075	914
Hesta Super	Accumulation	11.00% (2023:10.5%)	658	748
Other Funds	Accumulation	11.00% (2023:10.5%)	2,818	2,354

Note 10 There have been no changes to accounting policies in the 2024 and 2023 financial year.

MONASH CITY COUNCIL
PERFORMANCE STATEMENT

For the year ended 30 June 2024

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Certification of the Performance Statement

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

SIMONE WICKES (CA)
Principal Accounting Officer
Dated:

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

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

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

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

NICKY LUO
Mayor
Dated:

BRIAN LITTLE
Deputy Mayor
Dated:

DR. ANDI DIAMOND
Chief Executive Officer
Dated:

Victorian Auditor – General’s Office Audit Report

Section 1. Description of municipality

The City of Monash is a culturally diverse community in Melbourne's south eastern suburbs, between 13 and 24 kilometres south-east of Melbourne's Central Business District.

Our City covers 81.5 square kilometres and includes the suburbs of Ashwood, Clayton, Glen Waverley, Hughesdale, Huntingdale, Mount Waverley, Mulgrave, Notting Hill, Oakleigh, Oakleigh East, and Wheelers Hill. Parts of Chadstone, Burwood and Oakleigh South are also included in Monash.

Monash is one of Melbourne's most populous municipalities, with an estimated residential population of 203,560 people living in more than 77,399 dwellings. Over the past year, the population in Monash has increased by 4.4%, likely as a result of recovery from the pandemic with a large portion of international students who resided in the municipality most returning for the commencement of 2023 tertiary year.

Monash is regarded as a cosmopolitan city with a multicultural population. Monash has 52% of residents speaking a language other than English at home and 50% of our residents were born overseas, having come from more than 100 different countries.

In keeping with the State Government's cap on rate increases, rate revenue was increased by 3.5% and there was supplementary rate growth (16.6%). By controlling costs over many years, rates have been kept low. In the 2022/23 year, the average rate per property in Monash was \$1,610, compared with the state-wide average of \$1,846 and similar council average of \$1,839. In 2023/24, the average rate per property in Monash was \$1,654.

Section 2. Service performance indicators

For the year ended 30 June 2024

Service/Indicator/measure	Results					Material Variations and Comments
	2021 Actual	2022 Actual	2023 Actual	2024 Target as per budget	2024 Actual	
Aquatic facilities						
Utilisation						
AF6 Utilisation of aquatic facilities <i>(Number of visits to aquatic facilities/Population)</i>	2.70	3.82	5.15	N/A	7.06	Total attendances up by more than 43% (continued recovery from COVID and increase in program numbers and Oakleigh Recreation Centre visitations).
Animal management						
Health and safety						
AM7 Animal management prosecutions <i>(Number of successful animal management prosecutions/Total number of animal management prosecutions) x 100</i>	100%	100%	100%	N/A	100%	Council continues to achieve a 100% success rate in prosecutions (9 prosecutions this year). The continued high success rate in prosecutions is reflective of the willingness of people to report incidents that impact wider community safety and amenity, which is complemented by the quality of investigations and enforcement skills within the relevant teams.
Food safety						
Health and safety						
FS4 Critical and major non-compliance outcome notifications <i>(Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed up/ Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises) x 100</i>	100%	100%	100%	N/A	100%	This represents the 2023 calendar year, as per the performance reporting requirements. All 287 non-conformances have been followed up and this is consistent with previous years.
Governance						

Service/Indicator/measure	Results					Material Variations and Comments
	2021 Actual	2022 Actual	2023 Actual	2024 Target as per budget	2024 Actual	
<p>Satisfaction G2 Satisfaction with community consultation and engagement (community satisfaction rating out of 100 with the consultation and engagement efforts of Council)</p>	70.0	68.0	72.0	70.0	71.0	<p>Satisfaction with Council's community consultation and engagement performance remained at "good" levels, but did see a slight decrease this year, from 72 to 71.</p> <p>While there was a slight decrease in this area, it's important to note that satisfaction with Council's overall performance increased this year by one percent, to 73.</p>
<p>Libraries Participation LB7 Library membership [percentage of the population that are registered library members] x100</p>	N/A	N/A	N/A	N/A	36.33%	<p>A new measure from the last reporting period capturing active membership. A drive to increase the overall total number of registered members, resulted in a 7.8% increase of our membership baseline number.</p>
<p>Maternal and child health Participation MC4 Participation in the MCH service (Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service) x 100</p>	76.46%	74.54%	76.41%	N/A	74.50%	<p>Nursing recruitment has impacted the Maternal and Child Health service delivery over the past 12 months. The sector-wide workforce shortage has reduced appointment capacity, impacting the number of clients able to be seen. Key Age and Stage (KAS) appointment focus has centred around improving continuity of care for families and focused on the early visits.</p> <p>Workforce planning has been implemented to support future service delivery across all Maternal and Child Health programs.</p>
<p>Participation MC5 Participation in the MCH service by Aboriginal children (Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service) x 100</p>	79.38%	75.89%	88.98%	N/A	75.47%	<p>Reduction in the number of First Nations children seen in Maternal and Child Health this year (40 attendances).</p> <p>Analysis of the data shows acceptable Maternal and Child Health early attendance results, indicating an uptake of 88% of First Nations families attending at least once. Reduced attendance for later visits is in line with reduced attendance of non-First Nations families of the same age. The small numbers of Aboriginal children means that a slight variation in visits by any family can affect the data.</p>

Service/Indicator/measure	Results					Material Variations and Comments
	2021 Actual	2022 Actual	2023 Actual	2024 Target as per budget	2024 Actual	
						The Maternal and Child Health service continue to undertake cultural competency training and implementation of this training into daily practice.
Roads						
Condition R2 Sealed local roads below the intervention level (percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)	98.5%	98.5%	98.1%	98.0%	99.3%	Programming of road resurfacing has increasingly been better planned. Council's continuous commitment to invest in the renewal of its road network has kept the number of roads classified as "very poor condition" to a low number.
Statutory Planning						
Service Standard SP2 Planning applications decided within the relevant required time (percentage of planning application decisions made within the relevant required time)	83.75%	76.19%	86.8%	80.0%	86.10%	Council's percentage for on-time decisions has remained consistent from the prior year and remains high compared to previous years. The result highlights the continued focus on timely decision making and quality of decisions. Council continues to review processes in view of continuous improvement and efficient decision making.
Waste Collection						
Waste diversion WC5 Kerbside collection waste diverted from landfill (Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins) x 100	56.41%	55.88%	68.32%	70.0%	71.37%	The positive full year result reflects that Council is performing above target. This is due to the increased take up of Food Organics Garden Organics (FOGO) services by the community and reduction in waste to landfill through the frequency swap.

Section 3. Financial performance indicators

For the year ended 30 June 2024

Dimension/indicator /measure	Results					Forecast				Material Variations and Comments
	2021 Actual	2022 Actual	2023 Actual	2024 Target as per budget	2024 Actual	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	
Efficiency Expenditure level E2 Total expenses per property assessment. <i>(Total expenses / Number of property assessments)</i>	\$2,177	\$2,352	\$2,520	\$2,580	\$2,625	\$2,623	\$2,667	\$2,695	\$2,724	Total expenses increased by 4.9% compared to 2022/23. During the year budget approved positions increased employee costs and other temporary resourcing needs were required, in addition to the statutory Superannuation Guarantee Levy that increased from the mandatory 10.5% to 11.0%. A major component of the expenditure increase in materials and services related to the storm event which occurred in February 2024. Extensive damage throughout the municipality especially with trees and reserves resulted in higher costs compared to 2022/23. Insurance costs also increased as well as software support services costs over 2022/23 levels. Future increases in expenditure is expected in line with projected increases in CPI levels.
Revenue level E4 Average rate per property assessment <i>(General rates and Municipal charges / Number of property assessments)</i>	\$1,373	\$1,559	\$1,610	N/A	\$1,654	\$1,711	\$1,744	\$1,778	\$1,812	The rate cap of 3.5% declared by the Minister for Local Government was applied to the 2023/24 rate charges. This resulted in an increased ratio of 2.7% including an increase in property assessments by 1.0%. Future trends are indicating similar level increases with a

Dimension/indicator /measure	Results					Forecast				Material Variations and Comments
	2021 Actual	2022 Actual	2023 Actual	2024 Target as per budget	2024 Actual	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	
										projected growth in rates and fluctuations in CPI levels.
Liquidity										
Working capital										
L1 Current assets compared to current liabilities <i>(Current assets / Current liabilities) x 100</i>	177.25%	179.68%	137.56%	191.3%	106.21%	221.92%	238.48%	245.19%	255.80%	The liquidity ratio decreased by 22.8% in 2023/24. Current assets decreased by \$28.8M. This is mainly due to reductions in cash levels which was invested into the capital works program in 2023/24. This was Council's largest ever capital works program in history. Current liabilities decreased by \$4.2M. Cash levels and potential property sales will impact working capital in the initial future years which is expected to smooth to more consistent levels in outer years with a positive trend.
Unrestricted cash										
L2 Unrestricted cash compared to current liabilities <i>(Unrestricted cash / Current liabilities) x 100</i>	10.10%	25.08%	48.29%	N/A	-15.24%	-0.87%	172.80%	181.21%	193.49%	This ratio decreased by 131.5% compared to 2022/23. The variation in this ratio reflects the level of cash held in short term deposits (with maturity dates of 90 Days or less) which is lower by \$54.0M compared to the 2022/23 level. This is mainly due to delivering higher capital works program of \$109.0M in 2023/24 than in 2022/23.
Obligations										

Dimension/indicator /measure	Results					Forecast				Material Variations and Comments
	2021	2022	2023	2024	2024	2025	2026	2027	2028	
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Loans and borrowings O2 Loans and borrowings compared to rates <i>(Interest and principal repayments on interest bearing loans and borrowings / Rate revenue) x 100</i>	0.00%	0.00%	0.00%	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	Council achieved a debt free status as at 30 June 2015. Council does not have any loan borrowings as at 30 June 2024. Future year budgets may require borrowings for various capital works projects but this will be considered and decided upon by Council at the appropriate time.
Loans and borrowings O3 Loans and borrowings repayments compared to rates <i>(Interest and principal repayments on interest bearing loans and borrowings / Rate revenue) x 100</i>	0.00%	0.00%	0.00%	N/A	0.00%	25.11%	19.25%	0.00%	0.00%	Council achieved a debt free status as at 30 June 2015. Council does not have any loan borrowings as at 30 June 2024. Future year budgets may require borrowings for various capital works projects but this will be considered and decided upon by Council at the appropriate time.
Indebtedness O4 Non-current liabilities compared to own source revenue <i>(Non-current liabilities / Own source revenue) x 100</i>	7.4%	5.6%	5.7%	5.6%	5.03%	4.49%	3.74%	3.16%	2.80%	The 2023/24 ratio compared to the prior year is lower by 11.9%, whilst non-current liabilities have decreased by \$0.5M, own source revenue in 2023/24 increased by 7.2%. Statutory Fees and Fines increased compared to 2022/23, particularly with parking infringements which is due to increased patrol services and higher activity in precinct centres. Total user fees

Dimension/indicator /measure	Results					Forecast				Material Variations and Comments
	2021 Actual	2022 Actual	2023 Actual	2024 Target as per budget	2024 Actual	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	
										increased by \$4.1M as leisure, aquatic and other Council facilities returned to full capacity. The trend is indicating a drop due to a forecast reduction in non-current obligations.
Asset renewal and upgrade O5 Asset renewal and upgrade compared to depreciation <i>(Asset renewal and upgrade expenses/Asset depreciation) x 100</i>	138.6%	148.4%	201.1%	273.8%	207.32%	219.02%	129.35%	129.95%	128.70%	This ratio has increased by 3.1% on the prior year due to higher renewal and upgrade expenditure undertaken compared to asset depreciation. Council is still meeting its renewal targets and the 207.3% ratio confirms existing high level asset renewal and upgrade expenditure. This is forecast into the next financial year with the continuation of large multi-year projects however future capital works investment drops back to the base renewal program with no provision for major projects.
Operating position Adjusted underlying result OP1 Adjusted underlying surplus (or deficit) <i>(Adjusted underlying surplus {deficit} / Adjusted underlying revenue) x 100</i>	-0.73%	1.11%	-0.49%	N/A	-3.50%	1.32%	1.89%	3.69%	4.53%	The 2023/24 adjusted underlying surplus ratio decreased from -0.5% to -3.5%. Despite recording higher revenue compared with 2022/23, expenditure increased by 4.9% due to higher employee costs, materials and services cost and depreciation have also contributed to a reduction in the adjusted underlying surplus in 2023/24.
Stability Rates concentration										

Dimension/indicator /measure	Results					Forecast				Material Variations and Comments
	2021	2022	2023	2024	2024	2025	2026	2027	2028	
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
S1 Rates compared to adjusted underlying revenue <i>(Rate revenue / Adjusted underlying revenue) x 100</i>	65.2%	67.8%	66.06%	66.4%	67.51%	66.57%	66.19%	65.55%	65.49%	This ratio has increased by 2.2% on the 2022/23 level. Whilst rates are expected to increase according to the rate cap, income from parking fines increased due to revised contractual targets and increased enforcement. User fees increased as leisure, aquatic and other Council facilities returned to full capacity which has contributed to the increased result. The future trend shows consistent results and in line with State Government projected increases in rates and charges.
Rates effort S2 Rates compared to property values <i>(Rate revenue / Capital improved value of rateable properties in the municipality) x 100</i>	0.14%	0.16%	0.14%	N/A	0.15%	0.14%	0.15%	0.15%	0.15%	The variance reflects Council’s capped rate increase of 3.5% compared to the value of all properties in Monash that decreased by an average 2.8% with the 2024 revaluation.

Section 4. Sustainable capacity indicators

For the year ended 30 June 2024

Indicator/measure	Results				Material Variations and Comments
	2021	2022	2023	2024	
	Actual	Actual	Actual	Actual	
Population					
C1 Expenses per head of population (Total expenses / Municipal population)	\$892.45	\$1,002.92	\$1,092.72	\$1,099.46	The ratio has increased by 0.6% from 2022/23 levels. Total expenses increased by 4.9% compared to 2022/23. During the year budget approved positions increased employee costs and other temporary resourcing needs were required, in addition to the statutory Superannuation Guarantee Levy that increased from the mandatory 10.5% to 11.0%. A major component of the expenditure increase in materials and services related to the storm event which occurred in February 2024. Extensive damage throughout the municipality especially with trees and reserves resulted in higher costs compared to 2022/23. Population increased by 4.5% however with a result of \$1,099 indicates Council is on the lower end of the expenses per head of municipal population indicating improved capacity to provide services. Future increases in expenditure is expected in line with projected fluctuations in CPI levels.
C2 Infrastructure per head of Population (Value of infrastructure / Municipal Population)	\$4,788.89	\$5,114.18	\$5,695.93	\$5,909.25	The increase of 3.8% primarily relates to a higher capital works program and increase in municipal population over the 12-month period by 4.5% impacting the final result.
C3 Population density per length of road (Municipal population / Kilometres of local roads)	266.84	257.79	253.52	\$265.05	With the growth in population from the previous year, this indicator has in turn increased.
Own-source revenue					
C4 Own-source revenue per head of population (Own-source revenue / Municipal population)	\$689.50	\$838.19	\$921.50	\$949.49	Own source revenue in 2023/24 increased by 7.2%. Statutory Fees and Fines increased compared to 2022/23. Income from parking infringements and court fines income, as a result of resuming enforcement after previous years impacted by COVID-19 restrictions. User fees increased due to Council services and leisure and aquatic facilities returning to full capacity. Income increased in leisure and aquatic facilities by \$2.3M, waste charges by \$0.5M, other fees and charges by \$1.4M compared to 2022/23. Municipal population increased by 4.5% which has also contributed to the \$949 result.
Recurrent grants					

Indicator/measure	Results				Material Variations and Comments
	2021	2022	2023	2024	
	Actual	Actual	Actual	Actual	
C5 Recurrent grants per head of population (<i>Recurrent grants / Municipal population</i>)	\$103.22	\$114.13	\$117.69	\$80.99	This ratio decreased by 31.2% over 2022/23 levels with an overall decrease in recurrent grant income of \$6.4M. This is mainly due to not receiving the 2024/25 Financial Assistance Grants in June 2024 as expected. Municipal population increased by 4.5%.
Disadvantage					
C6 Relative socio-economic disadvantage (Index of Relative Socio-economic Disadvantage by decile)	9	9	9	9	A score of nine suggests the City of Monash has low levels of disadvantage.
Workforce turnover					
C7 Resignations and terminations compared to average staff (Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year) x 100	11.93%	17.16%	15.67%	17.09%	Council experienced 135 terminations of permanent employees within 2023/24 financial year. This was a reduction of four terminations against the previous financial year. Of the 135 terminations, 100 were voluntary including 5 retirements. Of the 35 non voluntary terminations this is mainly made up of fixed term contracts ending as per agreement, as well as 10 redundancies (largely due to exiting regional aged care assessments as part of the Federal Government's Aged Care Reform) and 6 dismissals. Council's turnover is on par with the industry with ranges from 14% to 20% turnover.

Section 5. 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*).

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

The forecast figures included in the performance statement are those adopted by Council in its 2024/25 Adopted Budget on 28 May 2024 and which forms part of the Council Plan. The Adopted Budget 2024/25 includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Adopted Budget 2024/25 can be accessed online through the *Monash City Council* website.

2. Definitions

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

Key term	Definition
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

3. Other matters

Overview of 2023/24

Council operations have been budgeted at full operating capacity for the past financial year given this is now considered a post-covid period in Victoria.

Economic pressures continued during 2023/24 which again added pressure to Council's budget. Inflationary pressures caused cost escalations for both operational and capital commitments along with supply chain shortages and delays. However, Council has financially managed to deliver high quality services through innovative means to support the community.

Government grants at both State and Federal levels continued to support Council operations to fund some major capital projects and programs. Council achieved its highest ever capital works expenditure program in 2023/24 which was still impacted by increased tender prices awarded on a number of construction projects and combined with resourcing constraints. Council's user-pay services have returned to normal levels, indicating some confidence within the community to return to Council facilities.

Governance and management checklist

The Governance and Management Checklist shows the frameworks Council has for policies, community engagement, planning, monitoring, reporting and decision making.

This checklist is produced in accordance with the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2014. Some items in the checklist concern compliance with legislation, while others relate to matters regarded as good practice. Council has complied with all legislative requirements in the checklist. The results of our assessment against the checklist are set out below.

Governance and Management Items		Assessment
GC1	Community engagement policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	COMPLIES Date of adoption: 25 August 2020. The requirement date of adoption under the Act: 1 March 2021.
GC2	Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	COMPLIES Date of commencement: 1 March 2022
GC3	Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	COMPLIES Date of adoption: 26 October 2021. Requirement date of adoption under the Act: 31 October 2021 (every 4 years).
GC4	Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	COMPLIES Date of adoption: 26 October 2021 (to be updated 2024). Requirement date of adoption under the Act: 30 June 2022.
GC5	Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	COMPLIES Date of adoption: 29 June 2021. Requirement date of adoption under the Act: 30 June 2021 (every 4 years).
GC6	Annual budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	COMPLIES Date of adoption: 30 May 2024. Requirement date of adoption under the Act: 30 June 2024.

Governance and Management Items		Assessment
GC7	Risk policy (policy outlining Council's commitment and approach to minimising the risks to council's operations)	COMPLIES Date of commencement of current policy: 13 June 2024.
GC8	Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	COMPLIES Date of operation of current policy: 24 November 2023.
GC9	Municipal emergency management plan (plan under section 60ADB of the Emergency Management Act 2013 for emergency mitigation, response and recovery)	COMPLIES Date of commencement of current plan: 25 November 2022.
GC10	Procurement policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council)	COMPLIES Date of adoption: 31 October 2023.
GC11	Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	COMPLIES Date of commencement of current plan: 12 June 2024.
GC12	Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	COMPLIES Date of commencement of current plan: 9 November 2023.
GC13	Complaint policy (policy under section 107 of the Act outlining Council's commitment and approach to managing complaints)	COMPLIES Date of commencement of the policy: 13 December 2022.
GC14	Workforce Plan (plan outlining Council's commitment and approach to planning the current and future workforce requirements of the organisation)	COMPLIES Date of commencement of the policy: January 2022.
GC15	Payment of rates and charges hardship policy (plan outlining Council's commitment and approach to planning the current and future workforce requirements of the organisation)	COMPLIES Date of commencement of the policy: 26 July 2022.

Governance and Management Items	Assessment
GC16 Risk management framework (framework outlining Council's approach to managing risks to the council's operations)	COMPLIES Date of commencement of current framework: 23 July 2024
GC17 Audit and Risk Committee (advisory committee of Council under sections 53 and 54 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	COMPLIES Date of establishment: 8 November 1995.
GC18 Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	COMPLIES Date of engagement of current provider: 1 July 2024.
GC19 Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Local Government Act 2020)	COMPLIES Date of operation of current framework: 31 October 2019.
GC20 Council Plan report (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first 6 months of the financial year)	COMPLIES Date of reports for this reporting period: 25 October 2023, 14 February 2024, 24 April 2024 and 31 July 2024.
GC21 Quarterly budget reports (quarterly statements to the Council under section 97(1) of the Local Government Act 2020, comparing actual and budgeted results and an explanation of any material variations)	COMPLIES Date of statements presented for this reporting period: 28 November 2023, 27 February 2024, 30 April 2024 and 26 September 2023 (annual financials 2022/23).
GC22 Risk reporting (6-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	COMPLIES Date of reports for this reporting period 14 September 2023, 24 November 2023, 14 March 2024, 13 June 2024 and 12 September 2024.

Governance and Management Items	Assessment
GC23 Performance reports (6-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act)	COMPLIES Date of reports for this reporting period: 14 February 2024 and 31 October 2023 (annual report).
GC24 Annual report (annual report under sections 98, 99 and 100 of the Local Government Act 2020 containing a report of operations and audited financial and performance statements)	COMPLIES Date of Council endorsement: 31 October 2023.
GC25 Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	COMPLIES Date of last review and adopted: 23 February 2021.
GC26 Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	COMPLIES Date of review under section 11(7): 31 October 2023.
GC27 Meeting procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	COMPLIES Date current governance rules adopted: 26 April 2023.

I certify that this information presents fairly the status of Council's governance and management arrangements.

Andi Diamond
 Chief Executive Officer
 Dated:

Cr Nicky Luo
 Mayor
 Dated: