

OFFICIAL

Unscheduled Council Meeting

Agenda

9 October 2024 at 6:30pm

Council Chamber, Town Hall, Sturt Street,
Ballarat





The City of Ballarat acknowledges the Traditional Custodians of the land we live and work on, the Wadawurrung and Dja Dja Wurrung People, and recognises their continuing connection to the land and waterways. We pay our respects to their Elders past, present and emerging and extend this to all Aboriginal and Torres Strait Islander People.

This meeting is being broadcast live on the internet and the recording of this meeting will be published on council's website www.ballarat.vic.gov.au after the meeting.

Members of the public attending this meeting may be filmed. By remaining in the public gallery once the meeting commences, members of the public give their consent to being filmed, and for the recording of them to be made publicly available and used by council.

Information about the broadcasting and publishing recordings of council meetings is available in council's broadcasting and publishing recordings of council meetings procedure is available on the council's website.

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The next meeting of the Ballarat City Council will be held on Wednesday 23 October 2024.

1. OPENING DECLARATION

Councillors: *"We, the Councillors of the City of Ballarat, declare that we will carry out our duties in the best interests of the community, and through collective leadership will maintain the highest standards of good governance."*

Mayor: *"I respectfully acknowledge the Wadawurrung and Dja Dja Wurrung People, the traditional custodians of the land, and I would like to welcome members of the public in the gallery."*

2. APOLOGIES FOR ABSENCE

3. DISCLOSURE OF INTEREST

4. CONFIRMATION OF MINUTES

5. OFFICER REPORTS

5.1. IN PRINCIPLE FINANCIAL REPORT AND PERFORMANCE STATEMENTS FOR YEAR ENDED 30 JUNE 2024

Division: Corporate Services
Director: John Hausler
Author/Position: Jason Clissold – Executive Manager Financial Services

PURPOSE

1. For Council to give its approval 'in principle' to the Financial Report and Performance Statement for the year ended 30 June 2024, before submitting the statements to the auditor for reporting on the audit.
2. For Council to authorise two Councillors to certify the Statements, in their final form, after any changes recommended or agreed by the auditor have been made.

BACKGROUND

3. In accordance with Section 99 of the *Local Government Act 2020* (the Act), Council is required to approve the Financial Report and Performance Statement 'in principle' before submitting them to the Victorian Auditor-General's Office.
4. The Financial Report provides information on current and prior year balances and information as required by accounting standards, the Act and *Local Government (Planning and Reporting) Regulations 2020*.
5. The Performance Statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures as developed by the Victorian Government under the Local Government Performance Reporting Framework.

KEY MATTERS

6. Once approved in principle, the statements will be formally lodged with the Victorian Auditor-General's Office (VAGO), who will then issue a formal Audit Opinion on each, allowing the statements to be certified and included in the Annual Report to be presented to Council by 31 October 2024.
7. The Audit and Risk Committee considered the Financial Report and Performance Statement at its meeting held on 2 October 2024.
8. The Committee provided the following opinion regarding the Financial Report and the Performance Statement:
 - That in our opinion the accompanying statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning*

and Reporting) Regulations 2020, Australian Accounting Standards and other mandatory professional reporting requirements.

9. The Audit and Risk Committee recommended Council record its approval 'in principle' to the Financial Report and Performance Statement (the statements), for the year ended 30 June 2024, subject to any changes from the Auditor General, which the Committee have requested be presented to the next Audit and Risk Committee meeting.
10. There were no significant changes to the statements recommended by the Audit and Risk Committee at their meeting. Some suggested minor grammatical and presentation changes have been considered and updated where appropriate.
11. In terms of the 2023/24 financial result compared against budget the following highlights are noted:
 - The actual operating surplus for 2023/24 is lower than the 2023/24 Budget due to lower revenue and higher expenditure;
 - The lower revenue for 2023/24 is predominantly due to not receiving the Federal Financial Assistance Grants in advance this year, as forecast, resulting in \$18.25m less revenue;
 - The higher expenditure predominately relates to non-cash adjustments to asset valuations. In addition:
 - i. employee costs were below budget primarily due to the time positions remain vacant during the recruitment processes; and
 - ii. materials and services were unfavourable to budget primarily due to delivering projects and programs relating to 2022/23 (carryovers) and a \$2.85 million contribution to the State Government for road infrastructure that was budgeted as capital,
 - Capital expenditure in 2023/24 was a record \$100m.
 - Cash balances as at 30 June 2024 were \$50m lower than for 2022/23 due to the delivery of the highest capital works program and non-receipt of Commonwealth Financial Assistance Grants which have been paid in advance over past years.

OFFICER RECOMMENDATION

12. That Council:

- 12.1 Approve the 2023/24 Financial Report and Performance Statement in principle.
- 12.2 Authorise the Chief Executive Officer to implement any changes to the statements as recommended by the Auditor-General.
- 12.3 Authorise the Mayor, Cr Hudson and Deputy Mayor, Cr Eddy to certify the 2023/24 Financial Report and Performance Statement on behalf of Council, once any amendments or changes requested by the Victorian Auditor General have been made.

ATTACHMENTS

1. Governance Review [5.1.1 - 2 pages]
2. In Principle Annual Financial Report for the year ended 30 June 2024 [5.1.2 - 69 pages]
3. In Principle Performance Statement Report for the year end 30 June 2024 [5.1.3 - 12 pages]

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ALIGNMENT WITH COUNCIL VISION, COUNCIL PLAN, STRATEGIES AND POLICIES

1. The Annual Financial Report and Performance Statement are key documents in reporting Council's accountability to the Council Vision, Council Plan and other strategic documents.

COMMUNITY IMPACT

2. The Annual Financial Report and Performance Statement are key reporting and compliance documents whose primary purpose is to inform the community of Council's performance.

CLIMATE EMERGENCY AND ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

3. There are no climate emergency and environmental sustainability implications.

ECONOMIC SUSTAINABILITY IMPLICATIONS

4. There are no economic sustainability implications.

FINANCIAL IMPLICATIONS

5. The Annual Financial Report and Performance Statement are statements of fact that provide a summary of Council's performance for 2023/24 and financial position for year ended 30 June 2024.

LEGAL AND RISK CONSIDERATIONS

6. The Annual Financial Report and Performance Statement have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, Australian Accounting Standards and other mandatory professional reporting requirements.

HUMAN RIGHTS CONSIDERATIONS

7. It is considered that the report does not impact on any human rights identified in the *Charter of Human Rights and Responsibilities Act 2006*.

COMMUNITY CONSULTATION AND ENGAGEMENT

8. There is no community consultation and engagement required for the subject of this report.

GENDER EQUALITY ACT 2020

9. There are no gender equality implications identified for the subject of this report.

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CONFLICTS OF INTEREST THAT HAVE ARISEN IN PREPARATION OF THE REPORT

10. Council officers affirm that no general or material conflicts need to be declared in relation to the matter of this report.

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City of Ballarat

ANNUAL FINANCIAL REPORT
for the year ended 30 June 2024



City of Ballarat

2023/2024 Financial Report

Annual Financial Report

for the year ended 30 June 2024

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2023/2024 Financial Report

Annual Financial Report

for the year ended 30 June 2024

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City of Ballarat

2023/2024 Financial Report

Annual Financial Report

for the year ended 30 June 2024

Certification of the Financial Statements

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

Jason Clissold FCPA**Principal Accounting Officer****Dated:** 17 October 2024

Ballarat

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

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

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

Cr Des Hudson**Mayor****Dated:** 17 October 2024

Ballarat

Cr Peter Eddy**Councillor****Dated:** 17 October 2024

Ballarat

Evan King**Chief Executive Officer****Dated:** 17 October 2024

Ballarat

City of Ballarat

2023/2024 Financial Report

Annual Financial Report
for the year ended 30 June 2024

Victorian Auditor-General's Office Report

Insert VAGO Report here

City of Ballarat

2023/2024 Financial Report

Annual Financial Report
for the year ended 30 June 2024

Victorian Auditor-General's Office Report (continued)

Insert VAGO Report here

City of Ballarat

2023/2024 Financial Report

Comprehensive Income Statement

for the year ended 30 June 2024

	Note	2024 \$ '000	Restated 2023 \$ '000
Income / Revenue			
Rates and charges	3.1	152,086	143,060
Statutory fees and fines	3.2	6,401	7,987
User fees	3.3	19,882	22,218
Grants - operating	3.4	12,704	34,493
Grants - capital	3.4	26,556	17,795
Contributions - monetary	3.5	12,548	9,365
Contributions - non monetary	3.5	16,192	45,105
Net gain on disposal of property, infrastructure, plant and equipment	3.6	–	463
Fair value increment/(decrement) on investment properties	6.2	540	(699)
Other income	3.7	28,632	8,735
Total income / revenue		275,541	288,522
Expenses			
Employee costs	4.1	80,820	75,203
Materials and services	4.2	90,532	84,328
Depreciation	4.3	43,721	43,145
Amortisation - Intangible assets	4.4	850	1,502
Depreciation - Right of use assets	4.5	398	398
Allowance for impairment losses	4.6	857	3,079
Borrowing costs	4.7	1,148	1,356
Finance Costs - Leases	4.8	25	43
Net loss on disposal of property, infrastructure, plant and equipment	3.6	5,052	–
Revaluation decrement of property, infrastructure, plant and equipment	6.1	1,392	498
Other expenses	4.9	763	2,229
Total expenses		225,558	211,781
Surplus for the year		49,983	76,741
Other comprehensive income:			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain	9.1	78,772	76,552
Total items which will not be reclassified subsequently to the operating result		78,772	76,552
Total other comprehensive income		78,772	76,552
Total comprehensive result		128,755	153,293

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

City of Ballarat

2023/2024 Financial Report

Balance Sheet

as at 30 June 2024

	Note	2024 \$ '000	Restated 2023 \$ '000
Assets			
Current assets			
Cash and cash equivalents	5.1	45,108	34,142
Trade and other receivables	5.1	30,870	18,472
Other financial assets	5.1	68,002	129,502
Inventories	5.2	705	690
Contract assets	5.1	816	1,614
Other assets	5.2	1,715	1,407
Total current assets		147,216	185,827
Non-current assets			
Property, infrastructure, plant and equipment	6.1	2,269,618	2,116,121
Investment property	6.2	16,150	15,610
Intangible assets	5.2	3,007	886
Right-of-use assets	5.8(a)	299	697
Total non-current assets		2,289,074	2,133,314
Total assets		2,436,290	2,319,141
Liabilities			
Current liabilities			
Trade and other payables	5.3	25,368	22,057
Trust funds and deposits	5.3	14,267	16,108
Contract and other liabilities	5.3	11,237	15,092
Provisions	5.5	23,386	21,610
Interest-bearing liabilities	5.4	1,160	3,053
Lease liabilities	5.8	305	420
Total current liabilities		75,723	78,340
Non-current liabilities			
Provisions	5.5	11,539	19,062
Interest-bearing liabilities	5.4	26,834	27,995
Lease liabilities	5.8	27	332
Total non-current liabilities		38,400	47,389
Total liabilities		114,123	125,729
Net assets		2,322,167	2,193,412
Equity			
Accumulated surplus		1,465,332	1,415,455
Reserves	9.1	856,835	777,957
Total Equity		2,322,167	2,193,412

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

City of Ballarat

2023/2024 Financial Report

Statement of Changes in Equity

for the year ended 30 June 2024

	Note	Total \$ '000	Accumulated Surplus \$ '000	Revaluation Reserves \$ '000	Other Reserves \$ '000
2024					
Balance at beginning of the financial year		2,193,412	1,415,455	737,735	40,222
Surplus for the year		49,983	49,983	–	–
Other comprehensive income					
Net asset revaluation gain	9.1	78,772	–	78,772	–
Total comprehensive income		128,755	49,983	78,772	–
Transfers to other reserves	9.1	–	(17,106)	–	17,106
Transfer from other reserves	9.1	–	17,000	–	(17,000)
Balance at end of the financial year		2,322,167	1,465,332	816,507	40,328
2023					
Balance at beginning of the financial year		2,040,119	1,339,972	661,183	38,964
Surplus for the year		76,741	76,741	–	–
Other comprehensive income					
Net asset revaluation gain	9.1	76,552	–	76,552	–
Total comprehensive income		153,293	76,741	76,552	–
Transfers to other reserves	9.1	–	(16,629)	–	16,629
Transfer from other reserves	9.1	–	15,371	–	(15,371)
Balance at end of the financial year		2,193,412	1,415,455	737,735	40,222

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

City of Ballarat

2023/2024 Financial Report

Statement of Cash Flows

for the year ended 30 June 2024

	Note	2024 Inflows/ (Outflows) \$ '000	2023 Inflows/ (Outflows) \$ '000
Cash flows from operating activities			
Rates and charges		147,179	140,515
Statutory fees and fines		5,878	7,131
User fees		21,948	24,307
Grants - operating		12,143	35,639
Grants - capital		24,511	7,808
Contributions - monetary		12,581	9,436
Interest received		6,890	4,802
Trust funds and deposits taken		31,120	46,383
Other receipts		2,743	2,833
Net GST refund		13,931	11,019
Employee costs		(79,694)	(72,688)
Materials and services		(108,590)	(91,330)
Short-term, low value and variable lease payments		(500)	(538)
Trust funds and deposits repaid		(32,961)	(46,480)
Other payments		(3,583)	(745)
Net cash provided by operating activities	9.2	53,596	78,092
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(100,801)	(76,675)
Proceeds from sale of property, infrastructure, plant and equipment		778	883
Payments for investments		(257,460)	(322,717)
Proceeds from sale of investments		319,500	340,518
Net cash used in investing activities		(37,983)	(57,991)
Cash flows from financing activities			
Finance costs		(1,148)	(1,356)
Repayment of borrowings		(3,054)	(4,692)
Interest paid - lease liability		(25)	(43)
Repayment of lease liabilities		(420)	(401)
Net cash used in financing activities		(4,647)	(6,492)
Net increase in cash and cash equivalents		10,966	13,609
Cash and cash equivalents at the beginning of the financial year		34,142	20,533
Cash and cash equivalents at the end of the financial year	5.1	45,108	34,142
Financing arrangements	5.6	32,494	35,548

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

City of Ballarat

2023/2024 Financial Report

Statement of Capital Works

for the year ended 30 June 2024

	2024	2023
	\$ '000	\$ '000
Property		
Land	4,755	4,750
Land improvements	3,350	86
Total land	8,105	4,836
Buildings	7,163	4
Heritage buildings	13,384	2,332
Building improvements	9,435	5,891
Total buildings	29,982	8,227
Total property	38,087	13,063
Plant and equipment		
Plant, machinery and equipment	6,137	2,136
Fixtures, fittings and furniture	64	51
Computers and telecommunications	1,679	1,261
Library books	481	386
Artworks	-	188
Total plant and equipment	8,361	4,022
Infrastructure		
Roads	31,026	17,059
Bridges	305	54
Footpaths and cycleways	1,716	6,191
Drainage	6,056	1,953
Recreational, leisure and community facilities	10,827	18,810
Waste management	-	6,317
Parks, open space and streetscapes	1,978	3,301
Aerodromes	1,279	5,862
Off street car parks	657	741
Total infrastructure	53,844	60,288
Total capital works expenditure	100,292	77,373
Represented by:		
New asset expenditure	25,454	34,323
Asset renewal expenditure	43,247	25,515
Asset expansion expenditure	119	-
Asset upgrade expenditure	31,472	17,535
Total capital works expenditure	100,292	77,373

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

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 1. Overview

Introduction

The City of Ballarat was established by an Order of the Governor in Council on 6th of May 1994 and is a body corporate.

Council's main office is located at the Town Hall in Sturt Street, Ballarat. Council's main customer service centre is in the Phoenix Building, 25 Armstrong Street South, Ballarat (located behind the Town Hall).

Statement of compliance

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

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

Accounting policy information

1.1 Basis of accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. 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 that have significant effects on the financial statements and estimates relate to:

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

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 1. Overview (continued)

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

Goods and Services Tax (GST)

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

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2. Analysis of our results

Note 2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of greater than 10 percent and at least \$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.

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

	Budget 2024 \$ '000	Actual 2024 \$ '000	Variance \$ '000	Variance %	Ref
2.1.1 Income / Revenue and expenditure					
Income / Revenue					
Rates and charges	151,628	152,086	458	0.30%	
Statutory fees and fines	8,263	6,401	(1,862)	(22.53)%	1
User fees	22,647	19,882	(2,765)	(12.21)%	2
Grants - operating	26,412	12,704	(13,708)	(51.90)%	3
Grants - capital	11,866	26,556	14,690	123.80%	4
Contributions - monetary	8,531	12,548	4,017	47.09%	5
Contributions - non monetary	35,680	16,192	(19,488)	(54.62)%	6
Net gain on disposal of property, infrastructure, plant and equipment	4,800	-	(4,800)	(100.00)%	7
Fair value increment on investment properties	-	540	540	100%	
Other income	8,721	28,632	19,911	228.31%	8
Total income / revenue	278,548	275,541	(3,007)	(1.08)%	
Expenses					
Employee costs	85,210	80,820	4,390	5.15%	9
Materials and services	85,777	90,532	(4,755)	(5.54)%	10
Depreciation	46,106	43,721	2,385	5.17%	
Amortisation - intangible assets	-	850	(850)	100%	
Depreciation - right of use assets	657	398	259	39.42%	
Allowance for impairment losses	600	857	(257)	(42.83)%	
Borrowing costs	1,155	1,148	7	0.61%	
Finance costs - leases	34	25	9	26.47%	
Net loss on disposal of property, infrastructure, plant and equipment	-	5,052	(5,052)	100%	11
Revaluation decrement of IPP&E	-	1,392	(1,392)	100%	12
Other expenses	719	763	(44)	(6.12)%	
Total expenses	220,258	225,558	(5,300)	(2.41)%	
Surplus for the year	58,290	49,983	(8,307)	(14.25)%	

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance Ref	Explanation
1.	Statutory Fees and Fines - Statutory Fees and Fines are unfavourable to budget primarily due to a decline in building activity, which has resulted in revenue from town planning permits and subdivision fees being below budget by \$1.1 million and \$0.7 million respectively.
2.	User Fees - User Fees are unfavourable to budget primarily due to a reduction in waste service fees from the Smythesdale landfill operations. A large commercial customer opted to use an alternative landfill during the course of the 2023/24 financial year which resulted in a \$3.6 million variance to budget. The costs of managing the landfill such as the EPA levy, ongoing maintenance and capping activities offset the loss of revenue. Several other user fees were favourable to budget including parking meter fees which slightly offset the total adverse variance.
3.	Operating Grants - Operating Grants are unfavourable to budget primarily due to the change in timing of the Federal Financial Assistance Grants. The budget assumed that the 2024/25 grants would be paid in advance as they have been in previous years. However, the Federal Government changed their recent practice and did not pay any grants in advance.
4.	Capital Grants - Capital Grants were favourable to budget primarily due to the timing of project delivery and associated grant funding. This included \$2.5 million relating to Frank Bourke Oval changerooms, \$2.4 million relating to Ballarat Safe Cycling connections, \$0.97 million for Local Roads and Community Infrastructure and \$0.95 million relating to Federal Black Sport funding that were forecast as part of future or previous budgets.
5.	Contributions - Monetary - Monetary Contributions were favourable to budget primarily due to the timing of payments for Development Infrastructure Levies, which were \$4.2 million higher than budgeted.
6.	Contributions - Non monetary - Non-monetary Contributions are unfavourable to budget primarily due to the progress of subdivisional development and at what point the control of assets are handed to Council. There were less assets than budgeted handed to Council during 2023/24.
7.	Net gain on disposal of property, infrastructure, plant and equipment - There was a net loss on disposal in 2023/24. This relates primarily to disposal of infrastructure assets that were renewed or replaced.
8.	Other Income - Other Income is favourable to budget primarily due to \$9.2 million in found assets and \$9.8 million reduction in the landfill rehabilitation provision. This recognition of assets resulted from legal advice in relation to some buildings that are located on Crown land. It was determined that Council had sufficient control of the buildings to recognise them as assets, which it had not done in the past. The reduction in the landfill rehabilitation provision has resulted from a large decrease in the projected CPI compared to 2022/2023 as well as the use of some of the provision for capping works and recognition of new airspace.

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.1 Performance against budget (continued)

-
9. **Employee Costs** - Employee Costs are favourable to budget primarily due to the time positions remain vacant during the recruitment processes, which on average takes eight to ten weeks. It should be noted that some of these savings are utilised to engage consultants, etc to ensure service delivery continues during these times.
 10. **Materials and Services** – Materials and Services were unfavourable to budget primarily due to delivering additional projects and programs relating to 2022/23 (carryovers), a \$2.85 million contribution to the State Government for road infrastructure that was budgeted as capital and other costs, such as agency staff, etc. The major savings in materials and services related to a reduction in the EPA levy of \$3 million and \$2.1 million in the timing of computer software costs.
 11. **Net loss on disposal of property, infrastructure, plant and equipment** - This unfavourable variance primarily relates to the disposal of \$5.6 million of infrastructure assets. This disposal recognises the write off of old infrastructure that has been replaced during the financial year, which is consistent with Australian Accounting Standards and Council procedure.
 12. **Revaluation Decrement of property, infrastructure, plant and equipment** - This unfavourable variance relates to a reduction in the value of assets above what was available in the Asset Revaluation Reserve following condition assessments.

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.1 Performance against budget (continued)

	Budget 2024 \$ '000	Actual 2024 \$ '000	Variance \$ '000	Variance %	Ref
2.1.2 Capital works					
Property					
Land	5,530	4,755	(775)	(14.01)%	
Land improvements	130	3,350	3,220	2,476.92%	1
Total land	5,660	8,105	2,445	43.20%	
Buildings	20,875	7,163	(13,712)	(65.69)%	2
Heritage buildings	10,640	13,384	2,744	25.79%	2
Building improvements	4,601	9,435	4,834	105.06%	2
Total buildings	36,116	29,982	(6,134)	(16.98)%	
Total property	41,776	38,087	(3,689)	(8.83)%	
Plant and equipment					
Plant, machinery and equipment	6,612	6,137	(475)	(7.18)%	
Fixtures, fittings and furniture	333	64	(269)	(80.78)%	
Computers and telecommunications	1,137	1,679	542	47.67%	
Library books	428	481	53	12.38%	
Artworks	50	–	(50)	(100.00)%	
Total plant and equipment	8,560	8,361	(199)	(2.32)%	
Infrastructure					
Roads	36,265	31,026	(5,239)	(14.45)%	3
Bridges	532	305	(227)	(42.67)%	
Footpaths and cycleways	1,100	1,716	616	56.00%	
Drainage	11,065	6,056	(5,009)	(45.27)%	4
Recreational, leisure and community facilities	8,666	10,827	2,161	24.94%	5
Waste management	10,665	–	(10,665)	(100.00)%	6
Parks, open space and streetscapes	8,026	1,978	(6,048)	(75.36)%	7
Aerodromes	2,726	1,279	(1,447)	(53.08)%	8
Off street car parks	–	657	657	100%	9
Total infrastructure	79,045	53,844	(25,201)	(31.88)%	
Total capital works expenditure	129,381	100,292	(29,089)	(22.48)%	
Represented by:					
New asset expenditure	70,880	25,454	(45,426)	(64.09)%	
Asset renewal expenditure	38,094	43,247	5,153	13.53%	
Asset expansion expenditure	–	119	119	100%	
Asset upgrade expenditure	20,407	31,472	11,065	54.22%	
Total capital works expenditure	129,381	100,292	(29,089)	(22.48)%	

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Variance Explanation

Ref

1. **Land Improvements** - Land Improvements has exceeded budget primarily due to \$2.1 million of landfill capping and rehabilitation works that had originally been budgeted under waste management and \$0.94 million of garden renewal works that had originally been budgeted under parks, open space and streetscapes.
2. **Buildings (Total)** - The final classification between Buildings, Heritage Buildings and Building Improvements differed somewhat compared to the adopted budget, but the overall under expenditure of \$6.1 million primarily related to the timing of community infrastructure projects. Budgets of \$4.7 million and \$1.0 million relating to the Sebastopol and Lucas Community Hubs respectively have been carried forward to 2024/25 financial year. In addition, the final construction costs of Djila-tjarriu Community Hub were \$1.8 million less than budget.
3. **Roads** – Road capital projects are underspent primarily due to carrying over \$3.8 million of major road infrastructure renewal to 2024/25. Also, a \$2.9 million intersection project ended up being delivered by the State Government, which Council made an operating contribution to.
4. **Drainage** - Drainage is below budget primarily due to the delay of both the Charlesworth Street retarding basin and drainage basin RB11 in the Ballarat West development. These projects were budgeted for \$2.4 million and \$1.9 million respectively. The budget relating to both these projects will be carried forward into future years.
5. **Recreation, leisure and community facilities** – The positive variance to budget primarily relates to the early commencement of the Marty Busch Reserve project. This project was able to commence earlier than expected with \$2 million of works delivered that was in future years of the four year budget.
6. **Waste Management** – There was no expenditure within waste management due to the construction of the latest cell being completed by 30 June 2023. \$2.22 million of expenditure associated with the capping of cells has been allocated to Land Improvement. The \$4.9 million budgeted for the delivery of a Community and Industry Resources & Recycling Centre will be carried forward into future years.
7. **Parks, open space and streetscapes** - The major projects under budget include Spotlight on Sebastopol and other Open Space programs that relate to current sites and growth areas. Other budgeted projects to be carried forward include delivery of Botanical Gardens irrigation renewal and Elevating Integrated Water Management.
8. **Aerodromes** – Expenditure is under budget due to the timing of the project to upgrade the airport runway. Government funding has been finalised along with a Council contribution, the scope of project has been changed accordingly and will be delivered over the coming years.
9. **Off Street Carparks** – The unbudgeted expenditure in off street carparks relates to some expenditure being reallocated from the roads budget to deliver associated parking projects. This included the completion of the parking at St Patricks Point on Wendouree Parade.

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.2 Analysis of Council results by program

2.2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Corporate Services

The Corporate Services department provides corporate management, support and governance to the organisation, ensuring that the business complies with and meets all its statutory obligations required by a local government authority. It services the organisation with fleet management, information and technology support, financial and revenue services, governance and risk services, people and culture services, as well as customer services.

Community Wellbeing

The Community Wellbeing department provides a broad range of community services and support programs that enhance the quality of life for Ballarat residents. These services relate to home and personal care in aged care, maternal and child health, and people with special needs. It also builds our communities through community engagement, library services, youth services, cultural diversity, learning and community hubs and the provision of recreational facilities.

Development and Growth

Development and Growth is responsible for managing the strategies for positive future developments within the municipality that builds the long term prosperity of the city as well as regulatory services such as local laws, animal shelter and environmental health.

Economy and Experience

The directorate is responsible for Ballarat's economic development, visitor economy, arts, events, experiences and attractions including Her Majesty's Theatre, Art Gallery of Ballarat and Eureka Centre and aims to provide a focused and coordinated approach to attracting ongoing investment to, and revitalisation of, Ballarat.

Infrastructure and Environment

Infrastructure and Environment is responsible for designing and maintaining the network of Council assets. They do this by providing the planning, development and delivery of community infrastructure including our buildings, roads, drainage, recreational and open spaces, parks and gardens, and water ways. It also provides our municipality with waste management services with an environmentally conscious and sustainable underpinning.

Office of the Chief Executive Officer

The Office of the Chief Executive Officer has the overall responsibility for managing Council as an organisation. They develop and manage delivery of the long term strategic plans of Council. The Office of the CEO also includes civic support, communications and design, as well as advocacy.

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2.2 Analysis of Council results by program (continued)

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

Functions/activities	Income / Revenue \$ '000	Expenses \$ '000	Surplus / (Deficit) \$ '000	Grants included in income / revenue \$ '000	Total assets \$ '000
2024					
Corporate Services	183,104	75,856	107,248	4,216	990,738
Community Wellbeing	20,949	32,029	(11,080)	12,501	80,145
Development and Growth	38,155	20,839	17,316	3,538	–
Economy and Experience	5,532	19,864	(14,332)	705	118,098
Infrastructure and Environment	27,694	72,601	(44,907)	18,300	1,247,309
Office of the Chief Executive Officer	107	4,369	(4,262)	–	–
Total functions and activities	275,541	225,558	49,983	39,260	2,436,290
2023					
Corporate Services	170,210	69,807	100,403	21,198	881,095
Community Wellbeing	23,651	35,988	(12,337)	14,709	70,850
Development and Growth	64,655	18,595	46,060	1,447	–
Economy and Experience	2,747	16,707	(13,960)	505	124,464
Infrastructure and Environment	27,254	66,876	(39,622)	14,429	1,242,732
Office of the Chief Executive Officer	5	3,808	(3,803)	–	–
Total functions and activities	288,522	211,781	76,741	52,288	2,319,141

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Funding for the delivery of our services

	2024	2023
	\$ '000	\$ '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 any capital improvements, such as buildings.

The valuation base used to calculate general rates for 2023/24 was \$37,004 million (2022/23: \$33,893 million)

General rates	124,408	117,557
Waste management charge	26,859	25,288
Special rates and charges	159	148
Interest on rates and charges	586	–
Revenue in lieu of rates	74	69
Other	–	(2)
Total rates and charges	152,086	143,060

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

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

	2024	2023
	\$ '000	\$ '000

3.2 Statutory fees and fines

Infringements and costs	2,604	2,972
Town planning fees and certificates	1,068	1,346
Subdivision supervision and certification fees	346	1,345
Land information certificates	179	165
Dog and cat registrations and fines	929	904
Health licences and fees	746	714
Local law permits	529	541
Total statutory fees and fines	6,401	7,987

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.

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

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

	2024 \$ '000	2023 \$ '000
3.3 User fees		
Aged services fees	2	358
Child care centres and kindergartens	823	1,042
Parking	2,514	2,223
Art Gallery of Ballarat	701	568
Ballarat Aquatic and Lifestyle Centre	5,173	4,893
Family day care	62	70
Her Majesty's Theatre	494	468
Landfill operations	4,662	6,812
Library services	1,195	1,134
Animal Shelter	274	339
Meals on wheels	–	491
Recreation income	488	369
Transfer station	1,292	1,284
Building Fees & Permits	719	864
Eureka Centre	269	290
Other	1,214	1,013
Total user fees	19,882	22,218
User fees by timing of revenue recognition		
User fees recognised over time	1,446	1,769
User fees recognised at a point in time	18,436	20,449
Total user fees	19,882	22,218

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.

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

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

	2024 \$ '000	2023 \$ '000
3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	10,752	30,694
State funded grants	28,496	21,592
Other	12	2
Total grants received	39,260	52,288
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	765	21,128
Aged care	350	3,853
Child and family day care	2,408	2,434
Recurrent - State Government		
Aged care	1,791	725
School crossing supervisors	517	502
Libraries	731	731
Maternal and child health	1,199	995
Community safety	59	60
Arts	7	277
Child and family day care	1,963	1,758
Community activation	95	-
Environment	-	25
Other	-	206
Total recurrent operating grants	9,885	32,694
Non-recurrent - Commonwealth Government		
Tourism	10	10
Non-recurrent - State Government		
Maternal and child health	199	149
Arts	249	72
Community activation	90	175
Libraries	33	-
Recreation	6	-
Streetscape	86	-
Visitor economy	191	-
School Crossings	4	4
Environment	346	382
Aged Care	6	13
Community Safety	343	516
Child and Family Day Care	896	182
Other	348	294
Non-recurrent - Other		
Other	12	2
Total non-recurrent operating grants	2,819	1,799
Total operating grants	12,704	34,493

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

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

	2024 \$ '000	2023 \$ '000
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads	3,661	1,372
Recurrent - State Government		
Libraries	16	16
Total recurrent capital grants	3,677	1,388
Non-recurrent - Commonwealth Government		
Roads	2,279	748
Major Infrastructure	1,279	1,149
Non-recurrent - State Government		
Land & Buildings	5,346	1,299
Recreation	9,585	9,815
Roads	-	40
Libraries	35	145
Community Safety	20	-
Community Activation	3,179	1,368
Streetscape	35	1,032
Parking	926	741
Environment	168	52
Other	27	18
Total non-recurrent capital grants	22,879	16,407
Total capital grants	26,556	17,795

(c) Recognition of grant income

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

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the 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	765	21,128
Specific purpose grants to acquire non-financial assets	26,604	17,794
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	11,891	13,366
	39,260	52,288

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

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

	2024	2023
	\$ '000	\$ '000
(d) Unspent grants received on condition that they be spent in a specific manner:		
Operating		
Balance at start of year	4,392	3,313
Received during the financial year and remained unspent at balance date	2,184	2,615
Received in prior years and spent during the financial year	(3,396)	(1,536)
Balance at year end	3,180	4,392
Capital		
Balance at start of year	10,378	17,344
Received during the financial year and remained unspent at balance date	3,172	3,165
Received in prior years and spent during the financial year	(5,944)	(10,131)
Balance at year end	7,606	10,378

Unspent grants are determined and disclosed on a cash basis.

	2024	2023
	\$ '000	\$ '000
3.5 Contributions		
Monetary	12,548	9,365
Non monetary	16,192	45,105
Total contributions	28,740	54,470

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

Land	1,187	1,810
Roads	3,900	11,480
Artworks	2,467	448
Drainage	7,032	21,885
Footpaths	918	4,070
Land under roads	688	5,412
Total non monetary contributions	16,192	45,105

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

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

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

	2024 \$ '000	2023 \$ '000
3.6 Net (loss)/gain on disposal of property, infrastructure, plant and equipment		
Property, plant and equipment		
Proceeds of sale	778	883
Written down value of assets disposed	(227)	(420)
Total net gain on disposal of property, plant and equipment	551	463
Infrastructure Assets		
Written down value of assets disposed	(5,603)	–
Total net loss on disposal of Infrastructure Assets	(5,603)	–
Total net (loss)/gain on disposal of property, infrastructure, plant and equipment	(5,052)	463

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

	2024 \$ '000	2023 \$ '000
3.7 Other income		
Interest	6,890	6,122
Property rentals	1,568	1,741
Reimbursements, recoveries and rebates	958	718
Found assets	9,215	–
Other	155	154
Reversal of Landfill Restoration Provision previously expensed	9,846	–
Total other income	28,632	8,735

Interest is recognised as it is earned.

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

City of Ballarat

2023/2024 Financial Report

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

Note 4. The cost of delivering services

	2024 \$ '000	2023 \$ '000
4.1 Employee costs		
(a) Employee costs		
Wages and salaries	65,254	62,066
WorkCover	1,349	969
Casual staff	5,628	4,640
Superannuation	7,677	6,619
Fringe benefits tax	151	125
Other overheads and related costs	761	784
Total employee costs	80,820	75,203

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	340	386
	340	386

Employer contributions payable at reporting date –**Accumulation funds**

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,064	2,629
Employer contributions - other funds	4,282	2,827
	7,346	5,456

Employer contributions payable at reporting date 576**Total superannuation paid** **7,686**

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

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 4. The cost of delivering services (continued)

	2024 \$ '000	2023 \$ '000
4.2 Materials and services		
Building maintenance	2,947	2,736
General maintenance	10,961	10,776
Utilities	6,328	7,086
Office administration	9,686	11,024
Information technology	5,793	4,168
Insurance	2,418	2,222
Consultants	352	368
Contract payments		
- Active ageing	241	1,928
- Communications and marketing	183	46
- Development and planning	5,901	2,550
- Economic partnerships	2,692	1,502
- Engaged communities	714	467
- Environmental services	19,545	17,451
- Events and the arts	2,999	2,943
- Family and children's services	582	602
- Governance and corporate services	537	512
- Information services	962	1,371
- Parks and gardens	6,468	6,373
- Property and facilities management	1,797	1,431
- Recreation	1,309	1,181
- Regulatory services	150	174
- Road maintenance	3,339	3,415
Other	4,628	4,002
Total materials and services	90,532	84,328

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

	2024 \$ '000	2023 \$ '000
4.3 Depreciation		
Property	6,631	6,540
Plant and equipment	5,242	4,959
Infrastructure	31,848	31,646
Total depreciation	43,721	43,145

Refer to note 5.2(c), 5.8 and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 4. The cost of delivering services (continued)

	2024	2023
	\$ '000	\$ '000

4.4 Amortisation - Intangible assets

Landfill	850	1,502
Total Amortisation - Intangible assets	850	1,502

4.5 Depreciation - Right of use assets

Property	398	398
Total Depreciation - Right of use assets	398	398

4.6 Allowance for impairment losses

Parking fine debtors	464	2,320
Other debtors	333	293
Animal control	60	466
Total allowance for impairment losses	857	3,079

Movement in allowance for impairment losses in respect of debtors

Balance at the beginning of the year	(5,186)	(2,557)
New allowances recognised during the year	(292)	(2,671)
Amounts already allowed for and written off as uncollectible	14	42
Balance at end of year	(5,464)	(5,186)

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

	2024	2023
	\$ '000	\$ '000

4.7 Borrowing costs

Interest - Borrowings	1,148	1,356
Total borrowing costs	1,148	1,356

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

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 4. The cost of delivering services (continued)

	2024	2023
	\$ '000	\$ '000

4.8 Finance Costs - Leases

Interest - Lease Liabilities	25	43
Total finance costs	25	43

4.9 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	84	72
Auditors' remuneration - Internal Audit	97	124
Councillors' allowances	466	438
Landfill rehabilitation provision	-	1,549
Election expenses	80	-
Other	36	46
Total other expenses	763	2,229

City of Ballarat

2023/2024 Financial Report

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 on hand	12	13
Cash at bank	39,096	34,129
Term deposits	6,000	–
Total cash and cash equivalents	45,108	34,142
Total cash and cash equivalents	45,108	34,142
(b) Other financial assets		
Current		
Term deposits	68,000	129,500
Shares in other companies	2	2
Total other financial assets	68,002	129,502
Total other financial assets	68,002	129,502
Total financial assets	113,110	163,644
Total cash and cash equivalents and other financial assets	113,110	163,644

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

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

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

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

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

	2024 \$ '000	2023 \$ '000
(c) Trade & Other Receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	12,702	7,795
Infringement debtors - Parking	4,631	4,477
Infringement debtors - Other	2,037	2,012
<i>Non-statutory receivables</i>		
Government grants	13,259	3,649
Other debtors	3,705	5,725
Allowance for expected credit loss - other debtors	(915)	(777)
Allowance for expected credit loss - parking infringements	(3,112)	(3,017)
Allowance for expected credit loss - other infringements	(1,437)	(1,392)
Total current trade and other receivables	30,870	18,472
Total trade and other receivables	30,870	18,472

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

	2024 \$ '000	2023 \$ '000
(d) Ageing of receivables		
The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:		
Current (not yet due)	14,710	6,915
Past due by up to 30 days	191	49
Past due between 31 and 180 days	136	149
Past due between 181 and 365 days	187	330
Past due by more than 1 year	825	1,154
Total trade and other receivables	16,049	8,597

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2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

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

	2024	2023
	\$ '000	\$ '000

(e) Ageing of impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$15.155m (2023: \$5.351m) were impaired. The amount of the provision raised against these debtors was \$914k (2023: \$777k). They have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	49	97
Past due by up to 30 days	24	13
Past due between 31 and 180 days	79	102
Past due between 181 and 365 days	152	272
Past due by more than 1 year	611	293
Total trade and other receivables	915	777

(f) Contract assets**Current**

Accrued income	816	1,614
Total Current	816	1,614
Total contract assets	816	1,614

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

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

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

	2024	2023
	\$ '000	\$ '000

5.2 Non-financial assets

(a) Inventories

Current

Inventories held for distribution	356	429
Inventories held for sale	349	261
Total current inventories	705	690

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) Other assets

Current

Prepayments	1,715	1,407
Total current other assets	1,715	1,407

(c) Intangible assets

Landfill air space	3,007	886
Total intangible assets	3,007	886

	Landfill Air Space \$ '000
Gross Carrying Amount	
Balance at 1 July 2023	4,766
Additions from internal developments	2,971
Other additions	—
Balance at 30 June 2024	7,737
Accumulated amortisation and impairment	
Balance at 1 July 2023	3,880
Amortisation expense	850
Balance at 30 June 2024	4,730
Net book value at 30 June 2023	886
Net book value at 30 June 2024	3,007

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.

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

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

	2024 \$ '000	2023 \$ '000
5.3 Payables, trust funds and deposits and contract and other liabilities		
(a) Trade and other payables		
Current		
<i>Non-statutory payables</i>		
Trade payables	3,530	4,312
Accrued loan expenses	61	73
Wages payable	4,083	3,443
Accrued Expenses	17,694	14,229
Total current trade and other payables	25,368	22,057
(b) Trust funds and deposits		
Current		
Fire services property levy	4,082	3,893
Majestix deposits and trust funds	682	565
Art Gallery deposits and trust funds	11	74
Contract retentions and securities	14	25
Subdivision holding fees	6,639	8,945
Eureka Centre trust fund	41	39
Other deposits and trusts	2,798	2,567
Total current trust funds and deposits	14,267	16,108
(c) Contract and other liabilities		
Contract liabilities		
Current		
Grants received in advance - operating	3,180	4,392
Grants received in advance - capital	7,606	10,378
Other	451	322
Total current contract and other liabilities	11,237	15,092

Trust funds and deposits

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

Contract liabilities

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

Other liabilities

Grant consideration was received from State and Federal Government departments to support the construction of various capital projects. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion of the projects. As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

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

Purpose and nature of items

Fire Services Levy - Council is the collection agent for the 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 & Holding Fees - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warranty 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.

Deposits and trust funds - Refundable deposits and funds Council holds in trust on behalf of others or for specific purposes. Includes Deductible Gift Recipient funds which hold donations to be used for specific purposes.

	2024 \$ '000	2023 \$ '000
5.4 Interest-bearing liabilities		
Current		
Other borrowings - secured	1,160	3,053
Total current interest-bearing liabilities	1,160	3,053
Non-current		
Other borrowings - secured	26,834	27,995
Total non-current interest-bearing liabilities	26,834	27,995
Total	27,994	31,048

All borrowings of the City of Ballarat are secured against the rates income of Council.

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

Not later than one year	1,265	3,053
Later than one year and not later than five years	26,729	27,995
	27,994	31,048

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

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

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

	Employee provisions \$ '000	Landfill restoration \$ '000	Total \$ '000
5.5 Provisions			
2024			
Balance at the beginning of the financial year	16,861	23,811	40,672
Additional provisions	7,459	333	7,792
Amounts used	(6,341)	(3,135)	(9,476)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	10	(4,073)	(4,063)
Balance at the end of the financial year	17,989	16,936	34,925
Provisions			
Provisions - current	15,933	7,453	23,386
Provisions - non-current	2,056	9,483	11,539
Total Provisions	17,989	16,936	34,925
2023			
Balance at the beginning of the financial year	16,164	22,262	38,426
Additional provisions	7,428	6,354	13,782
Amounts used	(6,746)	(6,660)	(13,406)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	15	1,855	1,870
Balance at the end of the financial year	16,861	23,811	40,672
Provisions			
Provisions - current	15,134	6,476	21,610
Provisions - non-current	1,727	17,335	19,062
Total Provisions	16,861	23,811	40,672

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

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

	2024 \$ '000	2023 \$ '000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	4,723	4,148
Long service leave	1,187	1,154
Other	379	367
	<u>6,289</u>	<u>5,669</u>
Current provisions expected to be wholly settled after 12 months		
Annual leave	1,701	1,547
Long service leave	7,943	7,918
	<u>9,644</u>	<u>9,465</u>
Total current employee provisions	<u>15,933</u>	<u>15,134</u>
Non-Current		
Long service leave	2,056	1,727
Total Non-Current Employee Provisions	<u>2,056</u>	<u>1,727</u>
Aggregate Carrying Amount of Employee Provisions:		
Current	15,933	15,134
Non-current	2,056	1,727
Total Aggregate Carrying Amount of Employee Provisions	<u>17,989</u>	<u>16,861</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:

- discount rate	4.35%	4.05%
- index rate	4.45%	4.35%

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

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

	2024 \$ '000	2023 \$ '000
(b) Landfill restoration		
Current	7,453	6,476
Non-current	9,483	17,335
Total	16,936	23,811

Council is obligated to restore the Smythesdale landfill site to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration for the active Smythesdale landfill site, as well as closed landfills Black Hill and Whitehorse, have been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.

Key assumptions:

- discount rate	1.58%	1.45%
- index rate	3.59%	6.84%

5.6 Financing arrangements

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

Credit card facilities	4,500	4,500
Loans	27,994	31,048
Total Facilities	32,494	35,548
Used facilities	28,348	32,183
Unused facilities	4,146	3,365

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

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

5.7 Commitments

The Council has entered into the following commitments.

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

(a) Commitments for expenditure

	Not later than 1 year \$ '000	Later than 1 year and not later than 2 years \$ '000	Later than 2 years and not later than 5 years \$ '000	Later than 5 years \$ '000	Total \$ '000
2024					
Operating					
Professional Services	246	205	–	–	451
Security	103	95	–	–	198
Maintenance	817	407	–	–	1,224
Waste Operations	2,790	–	–	–	2,790
Administration and consultancy	273	182	99	–	554
Cleaning Services	849	–	–	–	849
Total	5,078	889	99	–	6,066
Capital					
Buildings	4,794	237	168	–	5,199
Recreation, leisure and community	477	326	327	–	1,130
Roads	756	–	–	–	756
Civil works	4,703	447	–	–	5,150
Total	10,730	1,010	495	–	12,235
2023					
Operating					
Security	103	103	94	–	300
Maintenance	707	179	–	–	886
Waste Operations	1,526	1,526	–	–	3,052
Administration and consultancy	25	4	–	–	29
Cleaning Services	684	118	–	–	802
Total	3,045	1,930	94	–	5,069
Capital					
Buildings	21,681	–	–	–	21,681
Recreation, leisure and community	905	–	–	–	905
Roads	478	–	–	–	478
Civil works	7,644	6,227	–	–	13,871
Total	30,708	6,227	–	–	36,935

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

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

	2024	2023
	\$ '000	\$ '000

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

Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes and other land and buildings. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 20 years. All leases include a CPI based revision of the rental charge annually.

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

Not later than one year	1,304	1,157
Later than one year and not later than five years	5,156	4,414
Later than five years	8,789	10,504
	<u>15,249</u>	<u>16,075</u>

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

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

5.8 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 customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

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

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

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

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

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

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

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

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

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

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

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

(a) Right-of-Use Assets

	Property \$ '000
2024	
Balance at 1 July 2023	697
Additions	–
Depreciation charge	(398)
Cessations	–
Balance at 30 June 2024	299
2023	
Balance at 1 July 2022	1,095
Additions	–
Depreciation charge	(398)
Cessations	–
Balance at 30 June 2023	697
	2024
	\$ '000
	2023
	\$ '000

(b) Lease Liabilities

Maturity analysis - contractual undiscounted cash flows		
Less than one year	312	443
One to five years	44	356
Total undiscounted lease liabilities as at 30 June:	356	799

Lease liabilities included in the Balance Sheet at 30 June:

Current	305	420
Non-current	27	332
Total lease liabilities	332	752

Short-term and low value leases

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

Expenses relating to:

Short-term leases	351	320
Leases of low value assets	30	133
Total	381	453

Variable lease payments (not included in measurement of lease liabilities)

Variable lease payments	–	–
Total	–	–

Variable lease payments are those that depend on an index or a rate, for example payments linked to the consumer price index, a benchmark interest rate or changes in market rental rates.

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2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

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

	2024	2023
	\$ '000	\$ '000

Non-cancellable lease commitments - Short-term and low-value leases

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

Payable:		
Within one year	23	11
Later than one year but not later than five years	3	-
Total lease commitments	26	11

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	Carrying amount 30 June 2023 \$ '000	Additions \$ '000	Contributions \$ '000	Revaluation \$ '000	Depreciation \$ '000	Disposal \$ '000	Write-off \$ '000	Transfers \$ '000	Found Assets \$ '000	Carrying amount 30 June 2024 \$ '000
Property	646,623	15,235	1,875	68,949	(6,631)	(172)	–	8,510	8,593	742,982
Plant and equipment	123,245	8,342	2,467	–	(5,242)	(55)	–	103	621	129,481
Infrastructure	1,295,786	23,722	11,850	8,430	(31,848)	(5,602)	–	16,210	–	1,318,548
Work in progress	50,467	52,993	–	–	–	–	(29)	(24,823)	–	78,608
Total	2,116,121	100,292	16,192	77,379	(43,721)	(5,829)	(29)	–	9,214	2,269,619

Summary of Work in Progress	Opening WIP \$ '000	Additions \$ '000	Transfers \$ '000	Write-off \$ '000	Closing WIP \$ '000
Property	14,954	22,852	(945)	(29)	36,832
Plant and equipment	103	19	(103)	–	19
Infrastructure	35,410	30,122	(23,775)	–	41,757
Total	50,467	52,993	(24,823)	(29)	78,608

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2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

	Land specialised \$ '000	Land non specialised \$ '000	Land improvements \$ '000	Total land and land improvements \$ '000	Heritage buildings \$ '000	Buildings non specialised \$ '000	Building improvements \$ '000	Total buildings \$ '000	Work in progress \$ '000	Total property \$ '000
Property										
At fair value 1 July 2023	24,227	404,990	3,632	432,849	41,717	169,231	27,417	238,365	14,955	686,169
Accumulated depreciation at 1 July 2023	–	–	(594)	(594)	(4,186)	(19,415)	(396)	(23,997)	–	(24,591)
	<u>24,227</u>	<u>404,990</u>	<u>3,038</u>	<u>432,255</u>	<u>37,531</u>	<u>149,816</u>	<u>27,021</u>	<u>214,368</u>	<u>14,955</u>	<u>661,578</u>
Movements in fair value										
Additions	–	4,755	3,038	7,793	55	–	7,387	7,442	22,852	38,087
Contributions	688	1,187	–	1,875	–	–	–	–	–	1,875
Revaluation	–	37,429	–	37,429	8,671	22,848	–	31,519	–	68,948
Found	–	–	–	–	–	8,593	–	8,593	–	8,593
Disposal	–	–	–	–	–	(200)	–	(200)	–	(200)
Write-off	–	–	–	–	–	–	–	–	(29)	(29)
Transfers	–	4,750	76	4,826	45	27,417	(23,778)	3,684	(945)	7,565
	<u>688</u>	<u>48,121</u>	<u>3,114</u>	<u>51,923</u>	<u>8,771</u>	<u>58,658</u>	<u>(16,391)</u>	<u>51,038</u>	<u>21,878</u>	<u>124,839</u>
Movements in accumulated depreciation										
Depreciation	–	–	(333)	(333)	(1,134)	(4,593)	(571)	(6,298)	–	(6,631)
Accumulated depreciation of disposals	–	–	–	–	–	28	–	28	–	28
Transfers	–	–	–	–	–	(967)	967	–	–	–
	<u>–</u>	<u>–</u>	<u>(333)</u>	<u>(333)</u>	<u>(1,134)</u>	<u>(5,532)</u>	<u>396</u>	<u>(6,270)</u>	<u>–</u>	<u>(6,603)</u>
At fair value 30 June 2024	24,916	453,111	6,746	484,773	50,489	227,889	11,026	289,404	36,833	811,010
Accumulated depreciation at 30 June 2024	–	–	(927)	(927)	(5,321)	(24,947)	–	(30,268)	–	(31,195)
Carrying amount	<u>24,916</u>	<u>453,111</u>	<u>5,819</u>	<u>483,846</u>	<u>45,168</u>	<u>202,942</u>	<u>11,026</u>	<u>259,136</u>	<u>36,833</u>	<u>779,815</u>

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

	Plant, machinery and equipment \$ '000	Fixtures fittings and furniture \$ '000	Computers and telecomms \$ '000	Library books \$ '000	Art works and heritage collections \$ '000	Total \$ '000	Work in progress \$ '000	Total plant and equipment \$ '000
Plant and Equipment								
At fair value 1 July 2023	37,570	3,655	15,778	9,195	101,563	167,761	103	167,864
Accumulated depreciation at 1 July 2023	(21,960)	(2,401)	(13,055)	(7,101)	–	(44,517)	–	(44,517)
	<u>15,610</u>	<u>1,254</u>	<u>2,723</u>	<u>2,094</u>	<u>101,563</u>	<u>123,244</u>	<u>103</u>	<u>123,347</u>
Movements in fair value								
Additions	6,118	64	1,679	481	–	8,342	19	8,361
Contributions	–	–	–	–	2,467	2,467	–	2,467
Disposal	(2,129)	(5)	–	–	–	(2,134)	–	(2,134)
Transfers	67	–	36	–	–	103	(103)	–
Found	621	–	–	–	–	621	–	621
	<u>4,677</u>	<u>59</u>	<u>1,715</u>	<u>481</u>	<u>2,467</u>	<u>9,399</u>	<u>(84)</u>	<u>9,315</u>
Movements in accumulated depreciation								
Depreciation	(3,676)	(188)	(966)	(412)	–	(5,242)	–	(5,242)
Accumulated depreciation of disposals	2,077	3	–	–	–	2,080	–	2,080
	<u>(1,599)</u>	<u>(185)</u>	<u>(966)</u>	<u>(412)</u>	<u>–</u>	<u>(3,162)</u>	<u>–</u>	<u>(3,162)</u>
At fair value 30 June 2024	42,247	3,714	17,493	9,676	104,030	177,160	19	177,179
Accumulated depreciation at 30 June 2024	(23,559)	(2,586)	(14,021)	(7,513)	–	(47,679)	–	(47,679)
Carrying amount	<u>18,688</u>	<u>1,128</u>	<u>3,472</u>	<u>2,163</u>	<u>104,030</u>	<u>129,481</u>	<u>19</u>	<u>129,500</u>

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2023/2024 Financial Report

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

Note 6. Assets we manage (continued)

	Roads \$ '000	Bridges \$ '000	Footpaths and cycleways \$ '000	Drainage \$ '000	Recrea- tional, leisure and commu- nity \$ '000	Waste manage- ment \$ '000	Parks open spaces and streets- capes \$ '000	Off street car parks \$ '000	Total \$ '000	Work in progress \$ '000	Total infra- structure \$ '000
Infrastructure											
At fair value 1 July 2023 (Restated)	938,668	69,517	114,432	615,905	126,163	8,323	9,552	10,774	1,893,334	35,410	1,928,744
Accumulated depreciation at 1 July 2023	(290,132)	(32,844)	(30,730)	(175,915)	(57,436)	(7,093)	(308)	(3,090)	(597,548)	–	(597,548)
	<u>648,536</u>	<u>36,673</u>	<u>83,702</u>	<u>439,990</u>	<u>68,727</u>	<u>1,230</u>	<u>9,244</u>	<u>7,684</u>	<u>1,295,786</u>	<u>35,410</u>	<u>1,331,196</u>
Movements in fair value											
Additions	12,771	189	1,658	1,967	5,803	–	682	652	23,722	30,122	53,844
Contributions	3,900	–	918	7,032	–	–	–	–	11,850	–	11,850
Revaluation	69,685	2,961	(1,332)	20,468	6,422	–	–	–	98,204	–	98,204
Revaluation decrements recognised in operating result	–	–	–	–	–	–	–	(1,496)	(1,496)	–	(1,496)
Disposal	(6,465)	–	(1,488)	(7)	(1,924)	–	–	–	(9,884)	–	(9,884)
Transfers	6,054	26	(1,569)	213	5,369	5,827	63	227	16,210	(23,775)	(7,565)
	<u>85,945</u>	<u>3,176</u>	<u>(1,813)</u>	<u>29,673</u>	<u>15,670</u>	<u>5,827</u>	<u>745</u>	<u>(617)</u>	<u>138,606</u>	<u>6,347</u>	<u>144,953</u>
Movements in accumulated depreciation											
Depreciation	(17,565)	(802)	(2,081)	(5,206)	(4,083)	(1,534)	(243)	(334)	(31,848)	–	(31,848)
Accumulated depreciation of disposals	2,547	–	582	1	1,152	–	–	–	4,282	–	4,282
Accumulated depreciation on revaluation	(68,050)	(1,110)	(9,509)	(6,187)	(3,526)	–	–	–	(88,382)	–	(88,382)
Revaluation	–	–	–	–	–	–	–	–	–	–	–
Revaluation movement recognised in operating result	–	–	–	–	–	–	–	104	104	–	104
	<u>(83,068)</u>	<u>(1,912)</u>	<u>(11,008)</u>	<u>(11,392)</u>	<u>(6,457)</u>	<u>(1,534)</u>	<u>(243)</u>	<u>(230)</u>	<u>(115,844)</u>	<u>–</u>	<u>(115,844)</u>
At fair value 30 June 2024	1,024,613	72,693	112,618	645,579	141,833	14,150	10,297	10,157	2,031,940	41,756	2,073,696
Accumulated depreciation at 30 June 2024	(373,200)	(34,757)	(41,738)	(187,307)	(63,893)	(8,627)	(551)	(3,320)	(713,393)	–	(713,393)
Carrying amount	<u>651,413</u>	<u>37,936</u>	<u>70,880</u>	<u>458,272</u>	<u>77,940</u>	<u>5,523</u>	<u>9,746</u>	<u>6,837</u>	<u>1,318,547</u>	<u>41,756</u>	<u>1,360,303</u>

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

Acquisition

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

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

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

Asset recognition thresholds and depreciation periods

	Depreciation Period years	Threshold Limit \$
Land and land improvements		
land		5,000
land improvements	40 years	5,000
Buildings		
buildings	40 years	5,000
building improvements	40 years	5,000
Plant and Equipment		
plant, machinery and equipment	3 - 50 years	1,000
fixtures, fittings and furniture	10 - 50 years	1,000
computers and telecommunications	4 - 40 years	1,000
library books	10 years	1,000
Infrastructure		
roads - pavements and seals	15 - 80 years	5,000
roads - formation and earthworks		5,000
roads - kerb, channel and minor culverts	56 - 150 years	5,000
bridges - deck	60 - 100 years	5,000
bridges - substructure	60 - 100 years	5,000
footpaths and cycleways	15 - 80 years	5,000
drainage	50 - 200 years	5,000
recreational, leisure and community facilities	10 - 300 years	5,000
parks, open space and streetscapes	36 - 40 years	5,000
off-street car parks	7 - 25 years	5,000
waste management and landfills	2 - 3 years	5,000
Intangible Assets		
landfill airspace	1 - 5 years	5,000
right of use assets	1 - 10 years	10,000

Land under roads

Land under roads acquired after 30 June 2008 is brought to account using the fair value basis. Council does not recognise land under roads that it controlled prior to that period in its financial statements, consistent with AASB 1051.

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2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

Depreciation

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

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

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

Artworks and heritage collections are not depreciated.

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

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

Repairs and maintenance

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 component cost is capitalised and depreciated. The carrying value of the replaced asset component is expensed.

Valuation of land and buildings

Valuation of land and buildings was undertaken in 2024 by qualified independent valuers Opteon Property Group Pty Ltd (Primary valuer William Wright API no. 80899). The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

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

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

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Land	–	–	453,111	Apr/24	Full
Specialised land	–	–	24,916	Jun/22	Full
Land improvements	–	–	5,819	Apr/24	Full
Heritage buildings	–	–	45,168	Apr/24	Full
Buildings	–	–	202,942	Apr/24	Full
Building improvements	–	11,026	–	Apr/24	Full
Total	–	11,026	731,956		

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

Valuation of Infrastructure

Condition assessment and remaining useful life calculation of roads and footpaths was undertaken by Talis Group. Other infrastructure assets had a unit rate review in 2023 which was undertaken by Pitt & Sherry Pty Ltd and indexed in 2024 to reflect cost increases.

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

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

	Level 1	Level 2	Level 3	Date of valuation	Type of Valuation
Roads	–	–	651,413	Jun/24	Full
Bridges	–	–	37,936	Jun/24	Index
Footpaths and cycleways	–	–	70,880	Jun/24	Full
Drainage	–	–	458,272	Jun/24	Index
Recreational, leisure & community facilities	–	–	77,940	Jun/24	Index
Waste management	–	–	5,523	Jun/19	Index
Parks, open space & streetscapes	–	–	9,746	Jun/19	Index
Off street car parks	–	–	6,837	Jun/24	Index
Total	–	–	1,318,547		

Description of significant unobservable inputs into level 3 valuations

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 \$1.00 and \$1,530 per square metre.

Non-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 cost is calculated on a square metre basis and ranges from \$110 to \$7,920 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary up to 118 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the 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 age of the asset and vary from 1 year to 272 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.

Reconciliation of specialised land

	2024 \$ '000	2023 \$ '000
Land under roads	24,916	24,227
Total specialised land	24,916	24,227

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Assets we manage (continued)

6.2 Investment property

	Note	2024 \$ '000	2023 \$ '000
Balance at beginning of financial year		15,610	–
Transfers from property, plant and equipment	6.1	–	16,309
Fair value increment/(decrement)		540	(699)
Balance at end of financial year		16,150	15,610

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

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation undertaken in 2024 by Opteon Pty Ltd who has recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property.

City of Ballarat

2023/2024 Financial Report

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

Ballarat City Council t/a City of Ballarat

Subsidiaries and Associates

Nil

(b) Key Management Personnel

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

Details of KMP at any time during the year are:

Councillors	Des Hudson (Mayor) Peter Eddy (Deputy Mayor since November 2023) Amy Johnson (Deputy Mayor until November 2023) Daniel Moloney Ben Taylor Belinda Coates Mark Harris Samantha McIntosh Tracey Hargreaves
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	2024 No.	2023 No.
Total Number of Councillors	9	9
Chief Executive Officer and Other Key Management Personnel		
Evan King	Chief Executive Officer	
Bridget Wetherall	Director Infrastructure and Environment	
Matt Wilson	Director Community Wellbeing	
Natalie Robertson	Director Development and Growth	
John Hausler	Director Corporate Services	
Martin Darcy	Director Economy and Experience	
Total of Chief Executive Officer and other Key Management Personnel	6	6
Total Number of Key Management Personnel	15	15

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 7. People and relationships (continued)

(c) Remuneration of Key Management Personnel

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

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

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

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

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

	2024 \$ '000	2023 \$ '000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,956	1,669
Other long-term employee benefits	(12)	19
Post-employment benefits	164	134
Total	2,108	1,822

	2024 No.	2023 No.
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$10,000 - \$19,999	–	1
\$30,000 - \$39,999	6	6
\$40,000 - \$49,999	1	–
\$50,000 - \$59,999	1	–
\$60,000 - \$69,999	–	2
\$90,000 - \$99,999	–	1
\$120,000 - \$129,999	1	–
\$230,000 - \$239,999	1	1
\$240,000 - \$249,999	1	–
\$250,000 - \$259,999	3	3
\$370,000 - \$379,999	–	1
\$390,000 - \$399,999	1	–
	15	15

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 7. People and relationships (continued)

(d) Remuneration of other senior staff

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

Total remuneration of other senior staff was as follows:

	2024	2023
	\$ '000	\$ '000
Short-term employee benefits	3,764	3,766
Other long-term employee benefits	40	56
Post-employment benefits	434	432
Termination benefits	10	82
Total	4,248	4,336

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

	2024	2023
	No.	No.
Income Range:		
<\$170,000 [^]	2	8
\$170,000 - \$179,999	5	4
\$180,000 - \$189,999	7	7
\$190,000 - \$199,999	7	2
\$200,000 - \$209,999	2	3
\$220,000 - \$229,999	-	1
	23	25

([^]) Staff within this range are those employed for part of the financial year or those who are part-time

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 7. People and relationships (continued)

	2024	2023
	\$ '000	\$ '000

7.2 Related party disclosure

(a) Transactions with related parties

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

Remuneration	–	1
Grant funding paid	2	19

Remuneration is inclusive of payments of salaries and wages made to related parties of Senior Officers acting in Key Management Personnel positions. These related party payments are only recognised when paid during official periods of responsibility. Salaries and wages are paid in accordance with Council's adopted employment terms and conditions.

Grant funding paid includes grants paid to community organisations of which Key Management Personnel are Board or Committee members.

(b) Outstanding balances with related parties

No material transactions with outstanding balances to or from related parties of Council have been disclosed or uncovered through review of Council's transactions for the financial year ending 30 June 2024.

(c) Loans to/from related parties

No loans to or from related parties of Council have been disclosed or uncovered through review of Council's transactions for the financial year ending 30 June 2024.

(d) Commitments to/from related parties

No material commitments to or from related parties of Council have been disclosed or uncovered through review of Council's transactions for the financial year ending 30 June 2024.

City of Ballarat

2023/2024 Financial Report

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

(b) Contingent liabilities

Contingent liabilities are:

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

At balance date the Council are not aware of any contingent liabilities other than as follows:

Defined benefit superannuation

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

Landfill

Council operates a landfill. Council will have to carry out site rehabilitation works in the future. Provisions have been recognised for this liability in the Balance Sheet, however future regulatory and environmental factors may change this future obligation. At balance date, Council is unable to accurately assess the financial implications of these factors.

Legal matters

Council is not currently involved in any legal matters from which a contingent liability is likely to arise.

Combustible building cladding

Prior to 2011, Council endorsed a wide range of building permits across the municipality that may have contained combustible cladding. Due to the potential risks linked to these materials, Council may be exposed to future legal action in connection to the permits it endorsed. Council have identified a small number of buildings that fall within the scope of the Statewide Building Audit and have advised the VBA as appropriate. A full review of all Council issued permits prior to 2011 has not been completed, so the extent of any future liability to Council is currently unknown.

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**Financial guarantees**

On the 22 July 1996, Council entered into a Guarantee with the Australian and New Zealand Banking Group Limited and Basketball Stadiums Victoria Co-Operative Limited for a bank loan to finance Ballarat Netball Stadium (Arch Sports Centre). The Guarantee is limited to the current level of borrowings of \$400,000 and cannot be exercised for any further borrowings without Council's written consent. A contingent liability therefore exists for this amount.

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties (continued)

8.2 Change in accounting standards

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

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

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

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

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

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

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

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties (continued)

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

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

(c) Credit risk

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

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

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

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 provides a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

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

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

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties (continued)

(e) Sensitivity disclosure analysis

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

- A shift of +/- 1% in market interest rates (AUD) from year-end rates of 5%.

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

8.4 Fair value measurement

Fair Value Hierarchy

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

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

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

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

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

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Managing uncertainties (continued)

Asset Class	Revaluation frequency
Land	2 years
Buildings	2 years
Roads	3 years
Bridges	3 years
Footpaths and cycleways	3 years
Drainage	3 years
Recreational, leisure and community facilities	3 years
Waste management	5 years
Parks, open space and streetscapes	3 years
Aerodromes	3 years
Other infrastructure	3 years

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

Impairment of assets

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

Eureka Flag

Whilst Council has control over the Eureka Flag, it has not been included in the financial statements as uncertainty exists to the appropriateness of its carrying value due to the unique nature of the asset and the absence of a realistic market.

8.5 Events occurring after balance date

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

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters

	Balance at beginning of reporting period \$ '000	Increase (decrease) \$ '000	Balance at end of reporting period \$ '000
9.1 Reserves			
(a) Asset revaluation reserves			
2024			
Property			
Land - non specialised	342,249	37,429	379,678
Heritage buildings	1,925	8,672	10,597
Buildings	27,820	22,848	50,668
	<u>371,994</u>	<u>68,949</u>	<u>440,943</u>
Plant and equipment			
Plant machinery and equipment	1,937	–	1,937
Art works and heritage collections	62,377	–	62,377
	<u>64,314</u>	<u>–</u>	<u>64,314</u>
Infrastructure			
Roads	139,105	1,636	140,741
Bridges	17,334	1,852	19,186
Footpaths and cycleways	27,385	(10,841)	16,544
Drainage	114,273	14,281	128,554
Recreational, leisure and community facilities	3,330	2,895	6,225
Off-street car parks	–	–	–
	<u>301,427</u>	<u>9,823</u>	<u>311,250</u>
Total asset revaluation reserves	<u>737,735</u>	<u>78,772</u>	<u>816,507</u>

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters (continued)

	Balance at beginning of reporting period	Increase (decrease) Restated	Balance at end of reporting period
	\$ '000	\$ '000	\$ '000
2023			
Property			
Land - non specialised	342,249	–	342,249
Heritage buildings	1,925	–	1,925
Buildings	27,820	–	27,820
	<u>371,994</u>	<u>–</u>	<u>371,994</u>
Plant and equipment			
Plant machinery and equipment	1,937	–	1,937
Art works and heritage collections	58,015	4,362	62,377
	<u>59,952</u>	<u>4,362</u>	<u>64,314</u>
Infrastructure			
Roads	149,135	(10,030)	139,105
Bridges	17,326	8	17,334
Footpaths and cycleways	31,807	(4,422)	27,385
Drainage	29,882	84,391	114,273
Recreational, leisure and community facilities	–	3,330	3,330
Off-street car parks	–	–	–
Other infrastructure	1,087	(1,087)	–
	<u>229,237</u>	<u>72,190</u>	<u>301,427</u>
Total asset revaluation reserves	<u>661,183</u>	<u>76,552</u>	<u>737,735</u>

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

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters (continued)

	Balance at beginning of reporting period \$ '000	Transfer from Accumulated Surplus \$ '000	Transfer to Accumulated Surplus \$ '000	Balance at end of reporting period \$ '000
(b) Other reserves				
2024				
Restricted reserves				
Subdividers contributions	4,856	1,096	(694)	5,258
Developer contributions	32,530	12,039	(13,417)	31,152
Total restricted reserves	37,386	13,135	(14,111)	36,410
Discretionary reserves				
Asset realisation reserve	–	3,551	–	3,551
Waste reserve	2,836	420	(2,889)	367
Total discretionary reserves	2,836	3,971	(2,889)	3,918
Total Other reserves	40,222	17,106	(17,000)	40,328
2023				
Restricted reserves				
Subdividers contributions	4,233	934	(311)	4,856
Developer contributions	26,316	10,845	(4,631)	32,530
Total restricted reserves	30,549	11,779	(4,942)	37,386
Discretionary reserves				
Asset realisation reserve	3,321	454	(3,775)	–
Waste reserve	5,094	4,396	(6,654)	2,836
Total discretionary reserves	8,415	4,850	(10,429)	2,836
Total Other reserves	38,964	16,629	(15,371)	40,222

Subdividers Contributions Reserve

The purpose of this reserve is to collect contributions from developers for open space which is used for future Parks and Open Space upgrades including Playspaces. The policy framework for open space contributions is set out in the Subdivision Act 1988 which enshrines a nominal contribution.

Developer Contributions Reserve

The purpose of this reserve is to ensure that the City's new communities have appropriate access to essential infrastructure required to achieve the safety and liveability of its suburbs. All developers are required to fund and construct local infrastructure to service new developments and housing estates. The role of developer contributions is to ensure major infrastructure items such as traffic signals, sports grounds and community centres are funded equitably between multiple developers and/or landowners. Funds are restricted for delivery of community infrastructure in line with Developer Contribution Plan agreements.

Asset Realisation Reserve

The purpose of this reserve is to isolate funds generated from the sale of land assets that Council have identified as surplus to the community's needs. These funds will be utilised to purchase more strategic land assets for the community.

Waste Reserve

The purpose of this reserve is to isolate funds generated from the Waste Management and Green Waste Service Charges. These funds will be utilised to fund capital works programs across the Waste & Environment Department such as landfill cell construction, cell capping, replacement bins, replacement and growth of the truck fleet with greater future capital works on the horizon.

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters (continued)

	2024 \$ '000	2023 \$ '000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus for the year	49,983	76,741
Non-cash adjustments:		
Depreciation/amortisation	44,969	45,045
(Profit)/loss on disposal of property, infrastructure, plant and equipment	5,052	(463)
Fair value adjustments for investment property	(540)	699
Contributions - Non-monetary assets	(16,192)	(45,105)
Amounts disclosed in financing activities	1,173	1,399
Revaluation decrements of IPP&E direct to P&L	1,392	498
Intangible asset revaluation	(2,971)	-
Found assets	(9,215)	-
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(12,398)	(3,924)
(Increase)/decrease in inventories	(15)	(255)
(Increase)/decrease in prepayments	(308)	42
Increase/(decrease) in contract assets	798	(1,320)
Increase/(decrease) in trade and other payables	3,311	8,339
Increase/(decrease) in provisions	(5,747)	2,246
(Decrease)/increase in other liabilities	(1,841)	(97)
(Decrease)/increase in contract and other liabilities	(3,855)	(5,753)
Net cash provided by operating activities	53,596	78,092

9.3 Superannuation

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

Accumulation

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

Defined Benefit

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

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of City of Ballarat 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

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters (continued)

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

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

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

Employer contributions

(a) Regular contributions

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

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

(b) Funding calls

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

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

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

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

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

The 2023 triennial actuarial investigation surplus amounts

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

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

	2023 (Triennial)	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.

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Other matters (continued)

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

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

The 2024 interim actuarial investigation

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

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

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

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

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

The 2020 triennial investigation

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

	2020 Triennial investigation \$m	2023 Triennial investigation \$m
Net investment return	5.6% pa 2.5% pa for two years and thereafter	5.7% pa
Salary inflation	2.75% pa	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% (2023:10.5%)	340	386
Vision Super	Accumulation	11% (2023:10.5%)	3,064	2,629
Other funds	Accumulation	11% (2023:10.5%)	4,282	2,827

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

Contributions outstanding as at 30 June 2024 amounted to \$576k.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2024 is \$315k.

City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 10. Changes in accounting policy

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

Note 11. Errors and changes in accounting estimates

11.1 Correction of error/s relating to a previous reporting period

Nature of prior-period error

Council adjusted asset fair values and revaluation movements for infrastructure assets (Roads, Footpaths and cycleways, Drainage) for the comparative financial year. Council adjusted these balances to rectify a calculation error that occurred during preparation of the financial statements for 2022/23 and was discovered during the preparation of the 2023/24 financial statements. Amounts disclosed at note 6.1 and note 9.1(a) have been restated as a result.

The impact on each line item is shown in the tables below.

Adjustments to the comparative figures for the year ended 30 June 2023

	Original Balance 30 June 2023 \$ '000	Impact Increase / (decrease) \$ '000	Restated Balance 30 June 2023 \$ '000
Balance Sheet			
Property, infrastructure, plant and equipment	2,153,555	(37,434)	2,116,121
Total non-current assets	2,170,748	(37,434)	2,133,314
Total assets	2,356,575	(37,434)	2,319,141
Net assets	2,230,846	(37,434)	2,193,412
Reserves	815,391	(37,434)	777,957
Total equity	2,230,846	(37,434)	2,193,412
Comprehensive Income Statement			
Net asset revaluation gain	113,986	(37,434)	76,552
Total comprehensive result	190,727	(37,434)	153,293

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City of Ballarat

2023/2024 Financial Report

Notes to the Financial Statements

for the year ended 30 June 2024

Note 11. Errors and changes in accounting estimates (continued)

11.2 Found assets

Due to a review of ownership and subsequent legal advice, Council has determined that a number of boatsheds located on the foreshore of Lake Wendouree are in fact Council assets. Ownership was previously ambiguous due to the location on Crown Land therefore they were not recognised as Council assets.

Once ownership was clarified during early 2024, valuations were obtained for the boatsheds from Opteon Property Group Pty Ltd and the value recognised as found assets within the buildings non specialised asset class (\$8,593k). In addition, vehicles inadvertently missed in 2023 due to miscosting were recognised as plant, machinery and equipment during 2024 (\$621k).

In 2024, the total of assets identified that were not reflected in the asset register was \$9,214k (2023 - nil).

	2024 \$ '000	2023 \$ '000
Property		
Buildings non specialised	8,593	-
Plant, machinery and equipment	621	-
Total assets	<u>9,214</u>	<u>-</u>

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City of Ballarat

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*.

Jason Clissold FCPA

Principal Accounting Officer

Dated:

In our opinion, the accompanying Performance Statement of the *City of Ballarat* for the year ended 30 June 2024 presents fairly the results of Council's performance in accordance 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.

Des Hudson

Mayor

Dated:

Peter Eddy

Councillor

Dated:

Evan King

Chief Executive Officer

Dated:

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Victorian Auditor-General's Office audit report

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Victorian Auditor-General's Office audit report

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Section 1. Description of municipality

BALLARAT A GREAT PLACE TO LIVE

Ballarat is one of Australia's largest inland cities and the third largest city in Victoria. Money flowed into Ballarat with the discovery of gold in the mid-19th century. Today the city is renowned for its beautiful parks, broad tree-lined streetscapes, cultivated European gardens, and heritage architecture of national significance and international interest. The iconic Sturt Street is a stunning tree-lined boulevard adorned with notable statues, and Lydiard Street presents a perfectly preserved heritage streetscape.

The City of Ballarat municipality covers an area of 740 square kilometres and includes the outlying townships of Buninyong, Miners Rest, Learmonth, Lucas and Cardigan Village. It is part of an area of land under the traditional custodianship of the Wadawurrung and Dja Dja Wurrung people and is bound by the surrounding Municipalities of Hepburn Shire to the north, Moorabool Shire to the east, Pyrenees Shire to the west and Golden Plains Shire to the south.

Due to being located centrally in Western Victoria, Ballarat services a large regional population. Ballarat offers premium job opportunities, world-class education (including three universities), affordable housing, exciting restaurants and retail options, accessible community and health services, a vibrant arts scene and a great lifestyle.

The following performance data is prepared to represent a balanced approach to reporting performance across the areas of service, finance, governance and sustainable capacity for the organisation.



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Section 2. Service Performance Indicators

For the year ended 30 June 2024

	2021	2022	2023	2024		Comments
	Actual	Actual	Actual	Target as per budget	Actual	
Aquatic Facilities Utilisation						
AF6 Utilisation of aquatic facilities <i>[Number of visits to aquatic facilities / Municipal population]</i>	1.87	3.88	5.83	N/A	6.21	Ballarat Aquatic & Lifestyle Centre achieved its highest level of visitations of almost 680 thousand this financial year, an 18% increase on the previous year. Continued growth in visitor numbers and swim school enrolments has seen this indicator back above pre-pandemic levels.
Animal Management Health and safety						
AM7 Animal management prosecutions <i>[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100</i>	100%	89%	94%	N/A	100%	All 8 of the prosecution cases heard in the year had successful outcomes.
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 notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</i>	97.65%	93.46%	88.74%	N/A	87.84%	195 of the 222 critical and major non-compliance outcome notifications were followed up in the period. Note that 14 of these premises have been followed up in the 2024 period. In addition, 11 premises have since received an assessment where the outstanding items were followed up.
Governance Satisfaction						
G2 Satisfaction with community consultation and engagement <i>[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]</i>	55	51	49	55	48	Engagement practices are guided by the 2021 Community Engagement Policy. This outcome is comparable with the results for Victoria and regional centres.
Libraries Participation						
LB7 Library membership <i>[Number of registered library members / Municipal population] x100</i>	N/A	N/A	N/A	N/A	22.16%	This is a new measure in 2024 however membership figures were available from prior years for comparison purposes. There was a decrease in membership numbers in 2024 due to inactive members who had not used the library since the pandemic restrictions were removed. Membership is increasing since the re-opening of the renovated Ballarat Library.
Maternal and Child Health (MCH) Participation						
MC4 Participation in the MCH service <i>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</i>	71.83%	73.03%	71.96%	N/A	71.29%	Out of the 5,371 participants enrolled 3,829 attended the service at least once meaning participation level has remained consistent year to year.
Maternal and Child Health (MCH) Participation						
MC5 Participation in the MCH service by Aboriginal children <i>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</i>	72.10%	68.05%	74.06%	N/A	71.99%	101 children attended the service at least once, of the 141 enrolled. Data trend has remained quite consistent year to year.
Roads Satisfaction						
R2 Sealed local roads maintained to condition standards <i>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100</i>	99.78%	99.78%	99.60%	100.00%	99.56%	The road network is maintained as per the agreed level of service on an ongoing basis.

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Section 2. Service Performance Indicators (cont.)

For the year ended 30 June 2024

	2021	2022	2023	2024		Comments
	Actual	Actual	Actual	Target as per budget	Actual	
Statutory Planning Decision making SP2 Planning applications decided within required time frames <i>[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100</i>	79.53% *	56.23% *	42.91% *	65.00%	39.58%	Following a lengthy period of process improvement work the department's focus is now on application management and the processing of applications faster. Whilst the overall percentage of applications determined within time has reduced, in more recent months significant improvements have been made. In June 2024 for example the percentage of applications determined within time was 68%. This reflects the new measures implemented at the beginning of 2024 and hopefully will enable Council to meet its target of 65% in 2025. * This measure was previously unaudited and supporting documentation for prior year actuals is not available
Waste Collection Waste diversion WC5 Kerbside collection waste diverted from landfill <i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i>	41.56%	41.47%	43.42%	42.00%	42.49%	Since the change to Ballarat's recycling system 2020, with separate glass collection reducing the volume of material in kerbside recycling bins, this measure has remained steady. The introduction of the container deposit scheme (CDS) in 2023 has seen a reduction in returnable items disposed via kerbside recycling bins.

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Section 3. Financial Performance Indicators

For the year ended 30 June 2024

Efficiency	2021	2022	2023	2024		2025	2026	2027	2028	Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Expenditure level										
E2 Expenses per property assessment <i>[Total expenses / Number of property assessments]</i>	\$3,162.30	\$3,445.21	\$3,545.77	\$3,637.00	\$3,728.23	\$3,940.68	\$3,809.42	\$3,845.33	\$3,868.50	This indicator has increased in 2024 primarily due to \$5.6 million of infrastructure assets being disposed of following a condition assessment and \$2.8 million relating to a revaluation decrement being expensed. This was partially offset by a reduction in employee costs primarily due to the time positions remain vacant during the recruitment process.
Revenue level										
E4 Average rate per property assessment <i>[General rates and Municipal charges / Number of property assessments]</i>	\$ 1,869.82	\$ 1,934.10	\$ 1,961.70	N/A	\$ 2,056.33	\$ 2,130.89	\$ 2,181.40	\$ 2,235.02	\$ 2,290.02	There has been no material change in this indicator and it is slightly lower than the 2024 budget of \$2,064.
Liquidity	2021	2022	2023	2024		2025	2026	2027	2028	Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Working capital										
L1 Current assets compared to current liabilities <i>[Current assets / Current liabilities] x100</i>	217.31%	234.75%	237.21%	163.00%	194.41%	96.59%	109.13%	103.78%	105.23%	This indicator has decreased primarily due to a reduced cash balance. This has resulted from a combination of not receiving Federal Assistance Grants in advance and the delivery of some larger capital projects carried over from previous years.
Unrestricted cash										
L2 Unrestricted cash compared to current liabilities <i>[Unrestricted cash / Current liabilities] x100</i>	-93.93%	-33.23%	-70.07%	N/A	-97.65%	28.17%	13.50%	11.91%	6.25%	This indicator reflects usage of cash and cash equivalents to invest in infrastructure projects. The indicator excludes cash held in term deposits (amounts invested for longer than 90 days), as this is required to be classed as Other Financial Assets. At 30 June 2024 there was \$68 million of such funds invested. This indicator would total -11.86% in 2024 if these funds were included. This indicator has been inflated in recent years due to receiving Federal Assistance Grants in advance. This indicator is forecast to reduce over the next four years primarily as a result of delivering consistent large capital works programs.
Obligations	2021	2022	2023	2024		2025	2026	2027	2028	Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Loans and borrowings										
O2 Loans and borrowings compared to rates <i>[Interest bearing loans and borrowings / Rate revenue] x100</i>	31.78%	26.43%	21.73%	N/A	18.43%	29.52%	38.13%	38.00%	34.34%	The trend reflects that borrowings have been repaid over recent years, without any new borrowings being undertaken. New borrowings are currently forecast for future years.
O3 Loans and borrowings repayments compared to rates <i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>	5.52%	4.47%	4.23%	N/A	2.77%	1.03%	16.93%	4.98%	5.29%	The trend reflects that borrowings have been repaid over recent years, without any new borrowings being undertaken, resulting in reduced repayments. The large forecast ratio in 2026 relates to the planned refinancing of a \$23.1 million interest only loan.
O4 Non-current liabilities compared to own source revenue <i>[Non-current liabilities / Own source revenue] x100</i>	31.28%	28.00%	25.97%	N/A	18.50%	21.25%	38.04%	37.12%	33.63%	The trend reflects that borrowings have been repaid over recent years, without any new borrowings being undertaken. New borrowings are currently forecast for future years.
O5 Asset renewal and upgrade compared to depreciation <i>[Asset renewal and asset upgrade expense / Asset depreciation] x100</i>	94.76%	112.33%	99.78%	127.00%	170.90%	124.18%	121.96%	93.81%	81.30%	The 2024 capital program included some significant upgrade projects including Her Majesty's Theatre, Bridge Mall Redevelopment, Ballarat Central Library and the Prince of Wales Park Hockey Facility.
Operating Position	2021	2022	2023	2024		2025	2026	2027	2028	Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
OP1 Adjusted underlying surplus (or deficit) <i>[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100</i>	5.23%	3.37%	3.28%	N/A	-0.73%	-5.15%	-0.35%	1.17%	2.86%	This indicator has decreased from prior years primarily due to Council receiving and recognising \$17.3 million of 2023/24 Federal Financial Assistance Grants early, in 2022/23.
Stability	2021	2022	2023	2024		2025	2026	2027	2028	Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Rates concentration										
S1 Rates compared to adjusted underlying revenue <i>[Rate revenue / Adjusted underlying revenue] x100</i>	66.55%	65.62%	65.05%	68.00%	67.85%	69.61%	70.81%	71.30%	71.93%	As Council's sources of underlying revenue is limited, this indicator should remain consistent as total revenue grows. The increase in 2023/24 has been inflated by \$9.2 million of found assets being recognised as Other Income.
Rates effort										
S2 Rates compared to property values <i>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</i>	0.53%	0.51%	0.38%	N/A	0.40%	0.40%	0.40%	0.41%	0.41%	This indicator has reduced over recent years due to the large increases in property values. This indicator is expected to remain consistent in future years as property values are forecast to better align with increases in total rate revenue.

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Section 4. Sustainable capacity indicators

For the year ended 30 June 2024

		2021	2022	2023	2024	Comments
		Actual	Actual	Actual	Actual	
Population						
C1	Expenses per head of municipal population <i>[Total expenses / Municipal population]</i>	\$1,618.62	\$1,754.75	\$1,834.14	\$1,909.29	This indicator is consistent with the level of expenditure within the 2023/24 budget, which forecasted increases to employee costs and materials and services. The prior year figure was impacted by a \$13.3 million asset valuation decrease accounted for as an expense in the income statement.
Population						
C2	Infrastructure per head of municipal population <i>[Value of infrastructure / Municipal population]</i>	\$14,637.05	\$15,737.08	\$14,896.04	\$15,116.11	The value of infrastructure assets held increased from the previous financial year due to a revaluation increment.
Population						
C3	Population density per length of road <i>[Municipal population / Kilometres of local roads]</i>	75.74	77.01	77.46	78.18	This indicator continues to increase due to the level of population growth increasing at a greater rate than road length. This is expected to continue into the future.
Own-source revenue						
C4	Own-source revenue per head of municipal population <i>[Own-source revenue / Municipal population]</i>	\$1,365.68	\$1,484.44	\$1,575.03	\$1,756.79	This indicator has increased, which is consistent with the 2023/24 budget. However, it is higher than expected due to \$9.2 million of found assets being recognised as Other Income.
Recurrent grants						
C5	Recurrent grants per head of municipal population <i>[Recurrent grants / Municipal population]</i>	\$255.47	\$325.13	\$294.20	\$114.80	This indicator has decreased from prior years primarily due to Council receiving \$17.3 million of 2023/24 Federal Assistance funding early, in 2022/23. Also, Council no longer offers Aged Care services, reducing the recurrent funding previously received to support the costs of delivering the service.
Disadvantage						
C6	Relative Socio-Economic Disadvantage <i>[Index of Relative Socio-Economic Disadvantage by decile]</i>	4.00	4.00	4.00	4.00	This is City of Ballarat's rating according to the Socio-Economic Indexes for Areas (SEIFA).
Workforce turnover						
C7	Percentage of staff turnover <i>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</i>	14.35%	22.14%	17.00%	11.97%	This measure has now come down to levels in line with the historical trend, given the spike experienced in 2022 & 2023 which was a common experience following the impact of COVID.

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Section 5. Notes to the accounts

5.1 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, service performance, financial performance and sustainable capacity indicators and measures together with a description of the municipal district, an explanation of material variations in the results and notes to the accounts. This statement has been prepared to meet the requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

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

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

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

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5.2 Definitions

Key Term	Definition
Aboriginal child	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the <i>Aboriginal Heritage Act 2006</i>
Active library member	means a member of a library who has borrowed a book from the library
Adjusted underlying revenue	means total income other than: (a) non-recurrent grants used to fund capital expenditure; and, (b) non-monetary asset contributions; and, (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)
Adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
Annual report	means an annual report prepared by a Council under sections 98, 99 and 100 of the <i>Local Government Act 2020</i>
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
Class 1 food premises	means food premises, within the meaning of the <i>Food Act 1984</i> , that have been declared as class 1 food premises under section 19C of that Act
Class 2 food premises	means food premises, within the meaning of the <i>Food Act 1984</i> , that have been declared as class 2 food premises under section 19C of that Act
Critical non-compliance outcome notification	means a notification received by Council under section 19N(3) or (4) of the <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>
Infrastructure	means non-current property (excluding land), plant and equipment
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 assets	means all assets other than current assets
Non-current liabilities	means all liabilities other than current liabilities
Non-recurrent grant	means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan
Own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
Population	means the resident population estimated by Council
Rate revenue	means revenue from general rates, municipal charges, service rates and service charges
Recurrent grant	means a grant other than a non-recurrent grant
Relative socio-economic disadvantage	in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio- Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA
Residential rates	means revenue from general rates, municipal charges, service rates and service charges levied on residential properties
Restricted cash	means cash and cash equivalents, within the meaning of the Australian Accounting Standards, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its internet website
Unrestricted cash	means all cash and cash equivalents other than restricted cash

6. CLOSE