



Mansfield Shire

Additional Council Meeting

Wednesday 25 September 2024

Notice and Agenda of meeting livestreamed via the
[Mansfield Shire Council website](#)
Commencing at 9am

Our aspiration for our Shire and its community

**We live, work and play in an inclusive, dynamic and prosperous place where
community spirit is strong and people are empowered to engage in issues that
affect their lives.**

Councillors

Cr Steve Rabie (Mayor)
Cr Mark Holcombe (Deputy Mayor)
Cr James Tehan
Cr Paul Sladdin
Cr Rohan Webb

Officers

Kirsten Alexander, Chief Executive Officer
Melissa Crane, General Manager Investment & Planning
Nola Bales, Executive Manager Community Health & Wellbeing
Janique Snyder, Executive Manager People, Communications & Governance
Ari Croxford-Demasi, Executive Manager Capital Works & Operations

Order of Business

1. Opening of the meeting

The Mayor, who chairs the meeting, will formally open the meeting and welcome all present.

2. Present

Where a meeting is held virtually, Councillors will confirm that they can see and hear each other.

3. Apologies

Where a Councillor is not present, his/her absence is noted in the Minutes of the meeting.

4. Statement of commitment

The Council affirms its commitment to ensuring its behaviour meets the standards set by the Mansfield Shire Councillor Code of Conduct and Councillor Charter.

5. Acknowledgement of Country

The Council affirms its recognition of the Taungurung people as the traditional custodians of this area, and pays respect to their Elders past and present.

6. Disclosure of conflicts of interest

In accordance with the *Local Government Act 2020*, a Councillor must declare any Conflicts of Interest pursuant to sections 126 and 127 Act in any items on this Agenda.

Council officers or contractors who have provided advice in relation to any items listed on this Agenda must declare a Conflict of Interest regarding the specific item.

7. Confirmation of minutes

The minutes of the previous meeting are placed before Council to confirm the accuracy and completeness of the record.

8. Representations

Council receives or presents acknowledgements to the general public. Deputations may also be heard by members of the general public who have made submission on any matter or requested to address the Council. Council may also receive petitions from residents and ratepayers on various issues. Any petitions received since the previous Council meeting are tabled at the meeting and the matter referred to the appropriate Council officer for consideration.

9. Notices of Motion

A Motion is a request (Notice of Motion) that may be made by a Councillor for an issue not listed on the Agenda to be discussed at a Council meeting and for a decision to be made.

10. Mayor's report

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The Mayor provides a report on his activities.

11. Reports from council appointed representatives

Councillors appointed by Council to external committees will provide an update where relevant.

12. Public question time

Councillors will respond to questions from the community that have been received in writing, by midday on the Monday prior to the Council meeting. A form is provided on Council's website.

13. Officer reports

13.1 The Chief Executive Officer will provide a status update to the Council for each Department.

13.2-13.4 Officer reports are presented to the Council, where required.

Detailed reports prepared by officers from the Infrastructure and Planning Directorate are considered by the Council. This includes reports from the following Departments:

- ▶ Planning and Environment
- ▶ Operations and Capital Works
- ▶ Community Safety
- ▶ Field Services

A Council position is adopted on the matters considered.

Detailed reports prepared by officers from the Community and Corporate Services Directorate will also be considered by the Council:

- ▶ Business and Performance
- ▶ Community Health and Wellbeing
- ▶ Community and Economic Development
- ▶ Governance and Risk

A Council position is adopted on the matters considered.

14. Assembly of Councillors

An assembly of Councillors is referred to in Council's Governance Rules as a "meeting conducted under the auspices of Council", meaning a meeting of the kind described in section 131(1) of the Act, and includes a meeting referred to in Rule 1 of Chapter 6 (whether such a meeting is known as a 'Councillor Briefing' or by some other name);

15. Council resolutions report

Council reviews the outstanding actions arising from resolutions from previous Council meetings.

16. Advisory and Special Committee reports

Council considers reports from Advisory Committees that Councillors represent Council on.

17. Authorisation of sealing of documents

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Any documents that are required to be endorsed by the Chief Executive Officer under delegated authority and sealed by the Council are presented to the Council.

18. Closure of meeting to members of the public

Whilst all Council meetings are open to members of the public, Council has the power under the Local Government Act 2020 to close its meeting to the general public in certain circumstances which are noted where appropriate on the Council Agenda. Where this occurs, members of the public are excluded from the meeting while the matter is being discussed.

19. Presentation of confidential reports

20. Reopen meeting to members of the public

The Mayor will reopen the meeting to members of the public.

21. Close of meeting

The Mayor will formally close the meeting and thank all present for attending.

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Agenda

1. Opening of the meeting

2. Present

The Chair will call on each Councillor and ask them to confirm verbally that they can see all Councillors and hear the proceedings:

- Councillor Holcombe
- Councillor Sladdin
- Councillor Tehan
- Councillor Webb

Councillors will respond to their name with: *“I can hear the proceedings and see all Councillors and Council officers”*.

The Chair will ask each Councillor to confirm by raising their hand that they could all hear each statement of the councillors.

Councillors will raise their hand to acknowledge they can hear each other.

3. Apologies

The Chair will call on the CEO for any apologies.

4. Statement of commitment

The Chair will read the statement and call on each Councillor to confirm their commitment:

“As Councillors of Mansfield Shire we are committed to ensuring our behaviour meets the standards set by the Mansfield Shire Councillor Code of Conduct and Councillor Charter. We will, at all times, faithfully represent and uphold the trust placed in us by the community.”

5. Acknowledgement of Country

The Deputy Mayor will recite Council’s Acknowledgement of Country:

“Our meeting is being held on the traditional lands of the Taungurung people. We wish to acknowledge them as the traditional custodians and pay our respects to their Elders past and present. We extend that respect to all members of our community.”

6. Disclosure of conflicts of interest

The Chair will call on each Councillor in turn and ask them to declare whether they have any conflicts of interest in relation to any agenda items:

- Councillor Holcombe
- Councillor Rabie
- Councillor Sladdin
- Councillor Webb

7. Representations

8. Officer reports

8.1. Executive Services Directorate

8.1.1. Governance and Management Checklist 2023-24

File Number	E7383	Responsible Officer	Governance and Risk Officer, Chelsea Young
Purpose			

Council is required to authorise the Mayor and CEO to certify the Governance and Management Checklist.

Executive Summary

The Governance and Management Checklist is part of the Local Government Performance Reporting Framework and requires Council to report on compliance with corporate governance and management practices.

The checklist is published in Council's Annual Report and on the *Know Your Council* website managed by Local Government Victoria.

Key Issues

Section 98 of the *Local Government Act 2020*, stipulates the contents of a Council's Annual Report including:

- 98 (2)(a) – a report of operations; and
- 98 (3)(d) – the report of operations must include any other information prescribed by the regulations.

Regulation 9 (2)(c) and Schedule 1 of the *Local Government (Planning and Reporting) Regulations 2020* prescribe the format and content of the governance and management checklist. This includes certification by the CEO and the Mayor that the information presents fairly the status of Council's governance and management arrangements.

Refer to attached report for further detail.

Recommendation

THAT COUNCIL:

1. Receive and note the Governance and Management Checklist 2023-24, and
2. Authorise Mayor Cr Steve Rabie and CEO, Kirsten Alexander, to certify the Governance and Management Checklist 2023-24 for the purposes of inclusion in the 2023-24 Annual Report.

Support Attachments

1. Governance and Management Checklist 2023-24 [8.1.1.1 - 4 pages]

Considerations and Implications of Recommendation

Sustainability Implications

Not Applicable

Community Engagement

The Governance and Management Checklist forms part of Council's Annual Report which will be available to the community on Council's website. Notice of the meeting at which the Annual Report is discussed is also advertised locally.

Collaboration

Not Applicable

Financial Impact

Not Applicable

Legal and Risk Implications

Compliance with the Act and Regulations will have nil risk for Council.

Regional, State and National Plans and Policies

The checklist is part of the Local Government Performance Reporting Framework. The framework is a mandatory system of performance reporting for all Victorian councils. It ensures that councils are measuring and reporting on their performance in a consistent way to promote transparency and accountability in the local government sector.

LOCAL GOVERNMENT ACT 2020 - SECT 98

Annual report

- (1) A Council must prepare an annual report in respect of each financial year.
- (2) An annual report must contain the following—
 - (a) a report of operations of the Council;
- (3) The report of operations of the Council must contain the following—
 - (d) any other information prescribed by the regulations.

LOCAL GOVERNMENT (PLANNING AND REPORTING) REGULATIONS 2020 - REG 9

Service performance indicators

- (2) For the purposes of section 98(3)(d) of the Act, the prescribed information is the following—
 - (c) an assessment of Council's governance and management in the form set out in Schedule 1.

Innovation and Continuous Improvement

The Governance and Management Checklist is a tool that can be used to measure the continuous improvement in governance and management of the organisation and is accessible to the community through its inclusion in the Annual Report.

Alignment to Council Plan

Theme 3: A Trusted, Effective and Efficient Council Strategic Objective 8 A consultative Council that represents and empowers its community

Strategy 8.1 Increase community trust in Council to make informed decisions with “no surprises”

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Governance - Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report do not have a conflict of interest to declare in this matter, in accordance with the Local Government Act 2020.

8.1.2. Performance Statements 2023-24

File Number	E11037	Responsible Officer	Coordinator Financial Planning & Analysis, James Alcaniz
Purpose			

This report presents the Performance Statements 2023-24 to Council for certification.

Executive Summary

The Performance Statement is a required document under the *Local Government Act 2020* as part of the Local Government Performance Reporting Framework (LGPRF). The statement is published in Council's Annual Report and contains some statistics publicly available through the Know Your Council website managed by Local Government Victoria (LGV).

The draft Performance Statement 2023-24 has been prepared by Council officers in line with the requirements of Sections 98 and 99 of the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

The draft Performance Statement 2023-24 has been reviewed in the first instance by Local Government Victoria and will also be reviewed by the Victorian Auditor General's Office (VAGO).

The Performance Statement 2023-24 was considered by the Audit and Risk Committee on 16 September 2024.

Section 99 of the *Local Government Act 2020* requires Council to pass a resolution at a Council Meeting giving its approval in principle to the draft Performance Statement 2023-24 prior to submitting the statements to the auditor so that they may prepare their reports. The Performance Statement must be certified by Council after any amendments or changes requested by VAGO have been made, prior to adoption by Council.

The final, signed Performance Statement will become part of the Annual Report which will be presented to Council by the Mayor at a Council meeting open to the public no later than 25 October 2024 as required under Section 100 of the *Local Government Act 2020*.

Council must submit the LGPRF data to LGV by Friday 11 October 2024.

Key Issues

Items to note, being items where the change is more significant (i.e., greater than 10%).

- ▶ **AF6 Utilisation of Aquatic Facilities – Increase 33%** - Visitation numbers have increased by 3,390. This is explained with a significant population increase, with higher utilisation due to more open sessions, event days and stability of staffing compared to previous years.
- ▶ **AF7 Cost of aquatic facilities – Decrease 18%** - There was an increase in the operational outgoings of running the centre, however, this was offset by increased visitation which resulted in an overall reduction.

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- ▶ **AM2 – Animals reclaimed – Decrease 11%** - While reclaiming by the owner decreased, rehoming (placement in another home) has increased. Some of this data will include animals surrendered by the owner.
- ▶ **AM5 - Animals rehomed – Increase 347%** - The calculation has changed since last year resulting in a non-comparative percentage, however, of the 28 unclaimed animals, 22 were successfully rehomed. This would otherwise have been 21% of collected animals were rehomed, had the same calculation been applied last year, which is an improvement.
- ▶ **FS1 – Time taken to action food complaints – Decrease – 49%** – The time taken to action food complaints has decreased from 2.38 days to 1.22 days. Last year, some businesses had fewer days of operating, which limited Council's ability to visit and engage.
- ▶ **G1 – Council decisions made at meetings closed to the public – Increase 124%** - An increased capital works program resulted in more contracts being awarded above the CEO's (Chief Executive Officer) financial delegation. Reports are presented confidentially due to commercial-in-confidence requirements.
- ▶ **LB2 – Recently purchased library collection – Increase 15%** - In 2022-23 the whole digital collection was included for Library collection items managed by the Hub on behalf of several Councils. In 2023-24 the digital collection was divided into allocations per Council as per the Shared Service Agreement (Mansfield's allocation is 15%).
- ▶ **LB5 - Cost of library service per population – Increase 16%** - Following completion of the library refurbishment in the prior financial year, the library opening hours and programs were increased by Council and additional staff FTE included in the 2023-24 Budget in response to community demand.
- ▶ **R1 – Sealed Local Road Requests – Decrease 12%** - There has been a decrease in sealed local road requests, reflecting an improvement in the condition of our existing sealed roads. This improvement is a result of Council's focused efforts on resealing these roads over the past year.
- ▶ **R2 – Sealed local roads maintained to condition standards – Increase 20%** - This has increased significantly as a backlog of road resealing was addressed through the annual resealing program. As defined in the Asset Plan 2023-2033, the renewal intervention level is when roads reach condition 4 (Poor).
- ▶ **R4 - Cost of Sealed Local Roads resealing - Increase 13%** - The cost has increased due to a significant rise in the cost of materials.
- ▶ **SP1 – Statutory Planning time taken to decide planning applications – Decrease 14%** - The statutory planning team have been working closely to ensure timeframes for determining applications are improved. This has resulted in better customer experiences and timeframes.
- ▶ **SP2 Planning applications decided within required timeframes – Increase 22%** - As above, reflecting better customer experience and timeframes.
- ▶ **SP3 - Cost of statutory planning service – Increase 73%** - The previous year had staff shortages resulting in lower costs, but longer times to issue permits. Staff shortages have now been addressed and have resulted in improved time taken to issue permits. Cost of service was previously reported with income taken off the overall cost. Using the same parameters as last year, the cost for service would be \$1,517.86 when compared to the last report.

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- ▶ **WC4 - Cost of kerbside recyclables collection service – Increase 11%** - Costs for recycling disposal generally go up approximately 8% per annum. The higher increase this financial year is partly due to contamination issues, which are being addressed with education campaigns, and partly due to population growth.
- ▶ **E2 – Expenses per property assessment – Increase 14%** - Total expenses of Council have trended higher due to the Digital Transformation project and the IMPACT Route Capital Works project. Both of these projects are grant funded. The Digital Transformation Project is a collaboration of four councils and costs for all four councils are included in this figure, however Mansfield Shire Council is only responsible for a portion of these costs.
- ▶ **L1 – Current assets compared to current liabilities – Decrease 41%** - Council has a number of committed costs relating to large scale projects, such as Digital Transformation and IMPACT Route. This inflates the current liabilities position. This is expected to normalise in future years.
- ▶ **L2 – Unrestricted cash compared to current liabilities – Decrease 131%** - Council has a number of committed costs relating to large scale projects within Digital Transformation and IMPACT Route which inflate the current liabilities position in terms of unearned grant revenue. This is expected to normalise over the coming 12 months.
- ▶ **O2 – Loans and borrowings compared to rates – Decrease 16%** - Council continues to maintain an acceptable level of borrowings well within capacity to repay from usual revenue sources inclusive of rates and charges.
- ▶ **O3 – Loans and borrowings repayments compared to rates – Increase 213%** - Council continues to repay its borrowings at principal and interest repayments which are managed within resources.
- ▶ **O4 – Non-recurrent liabilities compared to own source revenue – Decrease 16%** - Council's longer-term liabilities inclusive of bank borrowings are well within Council's capacity to repay from usual sources of revenue. Council continues to repay principal reductions at a rate of \$500k per annum.
- ▶ **O5 – Asset renewal and upgrade compared to depreciation – Increase 25%** - Asset and upgrade statistics have been bolstered by a record Capital Works program completed by Council during 2023-24.
- ▶ **OP1 – Adjusted underlying surplus (or deficit) – Decrease 424%** - Variance in adjusted underlying surplus/deficit is due to Council having not received the annual Financial Assistance Grant during the year which was budgeted at \$3.477 million in June 2024. This has since been received during July 2024, post this financial reporting period.
- ▶ **S2 – Rates compared to property values – Decrease 11%** - This is due to steady rates and charges revenue compared to overall property values which have increased by \$280 million year on year.
- ▶ **C1 – Expenses per head of municipal population – Increase 15%** - The increase per head in expenses is due to one-off expenses that are grant funded. This includes the Digital Transformation Project and the Goughs Bay Boat Club redevelopment. The Digital Transformation Project is a collaboration of four councils and costs for all four councils are included in this figure, however Mansfield Shire Council is only responsible for a portion of these costs. Based on a year on year comparison without these costs, the expenses per head of municipal population would be closer to \$2,673.43.

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- ▶ **C2 – Infrastructure per head of municipal population – Decrease 5%** - Nominal decrease is due to depreciation expenses increasing and population rising.
- ▶ **C5 – Recurrent grants per head of municipal population – Decrease 50%** - Variance is due to Council having not received the annual Financial Assistance Grant during the year which was budgeted at \$3.477 million in June 2024. This has been received during July 2024, post this financial reporting period.

Recommendation
<p>THAT COUNCIL:</p> <ul style="list-style-type: none"> ▶ Approves in principle the Performance Statements of Mansfield Shire Council for the year ended 30 June 2024; and ▶ Authorises Mayor Cr Rabie and Deputy Mayor Cr Holcombe to certify the Performance Statements of Mansfield Shire Council for the year ended 30 June 2024, subject to any amendments or changes made as required by the Victorian Auditor General’s Office (VAGO).
Support Attachments
<p>1. Performance Statements Report - 2023-2024 [8.1.2.1 - 3 pages]</p>

Considerations and Implications of Recommendation

Sustainability Implications

Not Applicable

Community Engagement

The Performance Statement forms part of Council’s Annual Report which will be available to the community on Council’s website. Notice of the meeting at which the Annual Report is discussed is also advertised locally.

Collaboration

Not Applicable

Financial Impact

All activities reported on were accounted for in the Mansfield Shire Council Budget 2023-24.

Legal and Risk Implications

Not Applicable.

Regional, State and National Plans and Policies

It is a requirement under Sections 98 and 99 of the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020, that Council prepare an annual report in respect of year financial year that contains an audited performance statement.

Innovation and Continuous Improvement

Not Applicable

Alignment to Council Plan

Theme 3: A Trusted, Effective and Efficient Council

Strategic Objective 7 Financial sustainability and value for money

Strategy 7.1 Increase Council's financial resilience by utilising opportunities to derive own-source of funding income and optimising costs of delivering services

Theme 3: A Trusted, Effective and Efficient Council Strategic Objective 8 A consultative Council that represents and empowers its community

Strategy 8.1 Increase community trust in Council to make informed decisions with "no surprises"

Governance - Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report do not have a conflict of interest to declare in this matter, in accordance with the Local Government Act 2020.

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8.1.3. Annual Financial Statements 2023-24

File Number	E11037	Responsible Officer	Financial Controller, Michael McCormack
Purpose			

This report presents the Financial Statements for the year ended 30 June 2024 to Council for certification.

Executive Summary

The draft Financial Statements 2023-24 have been prepared by Council officers in line with the requirements of Sections 98 and 99 of the Local Government Act 2020, the Local Government (Planning and Reporting) Regulations 2020, with Australian Accounting Standards and the Local Government Victoria model.

The Financial Statements will be reviewed by our external auditor, the Victorian Auditor General’s Office (VAGO). VAGO’s closing report will be made available to Council once received (anticipated to be after the closing meeting scheduled for 30 September).

Section 99 of the Local Government Act 2020 requires Council to pass a resolution at a Council Meeting giving its approval in principle to the draft Financial Statements prior to submitting the statements to the auditor so that they may prepare their reports.

The Financial Statements 2023-24 must be certified by Council after any amendments or changes requested by VAGO have been made, prior to adoption by Council.

Section 100 of the Local Government Act 2020 requires the Mayor to report on the implementation of the Council Plan by presenting the Annual Report at a Council meeting open to the public, in the year of a general election, on a day not later than the day before election day (26 October 2024). The final, signed Financial Statements will become part of the Annual Report.

Key Issues

The final, signed Financial Statements 2023-24 will become part of the Annual Report 2023-24, which will be a publicly available document.

The Financial Statements for 2023-24 show the following key statistics:

- ▶ Surplus for the year of \$3.913 million.
- ▶ Net asset revaluation increment of \$4.768 million.
- ▶ Net assets/Total equity of \$269.393 million which is an improvement of \$8.681 million in comparison with last financial year.
- ▶ Cash and other current assets totalling \$17.223 million including term deposits.

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Comprehensive Income Statement

Comprehensive Income Statement	Budget	2024 Original \$'000	Actuals	2024 Total \$'000	Actuals	2023 Total \$'000
Income						
Rates & Charges		17,801		17,840		16,744
Statutory Fees & Charges		465		398		568
User Fees		869		846		1,000
Grants - Operating		5,324		5,716		7,443
Grants - Capital		7,918		4,806		787
Contributions - monetary		270		535		200
Contributions - non-monetary		0		3,621		2,785
Net gain on disposal of property, infrastructure, plant and equipment		1,000		0		0
Other income		423		1,416		1,059
Total income/revenue		34,070		35,178		30,586
Expenses						
Employee Costs		11,005		12,073		11,001
Materials & Services		8,878		12,486		9,980
Depreciation		4,431		4,750		4,082
Depreciation - Right of use assets		107		67		66
Allowance for impairment losses		0		(6)		6
Borrowing Costs		187		209		208
Net loss on disposal of property, infrastructure, plant and equipment		0		1286		972
Other expenses		345		400		356
Total expenses		24,953		31,265		26,671
Surplus/(deficit) for the year		9,117		3,913		3,915
Other comprehensive income						
Net asset revaluation increment/(decrement)		0		4,768		15,615
Total comprehensive result		9,117		8,681		19,530

In preparation for the external audit process, Council officers have completed an internal audit of all grant revenue received from 2020-21 to 2023-24 to ensure compliance with current accounting standards relating to the treatment of unearned grant revenue. In this process, finance clearing account use has been revised, with the General Ledger to be used for accounting of grant income. During the financial year 2023-24 grant income of \$10.522 million was recognised as per current accounting standards.

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The Income Statement above shows Council received total revenue of \$35.178 million, including non-monetary gifted assets of \$3.621 million. Total expenses came to \$31.265 million for the period. This has resulted in a surplus of \$3.913 million for the twelve months ending 30 June 2024 and after addition of the net asset revaluation increment of \$4.768 million, the total comprehensive result was \$8.681 million for the period.

The non-receipt of the annual Victorian Local Government Grants Commission (VLGGC) Financial Assistance Grant, which was expected to be received during June for a value of \$3.499 million has impacted the result against the Budget forecast.

Typically, the VLGGC grant income was received before 30 June, this has been the practice for the past 8 years, and Budget forecasts were based on this. This grant has since been received on 5 July 2024 for \$3.499 million with further installments totalling \$0.563 million expected during 2024-25. Further context and analysis of the above performance results for 2023-24 are summarised below.

Employee Costs were higher than budgeted due largely to grant funded roles. Employee costs include operational grant funded roles of \$1.060 million. Total employee costs were influenced by variances in Workcover premiums of \$140k and operational project management costs of grant funded projects such as Digital Transformation (Project CODI). The Digital Transformation Project is a collaboration of four councils and costs for all four councils are included in this figure, however Mansfield Shire Council is only responsible for a portion of these costs. Other variances include grant funded employee costs such as Emergency Management Incident Recovery (flood recovery), Integrated Water Management, SIAG and various grant funded roles within the Community Health & Wellbeing and Youth portfolios.

Materials and Services expenditure was also higher than budgeted due largely to grant funded projects, with the main variances being Digital Transformation (Project CODI) of \$1.365 million and Goughs Bay Boat Club redevelopment of \$1.705 million. It should be noted that the Goughs Bay Boat Club project is an auspice arrangement due to finish during 2024-25. As outlined above for Project CODI, costs are accounted for all four councils collaborating in the project, however Mansfield Shire Council is only responsible for a portion of these costs.

Grant Income

Total Grant Income of \$10.522 million was recognised in the 2023-24 financial year with the distinction between operating and capital grants as follows:

Source of Funding - All Grants	Revenue Recognised (\$'000s)
Operating Grants	
Recurrent Commonwealth Government Grants	169
Recurrent State Government Grants	1,033
Non-recurrent Commonwealth Government Grants	54
Non-recurrent State Government Grants	4,460
Total Operating	5,716

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Source of Funding - All Grants	Revenue Recognised (\$'000s)
Capital Grants	
Recurrent Commonwealth Government Grants	1,990
Recurrent State Government Grants	0
Non-recurrent Commonwealth Government Grants	2,348
Non-recurrent State Government Grants	468
Total Capital	4,806
Grand Total:	10,522

The unearned grant income (prepaid grant income) liability balance on 30 June 2024 is \$6.870 million, reflecting a \$0.115 million decrease in the balance from the prior year end. The \$7k difference relates to non-grant related prepaid income received for the IMPACT Route project.

Unspent grants received on condition that they be spent in a specific manner:	2024
Operating	(\$'000s)
Balance at start of year	4,203
Received during the financial year and remained unspent at balance date	1,648
Received in prior years and spent during the financial year	-3,568
Balance at year end	2,283
Capital	
Balance at start of year	894
Received during the financial year and remained unspent at balance date	4,548
Received in prior years and spent during the financial year	-855
Total Capital	4,587

Contributions – non-monetary

Non-monetary contributions reflecting the fair value of the assets contributed to Council over the course of the financial year to June 2024 have been accounted for as revenue on 30 June.

In accordance with AASB 116, the cost of assets contributed to Council by developers is deemed to be the fair value of the assets at the date acquired.

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The table below provides detail of the financial class of the asset contributed to Council.

Financial Asset Class	Gifted Value (\$'000s)
Land under Roads	131
Roads	1,113
Land	577
Footpaths and cycleways	568
Drainage	1,232
Bridges	0
Recreation & Leisure	0
Total non-monetary contributions	3,621

Net Asset Revaluation

To ensure the carrying value of Council assets do not materially differ from that which would be determined using fair value on 30 June 2024, comprehensive revaluations were undertaken on Buildings, Recreational, Leisure and Community assets and Off-Street Carparks. Managerial revaluations using an indexation method were undertaken for all other asset classes.

Except for land assets, which were assessed using the Valuer-General Victoria’s vacant land average indexation factor, all comprehensive and managerial revaluations were undertaken by Brightly Assetic. Revaluations are in line with best practice ensuring that carrying amounts in the accounts are relevant. These revaluations saw an increase in the Net Asset Revaluation reserve of \$4.768 million.

Balance Sheet

Balance Sheet	Budget	2024 Original \$'000	Actuals	2024 Total \$'000	Actuals	2023 Total \$'000
Assets						
Current Assets						
Cash and Cash equivalents		10,798		2,594		4,012
Trade and other receivables		2,886		4,926		1,901
Other financial assets		3,605		9,330		16,370
Inventories		18		14		12
Contract assets		0		170		138
Other assets		250		189		133
Total current Assets		17,557		17,223		22,566
Non-current Assets						
Trade and other receivables		25		0		0
Property, infrastructure, plant and equipment		241,558		269,550		252,701
Right-of-use assets		3,158		3,132		3,227
Total non-current Assets		244,741		272,682		255,928

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Balance Sheet	2024 Original Budget	2024 Total Actuals	2023 Total Actuals
	\$'000	\$'000	\$'000
Total Assets	262,298	289,905	278,494
Liabilities			
Current Liabilities			
Trade and other payables	1,734	4,085	3,193
Trust funds and deposits	1,416	1,642	1,050
Contract and other liabilities (unearned income)	508	6,877	5,097
Provisions	1,755	1,853	1,917
Interest-bearing liabilities	511	511	484
Total current liabilities	5,924	14,968	11,741
Non-current liabilities			
Provisions	842	1,988	1,974
Interest-bearing liabilities	3,543	3,556	4,067
Total non-current liabilities	4,385	5,544	6,041
Total Liabilities	10,309	20,512	17,782
Net Assets	251,989	269,393	260,712
Equity			
Accumulated Surplus	93,943	88,401	84,488
Reserves	158,046	180,992	176,224
Total Equity	251,989	269,393	260,712

Current Assets have decreased by \$5.343 million from the previous financial year due primarily to a \$7.040 million reduction in term deposits held at bank as various capital projects have been completed or incurred significant expenditure i.e. Project CODI, IMPACT Route, and the Goughs Bay Boat Club Redevelopment.

Non-current Assets have increased by \$16.754 million due to increased revaluations in Council property, infrastructure, plant and equipment of \$16.849 million, and a small reduction in Right of Use assets value of \$0.095 million.

Current Liabilities have increased by \$3.227 million year on year, primarily due to a \$1.780 million increase in un-earned grant revenue, and \$0.892 million in trade and other payables due to larger projects incurring purchase orders for works planned including Project CODI and IMPACT Route.

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Non-current Liabilities have decreased by \$0.497 million overall with an increase to provisions of \$0.014 million and a decrease in interest bearing liabilities of \$0.511 million due to principal reductions.

Net Assets position has improved by \$8.681 million.

Equity position is currently positioned at 92.92% and is a slight deterioration on the previous financial period at 93.61%. This was largely due to an increase in the total current liabilities position of Council due to unearned grant income.

Working Capital Ratio

The Working Capital Ratio (WCR) compares current assets to current liabilities and is an indicator of Council's capacity to meet its immediate debts when they fall due. A WCR of more than 1:1 (or 100%) is considered healthy. The current WCR = 1.15 (115%), as compared with 1.92 (192%) as at the end of 2022-23 financial year. This reflects the increase in current liabilities due to un-earned grant income.

Asset Disposals

For the 2023-24 financial year the written down value of assets disposed of was \$1.286 million – being the amount recognised as an expense during the financial year.

The disposed assets relate to mainly roads, which totalled \$0.715 million. The main disposals related to several road renewal projects and included Howes Creek Road (\$86k), Buttercup Road (\$37k), and Barwite Road (\$37k). This circumstance is relevant when Council seeks to renew a road, whereby the old road is written off to replace with the renewed road. The road renewal expenditure totalled \$3.157 million which is inclusive of project management costs.

Waste Management Reserve

A discretionary Waste Management Reserve was recognised in the financial statements for the first time in 2019-20. As of 30 June 2021, the reserve was in deficit to the value of \$0.425 million. During 2021-22, the reserve deficit increased by \$0.332 million, to leave the reserve in deficit to the value of \$0.757 million. The negative balance reflected at the time that Council had not been fully cost recovering the increased waste management charges from rate payers.

Through 2022-23, Council increased its waste charges significantly to achieve full cost recovery and to recover a large portion of the accumulated deficit. The transfer from the accumulated surplus to the reserve in 2022-23 was \$0.724 million leaving a closing balance on 30 June 2023 of a deficit of \$0.033 million.

The transfer to the reserve at the time was larger than planned due to Council's significant efforts to both decrease waste transferred to landfill and the raising of additional income from recovery of materials. These continued efforts into the 2023-24 period have yielded an accumulated surplus of \$0.838 million resulting in a total Waste Reserve surplus as of 30 June 2024 of \$0.805 million.

Landfill Provisions

Council owns one licensed landfill (Monkey Gully landfill), and there are four unlicensed closed landfills in Mansfield Shire, as follows:

- ▶ Maindample landfill – Owned by Parks Victoria
- ▶ Rifle Butts landfill – Owned by Parks Victoria
- ▶ Maintongoon landfill – Owned by Council

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- ▶ Dead Horse Lane, Mansfield landfill – One portion owned by Council, the other site owned privately

Management undertook an assessment of the activities and associated costs required to meet its legal obligation in respect to the landfills to determine the 30 June 2024 provision.

The total provision reflected in the Financial Statements on 30 June 2024 in present value terms to meet the future obligations in relation to the unlicensed and licensed landfill sites is \$1.879 million (\$0.225 million current and \$1.654 million non-current provisions).

The net movement in the Landfill provisions for the year to 30 June 2024 is a decrease in the provision of \$0.152 million (which is solely a decrease movement in the current provision). This amount is expensed through materials and services – waste management, for the 2023-24 financial year.

Significant accounting judgements and estimates

There have been no significant accounting judgements and estimates applied to the 2023-24 financial statements that require specific review.

Recommendation
<p>THAT COUNCIL:</p> <ol style="list-style-type: none"> 1. Approves in principle the Financial Statements of Mansfield Shire Council for the year ended 30 June 2024; and 2. Authorises Mayor Cr Rabie and Deputy Mayor Cr Holcombe to certify the Mansfield Shire Council Financial Statements for the year ended 30 June 2024 on behalf of Council, subject to any amendments or changes made as required by the Victorian Auditor-General's Office.
Support Attachments
Annual Report 2023-24

Considerations and Implications of Recommendation

Sustainability Implications

Not Applicable

Community Engagement

The Financial Statements form part of Council’s Annual Report which will be available to the community on Council’s website. Notice of the meeting at which the Annual Report is discussed is also advertised locally.

Collaboration

Not Applicable

Financial Impact

Not Applicable

Legal and Risk Implications

It is a requirement under Sections 98 and 99 of the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020, that Council prepare an annual report in respect of the financial year that contains audited financial statements in line with the Act.

Regional, State and National Plans and Policies

It is a requirement under Sections 98 and 99 of the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020, that Council prepare an annual report in respect of year financial year that contains audited financial statements.

Innovation and Continuous Improvement

Not Applicable

Alignment to Council Plan

Theme 3: A Trusted, Effective and Efficient Council Strategic Objective 8 A consultative Council that represents and empowers its community

Strategy 8.2 Develop capacity and capability to advocate powerfully for the most important interests of the Mansfield community

Governance - Disclosure of Conflicts of Interest

The author of this report and officers providing advice in relation to this report do not have a conflict of interest to declare in this matter, in accordance with the Local Government Act 2020.

9. Close of meeting