



# ANNUAL REPORT

## 2017 - 2018

Moyne Shire Council



## Acknowledgements

### **Traditional Owners**

We acknowledge the Traditional Owners of the land and pay our respects to their Elders, past, present and emerging, and the Elders from other communities who may reside in the Moyne Shire.

## Our Vision

Moyne Shire will be a vibrant, liveable, and prosperous community. People are diverse, resilient and feel happy and safe.

## Our Purpose

To work responsibly with the community to provide opportunities, respond to issues, look after assets, encourage investment and empower communities to help themselves.

## Our Values

- Engagement
- Fairness
- Responsible
- Aspirational
- Empowerment
- Supportiveness
- Respectful
- Accountable

## About Moyne Shire

Moyne Shire is located in south-west Victoria and stretches from along the Shipwreck Coast in the south to the pastoral areas in the north.

Spanning an area of 5,478 km<sup>2</sup>, Moyne's communities include Caramut, Ellerslie, Framlingham, Garvoc, Hawkesdale, Hexham, Kirkstall, Koroit, Macarthur, Mortlake, Nullawarre, Orford, Panmure, Peterborough, Port Fairy, Purnim, Winslow, Woolsthorpe, Woorndoo and Yambuk.

Moyne Shire is characterised by agriculture, fresh seafood, manufacturing and a healthy tourism industry. The dairying industry is the dominant industry but sheep production and cereal crops are growing in size. Manufacturing, retail and education are other important sectors.

Moyne Shire is bordered by Glenelg Shire in the west, Southern Grampians Shire and Ararat Rural City in the north, Corangamite Shire to the east and encircles Warrnambool City Council municipal area.

Services offered by Moyne include asset management, community development, engineering design, environment and sustainability initiatives, festival and events support, footpath and road maintenance and construction, home care, kindergartens, child care, maternal and child health, immunisations, libraries, local law enforcement, public health, tourism, town planning, waste management, youth services, and many more.



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# ANNUAL REPORT

The Year in Review

# Message from the Mayor

On behalf of my fellow Councillors I am proud to commend this Annual Report to the community as a demonstration of the hard work and professional service delivery provided by the staff and the elected representatives of the Moyne Shire Council throughout the 2017/18 year.

The devastating fires of March 2018 affected the whole shire. It is estimated that, 52 properties were affected by the fires, which included two houses and 29 sheds being destroyed, 700 kilometres of fences, 3500 hectares of pasture, 1600 tonnes of hay and grain and close to 3000 head of stock. Council was quick to respond, setting up relief centres and assisting emergency services in the initial response. Council also set up a municipal operations control centre at the Port Fairy Community Services Centre. This centre operated for a month with staff not only answering calls for assistance but personally contacting each of the affected residents to offer help and support. I am proud of how Council's staff dealt with the crisis and how they continue to support our community through the slow recovery process.

Moyne was forced to renegotiate its waste contract after China moved to stop the import of low quality mixed recyclable materials. With local processors facing increased costs Council was forced to choose between paying more to see the service continue or see recyclables sent to landfill. I believe it was a wise and pragmatic decision for Council to pay more and see this vital service continue while looking to long-term support and solutions from State and Federal Governments.

Moyne Shire continues to provide a wide range of services and infrastructure to its communities and is always striving to improve the way their services are delivered.

It is appropriate that I take this opportunity to thank my fellow Councillors for their hard work and dedication to our community during the year. I would also like to express my appreciation to our Chief Executive Officer and Council staff for their assistance and efforts during the year.

Councillor Mick Wolfe

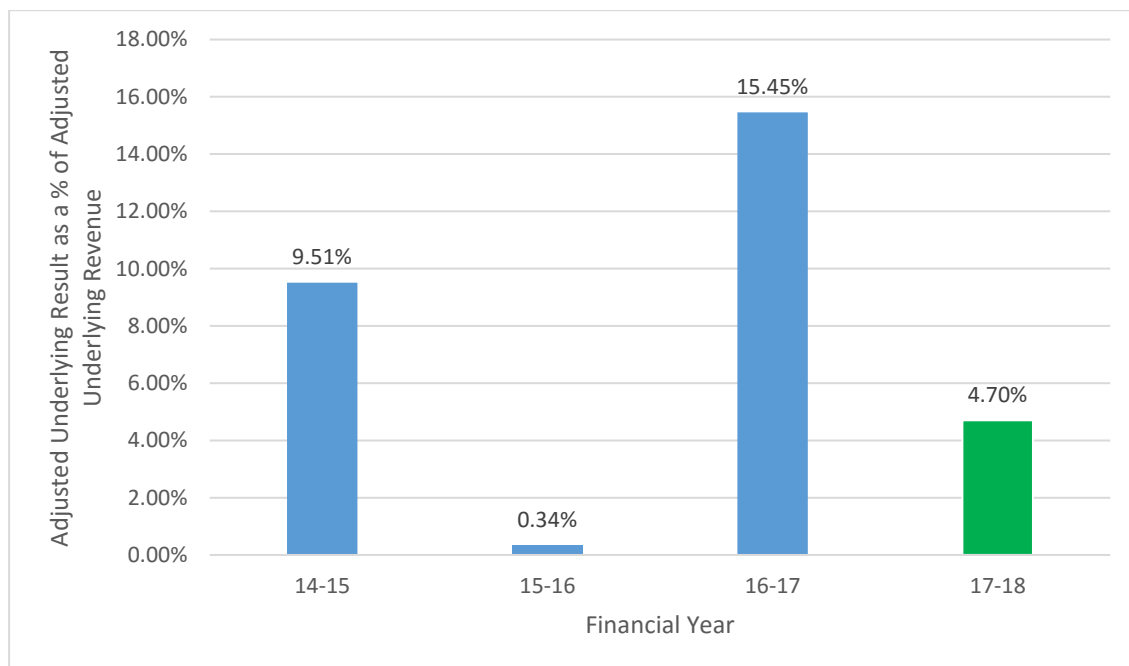


# Finance Summary

Council's financial position continues to remain sound. A summary of our performance is outlined below. Detailed information relating to Council's financial performance is included within the Financial Statements and Performance Statement sections of the Annual Report.

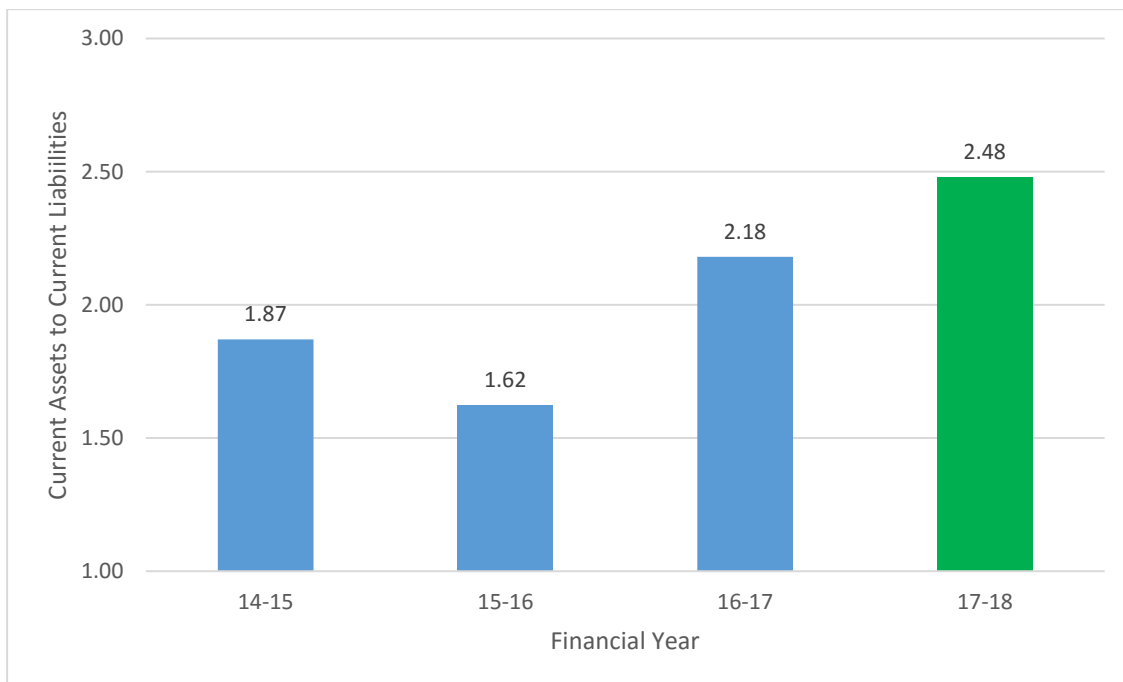
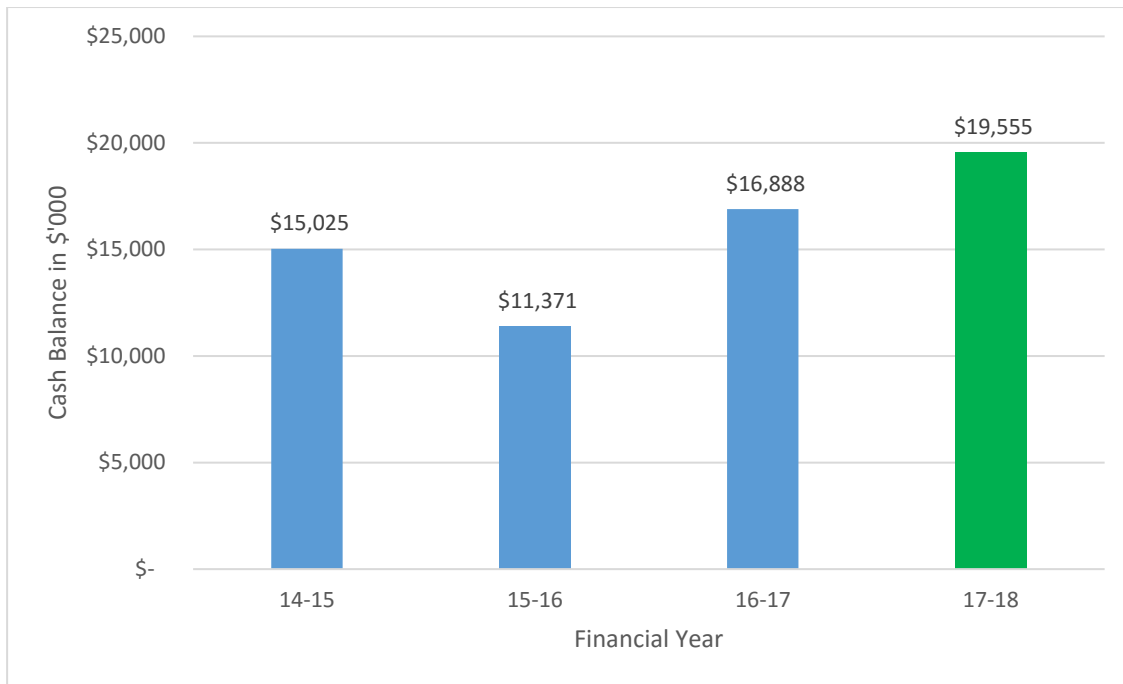
## Operating Position

Council achieved a surplus of \$8.20 million in 2017–18. The adjusted underlying surplus of Council, after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is a surplus of \$2.47 million or 4.70% when compared to adjusted underlying revenue. This compares favourably to the expected target of >0%. Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$564 million of community assets under Council's control.



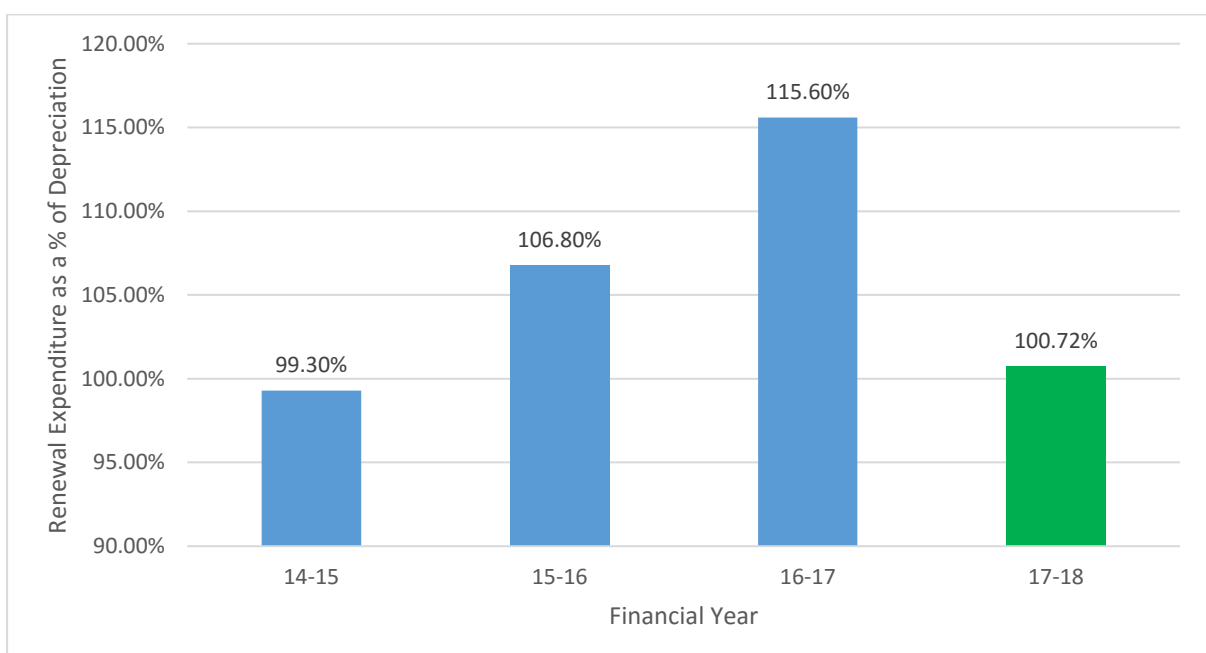
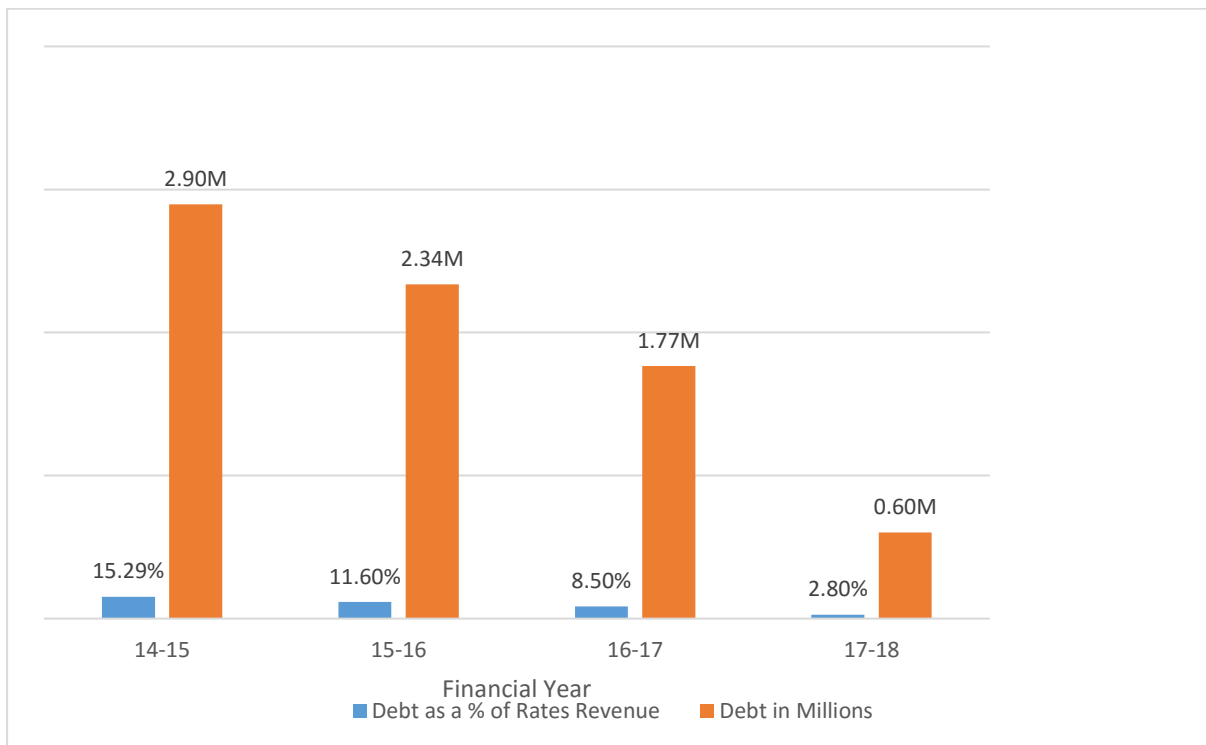
## Liquidity

Cash has increased by \$2.67 million from the prior year to \$19.56 million at 30 June 2018. The working capital ratio, which assesses Council's ability to meet current commitments, is calculated by measuring Council's current assets to current liabilities. Council's liquidity result of 2.48 exceeds Council's minimum target of 1.00.



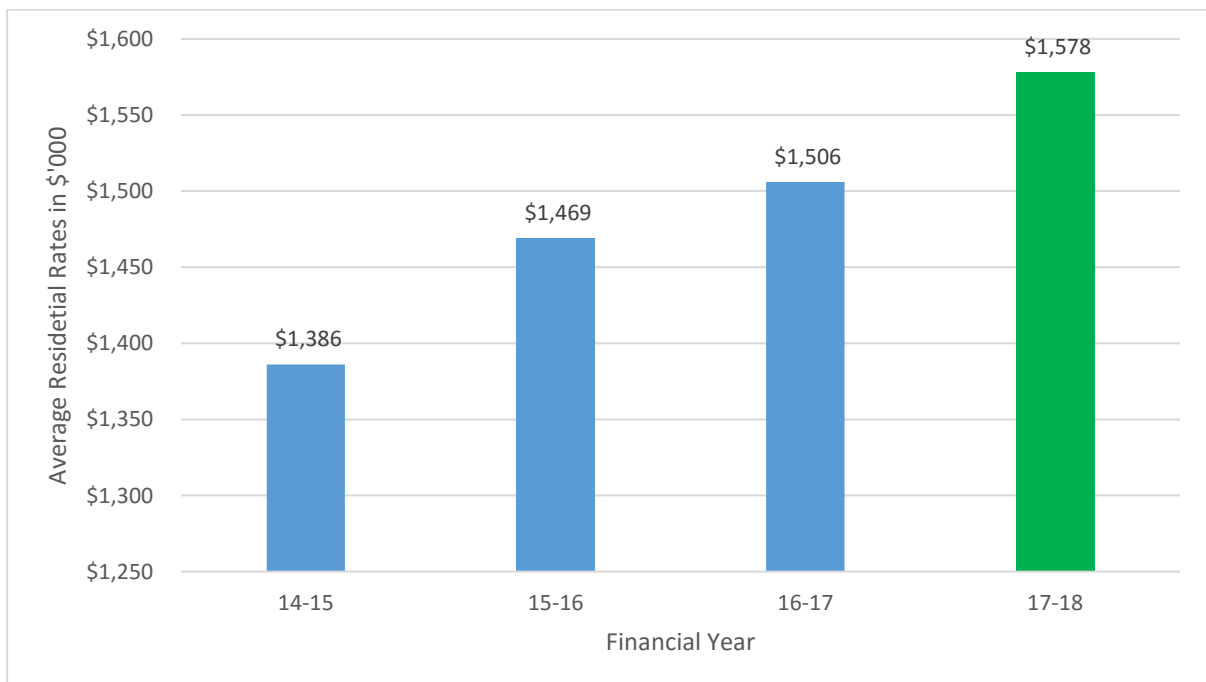
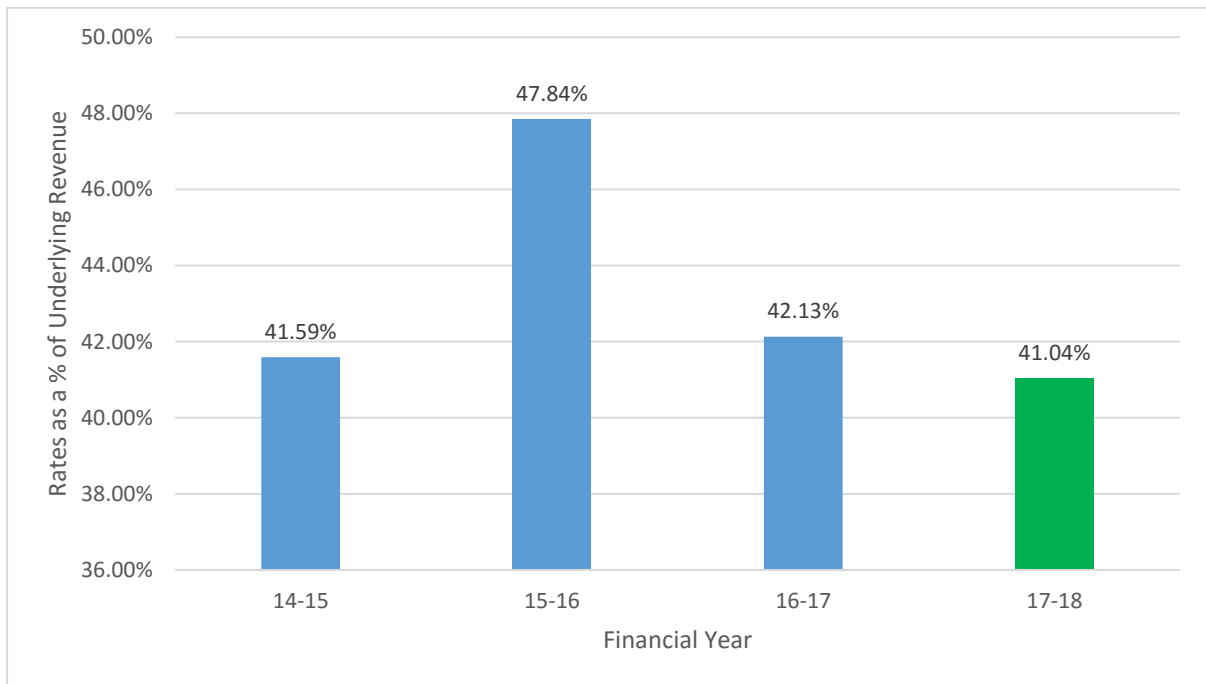
## Obligations

Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. To bridge the infrastructure gap, Council invested \$12.97 million in renewal works during the 2017-18 year. At the end of 2017-18, Council's debt ratio which is measured by comparing interest bearing loans and borrowings to rate revenue was 2.80%, which is well within the state government prudential guidelines of less than 60%. Council's asset renewal ratio which is measured by comparing asset renewal expenditure to depreciation was 100.72%. A percentage greater than 100 indicates Council is maintaining its existing assets.



### Stability and Efficiency

Council raises a wide range of revenues including rates, user fees, grants and contributions. Council's rates concentration, which compares rate revenue to adjusted underlying revenue, was 41.04% for the 2017-18 year. Council has less reliance on rate revenue to fund Council's ongoing services than similar Councils in the large rural shire group due to its diverse revenue base. Council's average residential rate per assessment of \$1,578 also compares favourably to similar councils in the large rural shires group.



# Description of Operations

Moyne Shire is located in Victoria's South West, 250 kilometres from Melbourne on the Great South Coast. The municipality stretches from the Great Ocean Road in the south to the pastoral area of Mortlake in the north.

Moyne takes its name from a place in Ireland or from an Aboriginal word meaning "covered with leaves or ferny hole". Moyne Shire is characterised by agriculture, fresh seafood, manufacturing and a healthy tourism industry.

The dairy industry is the dominant industry but sheep production and cereal crops are growing in size. Manufacturing, retail and education are other important sectors.

Council is responsible for many services, from family and children's services, traffic regulation, open space, youth facilities, waste management and community building; to matters concerning business development, planning for appropriate development and ensuring accountability for Council's budget.

## Financial Position

Council's financial position continues to remain sound in 2017/18 highlighted by an adjusted underlying surplus of \$2.47 million, low debt levels of only 2.8% debt as a percentage of rates revenue, and an asset renewal indicator of 100.7% indicating that Council is meeting the demand to renew the \$564 million of community assets under its control.

## Major Capital Works

During 2017–18 the major capital works included the following:

- Mortlake swimming pool renewal works;
- Coastal Erosion works to coastal assets in Peterborough;
- Playground renewal at Garvoc;
- Rock wall strengthening, East Beach Port Fairy;
- DC Farran Oval redevelopment, Mortlake;
- Wharf Building completion, Port Fairy;
- Roads construction related expenditure \$10.7 million.

## Major Changes

CEO David Madden retired in May 2018 prompting the search for a replacement. The Chinese recycling crisis resulted in major contract and budget changes to absorb increased costs.

## Major Achievements

- Council coped well with the aftermath of March 2018 fires with numerous staff involved over a period of many weeks.
- The adoption of the Municipal Health and Wellbeing Plan 2017 – 2021.





# ANNUAL REPORT

## Our Council

# About the Shire

Moyne Shire is located in Victoria's South West, 250 kilometres from Melbourne on the Great South Coast. The municipality stretches from the Great Ocean Road in the south to the pastoral area of Mortlake in the north.

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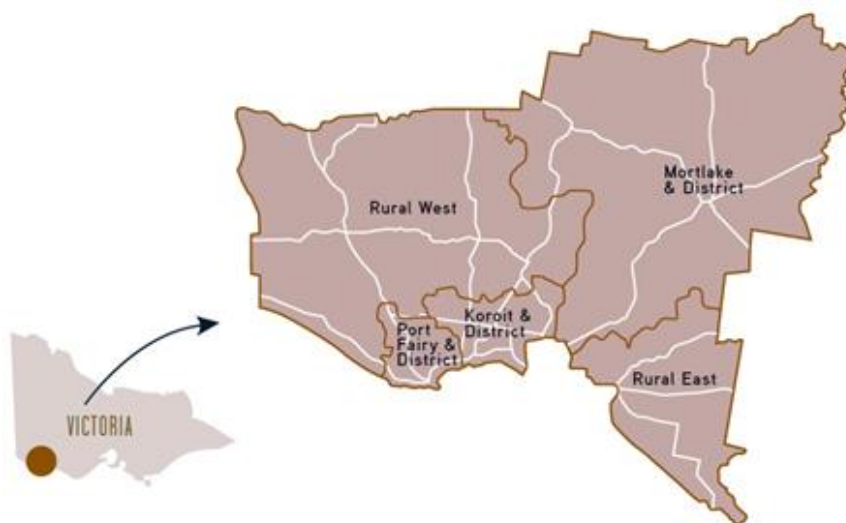
The dairying industry is the dominant industry but sheep production and cereal crops are growing in size. Manufacturing, retail and education are other important sectors.

An estimated \$7 billion in major energy projects are in various stages of planning and development across the Shire. Moyne offers untouched beaches, rugged coastline, volcanic lakes and craters and vast pastoral country.

## Population

Moyne has a total population of 16693 (Census 2016) residents. Most of the growth within the Shire is to the south in the coastal areas, with the entire population growing at approximately 0.5% per annum.

It is projected by the State Government, that by 2021 the population will increase by 0.54% annually. Most of the population is dispersed in rural areas across the 5,478km<sup>2</sup> of the Shire.



Major Areas	Population (Census 2016)
Koroit & District	4346
Mortlake & District	3401
Port Fairy & District	3600
Rural East	2723
Rural West	2443



## **Council History**

Moyne Shire Council was created in 1994, as a result of amalgamations conducted by the state government. The former Shires of Belfast, Mortlake, Minhamite and Warrnambool, and the former Borough of Port Fairy, as well as small parts of the Shires of Dundas, Hampden and Mount Rouse were all brought together and became Moyne Shire.

## **Moyne Shire Borders**

Glenelg Shire in the west, Southern Grampians Shire and Ararat Rural City in the north, Corangamite Shire to the East. Moyne Shire encircles the Warrnambool City Council municipal area.

## **Services Offered by the Council**

Asset management, community development, engineering design, environment and sustainability initiatives, festival and events support, footpath and road maintenance and construction, home care, kindergartens, immunisations, libraries, local law enforcement, maternal and child health, preschools, public health, tourism, town planning, waste management, youth services and many more.

## **Towns**

Caramut, Ellerslie, Framlingham, Garvoc, Hawkesdale, Hexham, Kirkstall, Koroit, Macarthur, Mortlake, Nullawarre, Orford, Panmure, Peterborough, Port Fairy, Purnim, Winslow, Woolsthorpe, Woorndoo and Yambuk.

## **Aboriginal Heritage**

The Gunditjmara, Girai Wurrung and Djab Wurrung people are the traditional custodians of the land on which Moyne Shire is situated. Moyne Shire Council is committed to reconciliation with the Aboriginal people of the area and has adopted a Statement of Commitment, a pledge that ensures Moyne takes active steps towards reconciliation.

## **Industry and Economy**

Moyne Shire is characterised by agriculture, fresh seafood, manufacturing and a healthy tourism industry. The dairy industry is a dominant industry but sheep production and cereal crops are growing in size. Manufacturing, retail and education are other important sectors. An estimated \$7 billion in major energy projects are in various stages of planning and development across the Shire.

## **Council Offices and Depots**

Port Fairy Office

Princes Street, Port Fairy

Mortlake Office

1 Jamieson Avenue, Mortlake

Moyne Shire Council has depots in Koroit, Macarthur, Mortlake, Naringal, and Port Fairy.

Email: [moyne@moyne.vic.gov.au](mailto:moyne@moyne.vic.gov.au)

Website: [www.moyne.vic.gov.au](http://www.moyne.vic.gov.au)

Postal address: PO Box 51, Princes Street, Port Fairy, VIC 3284

# Moyne Shire Councillors

Moyne Shire is represented by seven Councillors elected to represent an un-subdivided municipality.

The following Councillors were elected in Council elections in October 2016:

Cr Jim Doukas	Date Elected: October 2016
Cr Jordan Lockett	Date Elected: October 2016
Cr Daniel Meade	Date Elected: October 2016
Cr Jill Parker	Date Elected: October 2016
Cr Colin Ryan	Date Elected: October 2016
Cr Ian Smith	Date Elected: October 2016
Cr Mick Wolfe	Date Elected: October 2016



# ANNUAL REPORT

## Our People

# Executive Management Team

Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO has responsibility for the day to day management of operations in accordance with the strategic directions of the Council Plan. Three Directors and the CEO form the Executive Management Team (EMT) and lead the organisation. Details of the CEO and directors reporting directly to the CEO are set out below.

## **David Madden, Chief Executive Officer (until May 2018)**

Mr Madden began his initial four-year term as Chief Executive Officer in January 2011, bringing a strong focus on service delivery and community engagement. He was re-appointed with a new contract in January 2015.

Previously he was Director Technical Services at Golden Plains Shire Council for fifteen years.

Mr Madden holds a Bachelor in Civil Engineering and a Graduate Diploma in Municipal Engineering and Management. He has been Vice President of Regional Arts Australia and Chairman of Regional Arts Victoria and is currently a member of the Great South Coast Group. Mr Madden retired on 4 May 2018

## **Kevin Leddin, Director Community and Corporate Support**

Mr Leddin has worked in senior positions in Local Government for over 20 years.

Joining Moyne Shire from the Warrnambool City Council, Mr Leddin holds a bachelor of business degree and has significant experience in local government particularly in the areas of finance, corporate services and governance roles.

As Director of Community & Corporate Support, Mr Leddin is responsible for all corporate functions including finance, information technology, organisation development and the full range of aged care and children's services.

Mr Leddin also sits on the board of Westvic Staffing Solutions and is a member of the Moyne Health Services Audit & Risk Committee.

**Oliver Moles, Director Sustainable Development**

Mr Moles started with Moyne Shire Council in October 2008, coming to Council from the State Government's Department of Planning and Community Development where he was Manager Planning and Development.

Mr Moles has over 30 years' experience in the planning field and has worked with Local Government both in Australia and overseas.

He has also worked in private practice, assisting a number of Victorian Councils with planning and other corporate issues, and he has been a Planning Panel Member appointed by the Victorian Planning Minister.

Mr Moles' qualifications include a Masters of Urban Planning and Bachelor of Arts (Geography), and he is a member of the Victorian Planning and Environmental Law Association.

**Trevor Greenberger, Director Physical Services**

Prior to joining Moyne Shire Mr Greenberger spent 10 years at Corangamite Shire as the manager of recreation, culture and community facilities.

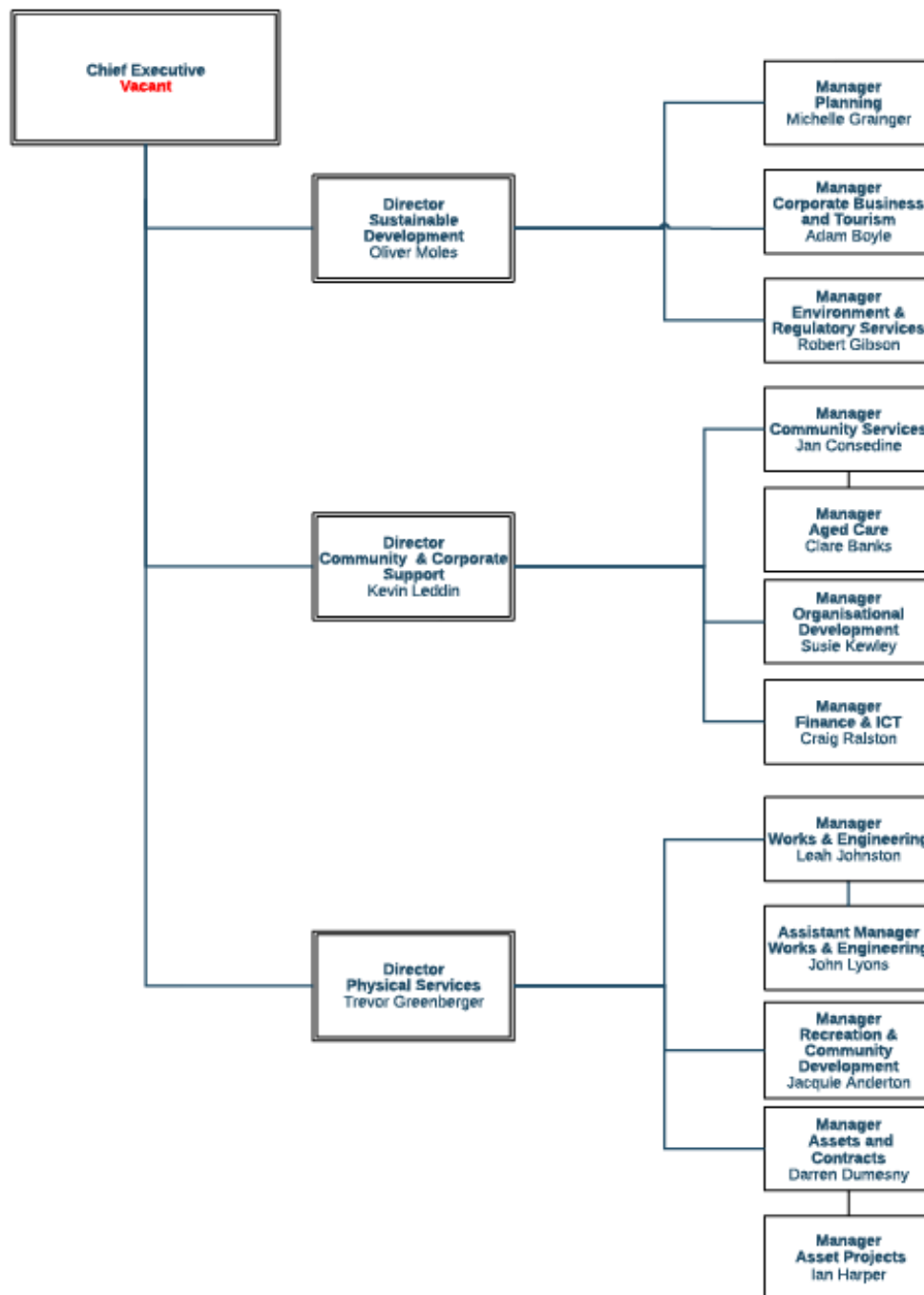
He started his career as a University of Ballarat-trained physical education teacher then moved on to managing facilities in Adelaide before being leisure services manager at Southern Grampians Shire Council for six years.

He has also earned qualifications including project management and business administration.

Mr Greenberger currently is the chairperson of the Great South Coast Improving Our Connections Pillar Group and represents the region on the Victorian Rail Freight Alliance.

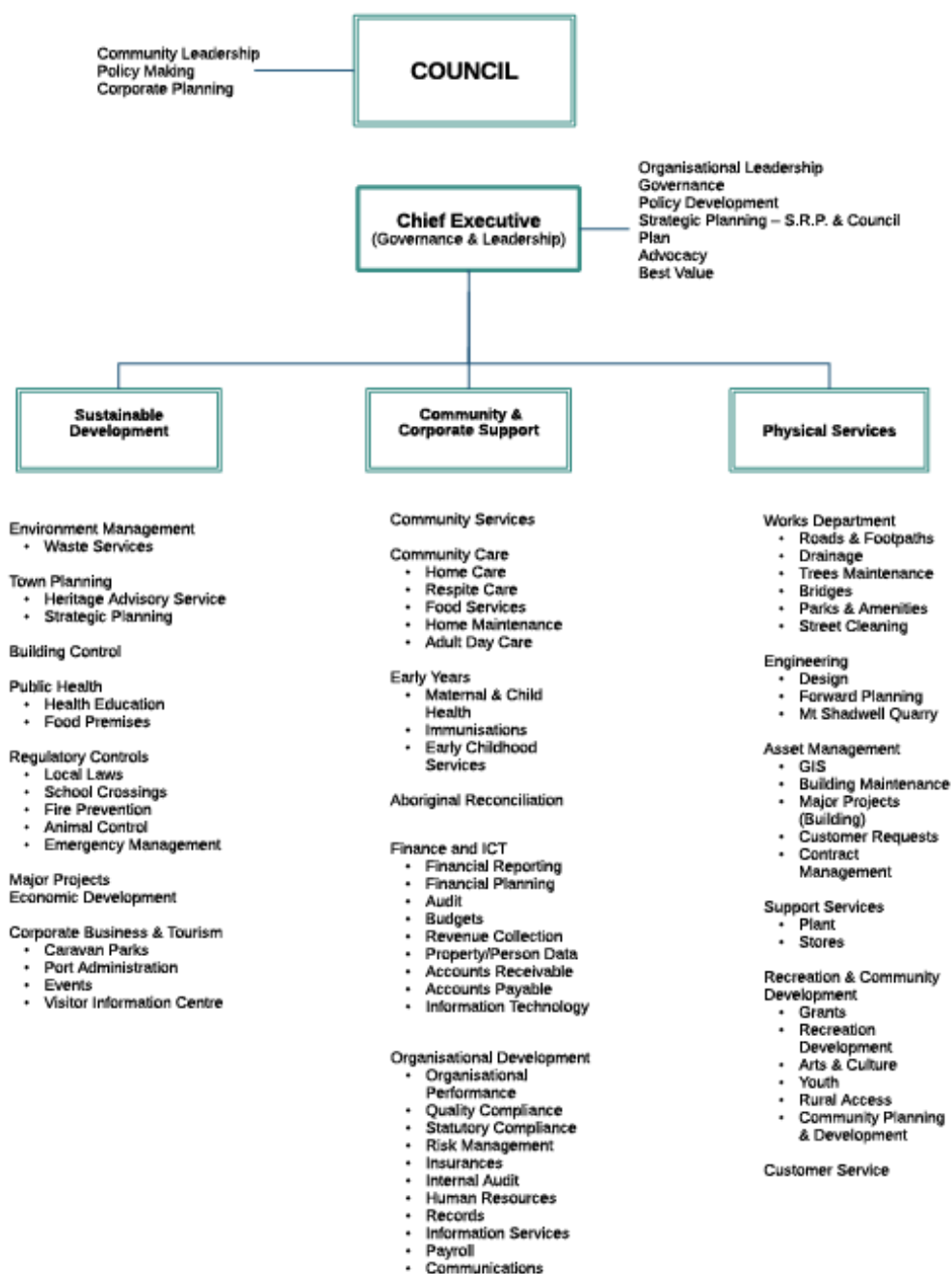
# Management Structure

(As of 30 June 2018)



# Organisational Structure

(As of 30 June 2018)



# Workplace Profile

Diverse and highly skilled, Moyne Shire Council is proud of its staff members who boast a variety of skill sets across a broad range of disciplines. From town planning to road maintenance crews, parks and gardens, accounting, community development, organisational administration and public relations, the Council offers fantastic career opportunities for local people and is one of the largest employers within Moyne Shire.

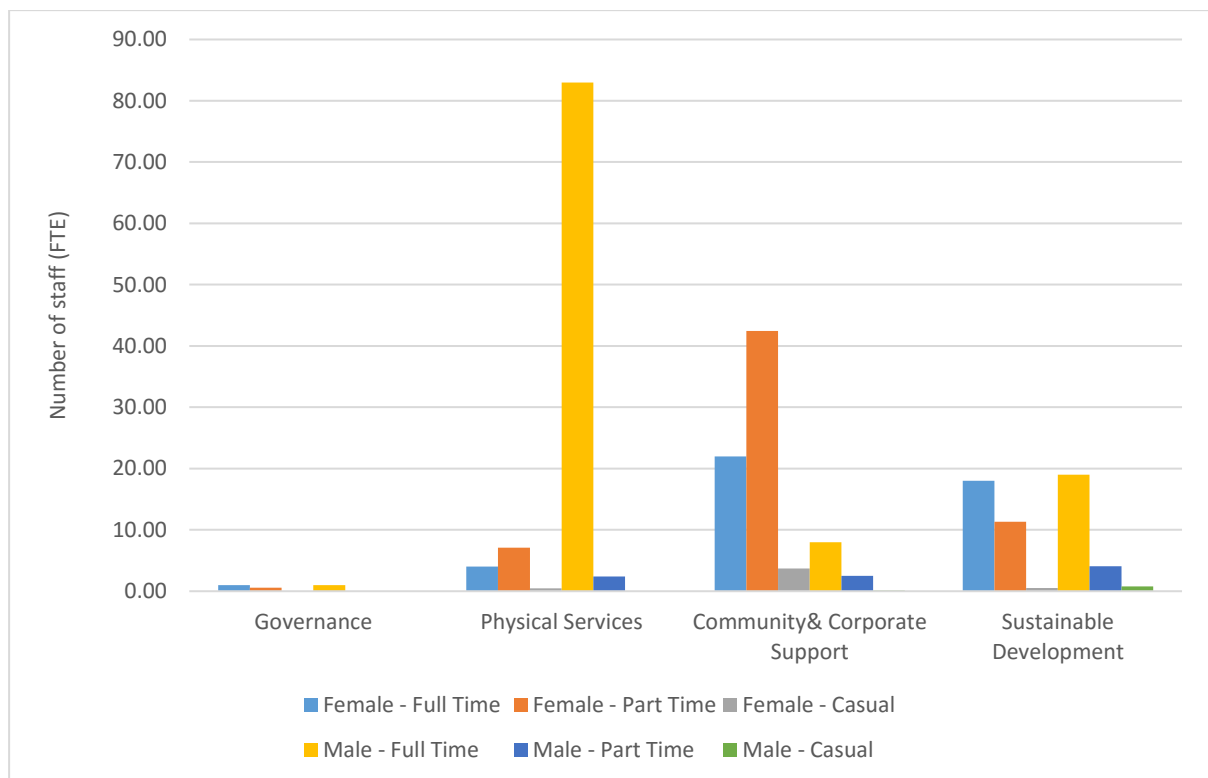
In 2017/2018 Moyne Shire Council employed the equivalent of 231.92 full-time positions (FTE).

## Council Staff

A summary of the number of full time equivalent (FTE) Council staff by organisational structure employment type and gender is set out below.

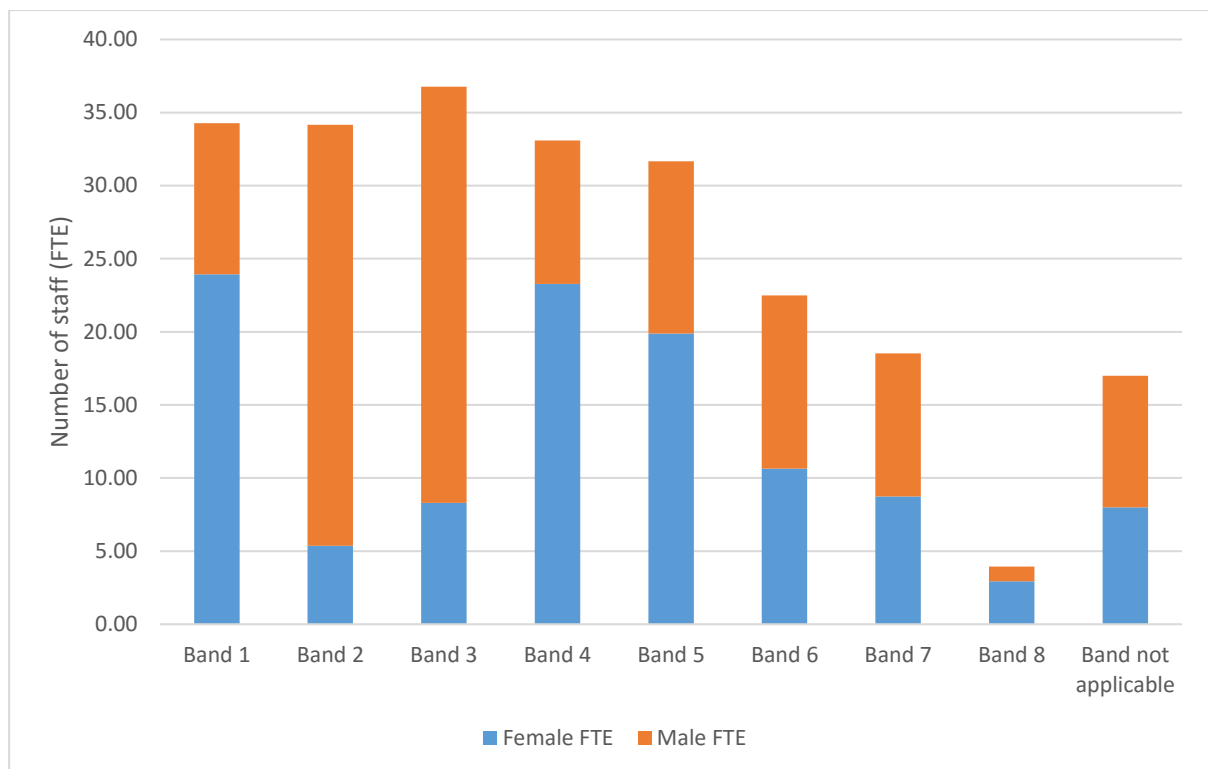
Employee type/gender	Governance FTE	Physical Services FTE	Community & Corporate Support FTE	Sustainable Development FTE	Total FTE
Female - Full Time	1.00	4.00	22.00	18.00	45.00
Female – Part Time	0.56	7.09	42.44	11.34	61.43
Female - Casual	0.00	0.47	3.73	0.50	4.70
Male - Full Time	1.00	83.00	8.00	19.00	111.00
Male - Part Time	0.00	2.38	2.48	4.07	8.94
Male - Casual	0.00	0.00	0.09	0.77	0.85
<b>Total</b>	<b>2.56</b>	<b>96.95</b>	<b>78.73</b>	<b>53.67</b>	<b>231.92</b>





A summary of the number of full time equivalent (FTE) staff categorised by employment classification and gender is set out below

Employment Classification	Female FTE	Male FTE	Total FTE
Band 1	23.94	10.33	34.27
Band 2	5.36	28.79	34.16
Band 3	8.31	28.45	36.76
Band 4	23.29	9.80	33.09
Band 5	19.88	11.78	31.66
Band 6	10.66	11.84	22.49
Band 7	8.74	9.80	18.54
Band 8	2.94	1.00	3.94
Band not applicable	8.00	9.00	17.00
<b>Total</b>	<b>111.12</b>	<b>120.79</b>	<b>231.91</b>



### Equal employment opportunity

Moyne Shire Council is fully committed to the principles of Equal Employment Opportunity (EEO). This is implemented by non-discriminatory processes in all areas of Human Resources, including but not limited to, recruitment and selection, conditions of employment and termination of employment.

The Council's policy provides that all employees are entitled to work in an environment free from sexual harassment, bullying and discrimination. No person shall be discriminated against on the grounds of sex, age, marital status, national or ethnic origin, physical disability, socio-economic status, sexual preference, political or religious beliefs.

As part of the EEO program the Moyne Shire Council Staff Consultative Committee (SCC) meets regularly to discuss any issues relating to EEO, including any issues of sexual harassment or discrimination. The SCC ensures that all staff have access to a fair and efficient grievance review process, which addresses breaches of meritocracy and equity.

### **Learning and development (education & training)**

Moyne Shire Council is committed to providing ongoing learning and development opportunities to members of staff in order to increase their skills, knowledge and abilities in a number of critical areas such as technical skills, occupational health and safety, staff wellbeing and leadership and management.

Staff development is an important organisational priority and is a necessary precursor to productivity improvements, enhanced efficiency, legislative compliance, continual improvement, improved business performance and higher levels of customer service standards.

During the last year the following in-house training programs were offered to relevant staff:

- Electrical Spotting
- Outdoor Staff Health and wellbeing
- Community Services Staff Health and Wellbeing
- Disability Awareness, Access and Inclusion in Social Media
- MapInfo Software Training
- Fraud and Corruption Awareness
- Employee Code of Conduct
- First Aid (including Level 2 First Aid, CPR, Asthma Management and Anaphylaxis).
- Let's Talk – Suicide Awareness
- MapInfo Systems Training
- Nutrition and Diet
- Child Safety – Train the Trainer
- Recruitment for Non-HR Managers.

In addition to the above, staff have access to numerous external training courses and information sessions that provide great benefit to their personal and professional development, provide benefits to the organisation as a whole, and add value to the services offered by Council.





# ANNUAL REPORT

## Our Performance

## **Strategic Planning and Reporting Framework**

Every Council is required to prepare and adopt a Council Plan by 30 June in the year following a general election, which is now conducted in October on a four-year cycle.

Moyne Shire's Council Plan 2017-2021 establishes Council's planning framework to the community for the next four years and is reviewed annually. The plan underpins and guides our work and actions. It establishes the direction and priorities for the organisation. We align our lower level plans and strategies to the Council Plan.

## **What this annual report contains**

The 2017/2018 Annual Report describes Council's operations and performance for the financial year from 1 July 2017 to 30 June 2018.

## **The value of reporting**

As well as meeting the statutory requirement set out in the Victorian Local Government Act 1989, Council considers the annual report a vital tool to keep residents, businesses, employees and potential employees, state and federal politicians, peak bodies, community groups and organisations informed about our performance and future direction.

## **How to read this report**

The following section of the report contains a series of goals, outcomes and strategies that relate to Council's operations during 2017/2018. Each outcome presents the achievements and challenges we experienced in delivering our objectives.

## **How this annual report is used**

The performance of each outcome presented in the report is benchmarked against the 2017-2021 Council Plan. This provides a measure of how effective we are in achieving our goals, budgeting efficiently and highlights where there is room for improvement. This strategic approach is designed to ensure Council continues to provide the best possible service for everyone in the municipality in future years.

## **The Council Plan**

The Council Plan is the four-year strategy for the organisation and identifies the key priorities of the Council, the objectives and highlights activities that the organisation will carry out. It is a statutory requirement under the Local Government Act for the Council to prepare a new Council Plan following general elections, and then review the plan once each year.

## **Strategic Objectives**

Adopted in the Council Plan, Council is focused on the following key result areas and objectives. The objectives are reviewed annually to ensure they remain the priority of Council and will best meet the community's needs.

### **Key Result Area 1 Infrastructure**

- Advocating for and securing additional funding for State-managed roads.
- Maintaining Council roads, partnering with community to improve buildings and other infrastructure
- Providing infrastructure that suits community needs, delivering infrastructure that helps the community come together and share experiences
- Providing accessible and sustainable facilities
- Ensuring new developments have appropriate infrastructure to cater for future growth
- Looking after our infrastructure in accordance with our strategic plans
- Partnering with community to improve community and recreation buildings

### **Key Result Area 2 Communities**

- Engaging with communities and facilitating the development of local community plans
- Providing activities for people of all ages and abilities
- Continuing to ensure that libraries meet community expectations
- Working with the community to develop and implement a Municipal Public Health and Wellbeing Plan
- Continuing to implement the Community Access Plan
- Acknowledging and respecting the Traditional Owners of the land
- Providing education and support to community groups to help them become more effective
- Preventing or responding to major emergency events and incidents
- Advocating and promoting local priorities to other levels of government

<b>Key Result Area 3 Environment</b>	<ul style="list-style-type: none"> <li>– Protecting our coastline</li> <li>– Supporting and encouraging renewable energy</li> <li>– Continuing to implement Council's Waste Management Strategy</li> <li>– Educating the community about recycling and kerbside collection arrangements</li> <li>– Reducing the spread of weeds across our Shire</li> <li>– Leading by example in sustainable practices</li> <li>– Continuing to partner with schools and community organisations to deliver environmental benefits</li> </ul>
<b>Key Result Area 4 Liveability</b>	<ul style="list-style-type: none"> <li>– Supporting events, festivals and the arts</li> <li>– Supporting the volunteers that contribute to community organisations and activities</li> <li>– Advocating to retain a tertiary education facility in our region</li> <li>– Developing and implementing an Open Space Strategy</li> <li>– Providing pathway networks to encourage families to walk and cycle together</li> </ul>
<b>Key Result Area 5 Economy</b>	<ul style="list-style-type: none"> <li>– Providing for sustainable agricultural industries through responsible land use planning</li> <li>– Processing permit requirements in a timely fashion to support development</li> <li>– Developing and implementing an economic development strategy</li> <li>– Supporting businesses to complete their own business plans</li> <li>– Supporting the training needs of business owners and their staff</li> <li>– Continuing to work with GORT and other regional groups to increase and enhance tourism</li> <li>– Advocating to other levels of government for adequate water, power and waste services to support business development</li> </ul>



**Key Result Area 6  
Families**

- Continuing to provide high quality childcare and kindergarten services
- Developing and implementing the State Government's Child Safety Standards
- Continuing to provide high quality aged care services and responding to changing Government regulations
- Supporting our families through the provision of Maternal and Child Health Services
- Continuing to consult with our young people to ensure services remain relevant to them.

**Key Result Area 7  
Managing Our  
Organisation**

- Budgeting responsibly
- Planning our finances for the long term
- Being consistent with our decision making
- Ensuring our councillors and staff are accountable
- Being clear about the roles and responsibilities of the organisation and individual staff members
- Looking for efficiencies in the way we work
- Supporting and training staff to fulfil their roles to the best of their ability
- Undertaking workforce planning
- Partnering with neighbouring Councils to deliver shared projects and services
- Keeping up-to-date with technology and modern systems of work
- Ensuring our procurement practices continue to be transparent
- Expanding our social media communication

## **Performance**

Council's performance for the 2017/2018 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2018-2021 Council Plan. Performance has been measured as follows:

- Results achieved in relation to the strategic indicators in the Council Plan;
- Progress in relation to the major initiatives identified in the budget;
- Services funded in the budget and the persons or sections of the community who are provided those services;
- Results against the prescribed service performance indicators and measures.

# Key Result Area 1 - Infrastructure

## Strategic Indicators

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic Indicator / Measure	Result	Comments
90% of infrastructure service requests completed in a two-week timeframe	92%	Achieved
At least 80% of capital works completed each financial year	74%	A number of projects had to be carried forward as external funding not successful or external funding notification was received late. A significant carry over item included the upgrade to the Port Fairy bowls club of \$2 million
At least 110,000 square metres of road rehabilitated each year	147, 759 sqm	This figure is for our rehabilitated roads, however a further 56,206 sqm was mixed with a stabiliser, reshaped and sealed. Such a large area achieved due to increase to Road to Recovery funding.
Number of sealed local road requests divided by kilometres of road to be less than 10%	9%	Length of sealed local roads is 1623km and there were 146 service requests.
Number of sealed local roads below the intervention level as set by Council divided by kilometres of sealed road by x 100 to be more than 95%	Achieved	Maintenance and renewal programs targeted at priority roads as identified by road condition surveys.

Strategic Indicator / Measure	Result	Comments
Asset renewal as a percentage of depreciation to be at least 90%	Achieved	Focussed consideration given to renewal during the budget process.
Community satisfaction with sealed local roads to be higher than 40	34	We have decreased in the rating for sealed road maintenance, however the poor result is not representative as the tailored question in the survey revealed that 27% of road related issues were concerning State Managed roads (or neighbouring Council roads), and 45% of responses did not nominate a specific road or roads

### Major Initiatives

No major initiatives were identified in the 2017/18 budget.

### Services

The following statement provides information in relation to the services funded in the 2017/2018 budget and the persons or sections of the community who are provided the service.

#### Local Roads & Streets

This service undertakes maintenance programs for Council's civil infrastructure assets in an integrated and prioritised manner in order to optimise their strategic value and service potential, minimising risk to the community and meeting their expectations. These include roads, laneways, car parks and foot/bike paths, bridges, culverts, stormwater drainage. This service also competes for external works in the marketplace. Also included are works supervision and management and provision of works depots and stores. As well as, purchases and maintenance of Council vehicles, plant and equipment to meet functionality and safety needs and to maximise the performance and minimise operational cost of the fleet.

- Maintenance of approximately 1700km of local sealed road network, including pothole patching, shoulder sheeting, culvert maintenance, vegetation removal, major patching, bridge maintenance and verge slashing.

- Maintenance of approximately 1100km of unsealed road network including pavement grading, pavement sheeting, drain cleaning, verge slashing, bridge maintenance, vegetation clearing.
- Maintenance of approximately 240 Bridges and Culverts.
- Bid for and carry out private works.
- Provision and maintenance of 4 works depots.
- Supervision and administrative functions for 77 (EFT) staff plus temporary employees as required.
- Determine and cost 10-year plant replacement program.
- Ensure full cost recovery via plant hire rates.
- Maintain major plant, minor plant and sedan/utility holding.

### **Engineering Design & Contract Management**

This service undertakes design and planning for various works within Council's capital works program including roads, footpaths, bridges, drainage and waterways infrastructure. This service also undertakes contract management and supervision of various works within Council's programs and provides specialist advice to other Council service units who are letting contracts.

- Project management including programming of roads, road seals, bridges and footpaths.
- Maintaining the contract and quotation system for the entire organisation.
- Contract management including preparation of service specifications for majority of infrastructure projects and for other areas of Council as required.
- Management of the Mount Shadwell Quarry including the ongoing implementation of all recommendations of the quarry business plan.
- Grant application and administration for various projects, including Roads to Recovery and Flood Recovery as they become available.
- Work with proponents associated with Windfarm developments to ensure appropriate road design/construction issues.
- Assist all departments across the organisation with all engineering and infrastructure related works.
- Deal with enquiries, issue permits and advice on vehicle crossovers, b-double higher mass, works in road reserve, cattle underpasses, legal point of discharge, utility requests, signage, street lighting, bus routes, dial before you dig, traffic counts and miscellaneous customer requests.

## **Quarry Operations**

This is one of Council's business enterprises and manages the operations of the Mount Shadwell Quarry at Mortlake providing a range of scoria materials to customers. The enterprise returns a 26% of gross sales dividend to Council's general revenue.

- Winning and screening of scoria.
- Feeding and operating crusher making scoria limestone mix and aggregates.
- Stockpiling – moving products to stockpiles away from production area.
- Loading trucks from stockpiles.
- Delivery to clients of small quantities of material.
- Pit maintenance to ensure weed free and tidy quarry.
- Quarry Management and supervision.
- Crusher maintenance.
- Plant maintenance.
- Quarry dividend to Council of \$399,980.
- Truck, Water Truck and Ute maintenance.
- Weighbridge maintenance.

## **Asset Management**

This service prepares long term asset management programs for Council's property assets in an integrated and prioritised manner in order to optimise their strategic value and service potential. These are all non-road related assets and include municipal buildings, pavilions and other community buildings. The service ensures that buildings are to a standard specified by Council with advice from the functional manager of the facility. In addition the service is responsible for the coordination, management and strategic planning for Council's building, land and property leases and licenses as well as maintaining the GIS service.

- Maintain and populate asset registers and Asset Management System, including condition and compliance audits, and risk and maintenance inspections for non- roads assets.
- Program and coordinate works for maintenance, renewal and upgrades for assets including playgrounds, buildings, structures and streetscapes, including maintenance on 280 buildings.
- Project Management including design input, tender documentation, supervision and contract management for construction of annual capital works program for playgrounds, buildings, streetscapes, and special projects.
- Formulate, make application for, administer and report on funding grants for projects under RLCIP, RDV and similar.
- Manage GIS including creating, updating, improving, linking to asset management system, of all Councils spatial datasets. All dealings with Geographic Place Names.

- Manage all land and dealings including, leases, licences, sales, purchases, adverse possession claims, and road status queries.
- Dealing with infrastructure planning referrals including assessment, conditions, certification, and statement of compliance.

### **Main Road Maintenance**

This service prepares and conducts maintenance under contract for VicRoads for their arterial road network to specified standards.

- Contract for VicRoads maintenance to maintain arterial roads within Moyne Shire.

### **Building Services**

This service provides statutory building services to the Council community including processing of building permits, emergency management responsibilities, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.

- Building inspections at progress stages including stump hole, footing, slab, frame and final stage.
- Pool inspections.
- Essential safety measure inspections.
- Temporary structure inspections.
- Notice inspections (illegal work).

## Service performance indicators

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

	Results			
Service/Indicator/Measure	2016	2017	2018	Material Variations
Aquatic Facilities				
<b>Service Standard</b> Health inspections of aquatic facilities Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities	1.00	1.00	1.00	-
<b>Health and Safety</b> Reportable safety incidents at aquatic facilities Number of WorkSafe reportable aquatic facility safety incidents	0.00	0.00	0.00	Nil reportable incidents
<b>Service Cost</b> Cost of indoor aquatic facilities Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities	\$0.00	\$0.00	\$0.00	Council does not have any indoor aquatic facilities
<b>Service Cost</b> Cost of outdoor aquatic facilities Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities	\$12.86	\$13.04	\$16.17	Decreased pool visits resulting in higher cost per visit.
<b>Utilisation</b> Utilisation of aquatic facilities Number of visits to aquatic facilities / Municipal population	0.65	0.72	0.57	Decreased pool patronage.-



	Results			
Service/Indicator/Measure	2016	2017	2018	Material Variations
<b>Libraries</b>				
<b>Utilisation</b> Library collection usage Number of library collection item loans / Number of library collection items	3.01	2.84	2.81	-
<b>Standard of library collection</b> <i>Number of library collection items purchased</i> <i>in the last 5 years / Number of library</i> <i>collection items x100</i>	76.44%	74.50%	68.69%	-
<b>Service cost</b> Cost of library service Direct cost of the library service / Number of visits	\$7.04	\$7.21	\$7.05	-
<b>Participation</b> Active library members Number of active library members / Municipal population x100	10.58%	10.68%	9.87%	-

	Results			
Service/Indicator/Measure	2016	2017	2018	Material Variations
<b>Roads</b>				
<b>Satisfaction of use</b> Sealed local road requests Number of sealed local road requests / Kilometres of sealed local roads x100	8.77	8.03	9.00	Council's customer service team has promoted and encouraged the community and our Councillors to utilise the system to lodge requests for work. This has seen better utilisation of the system and more requests being lodged which ensures tracking of requests and responses.
<b>Condition</b> Sealed local roads below the intervention level Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads x100	99.46%	97.14%	95.19%	-
<b>Service cost</b> Cost of sealed local road reconstruction Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed	\$41.33	\$42.39	\$38.46	-
<b>Service Cost</b> Cost of sealed local road resealing Direct cost of sealed local road resealing / Square metres of sealed local roads resealed	\$3.64	\$2.46	\$5.73	Increase in cost driven by difficulty obtaining sealing aggregate, resulting in less efficient program. Pre coating of aggregate prior to sealing (quality improvement) has also lead to increased costs.
<b>Satisfaction</b> Satisfaction with sealed local roads Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads	33.00	36.00	34.00	-

## Key Result Area 2 - Communities

### Strategic Indicators

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic Indicator / Measure	Result	Comments
At least 60% community satisfaction for consultation and engagement	57	Council remains higher than both the Large Rural and State-wide averages.
Community satisfaction for advocacy/lobbying on behalf of council to be more than 50	52	Achieved
Fully expending the Community Assistance Fund each year	Achieved	A total of 53 community applications were received during 2017/18 for disbursement of Community Assistance Fund.
Cost of outdoor swimming pools per visit being less than \$20	\$16.17	Achieved
Number of library collection loans divided by the number of collection items to be 3 or above	2.81	Consistent with an industry-wide trend of declining loans in some collections.
Number of active library members to be at least 10%	9.87%	Reflecting industry record keeping best-practice standards, a one-off measure to remove member cards inactive in the past 3 years was undertaken.

### Major Initiatives

Major initiatives identified in the 2017/18 budget include:

- Further encourage and assist communities to adopt a self-help approach through community planning processes focusing on Wangoom, Minhamite, Woorndoo, Hexham, Garvoc and Cudjee communities.

## **Services**

The following statement provides information in relation to the services funded in the 2017/2018 budget and the persons or sections of the community who are provided the service.

### **Recreation & Community Development**

This service is Council's liaison with groups who operate from Council's sporting reserves and oversees maintenance of the Gardens Oval and Victoria Park Reserve as well as operation of the Southcombe Park Sporting Complex. Works with sporting groups to manage reserves and negotiates License Agreements. Provides community assistance fund, contributions to minor recreation reserves (based on the number of clubs – football, cricket, tennis, netball) and contributions to public halls. This service manages the operation of the Mortlake and Macarthur pools and contributes to the operation of the Hawkesdale pool and the Belfast Aquatic Centre (Port Fairy pool).

- Community Assistance Fund.
- Contribution to 32 minor recreation reserves (based on number of clubs – football, cricket, tennis and netball).
- Contribution to 37 public halls Support for Sport and Recreation Committees.
- Maintenance of Gardens Oval and Victoria Park Reserves.
- Contribution to the operating costs of DC Farren Oval Mortlake.
- Operation of Southcombe Park Sporting Complex.
- Operation of the Mortlake and Macarthur swimming pools.
- Contribution to the operation of the Hawkesdale and Port Fairy swimming pool.
- Provision of community planning support.
- Provision of rural access program.

### **Emergency Management**

This service meets Council's obligations under the Emergency Management Act and develops and maintains the Municipal Emergency Management Plan and Emergency Management Committee and works with other agencies to prepare for, respond to, and recover from emergencies. This service also manages fire prevention services and State Emergency Services contributions, including support for fire brigades, fire spotting services at Mt Rouse and Mt Warrnambool and maintenance of emergency fire equipment.

- Emergency Management Act obligations.
- Municipal Emergency Management Plan.
- Fire prevention services and State Emergency Contributions.
- Support of fire brigades.
- Fire spotting services at Mt Rouse and Mt Warrnambool.
- Maintenance of emergency fire equipment.

## Key Result Area 3 - Environment

### Strategic Indicators

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic indicator / Measure	Result	Comments
Number of kerbside garbage and recycling bin collection requests divided by number of bin collection households x 1000 to be less than 40	42.15	80 missed bins for the year. The remaining 171 requests mostly related to broken or stolen bins.
At least 60% of kerbside waste diverted from landfill	61.88%	Achieved

### Major Initiatives

Major initiatives identified in the 2017/18 budget include:

- Council commenced a comprehensive community education program aimed at improving use of the FOGO service. This also included bin audits to measure improvements in waste separation.

## **Services**

The following statement provides information in relation to the services funded in the 2017/2018 budget and the persons or sections of the community who are provided the service.

### **Environmental Management**

This service promotes environmentally sustainable development principles, coordinates and implements environmental projects and works with other services to improve Council's environmental performance.

- Council reserves - management and maintenance.
- Weed management on Council managed land (including roadsides).
- East Beach coastal engineering studies and associated works.
- Sustainability initiatives.
- Policy and strategy development.
- Referral responses to internal and external information requests.
- Provision of advice and support to the public and community groups.
- Lobbying, advocacy, promotion and education regarding sustainable practices.

### **Waste Management**

This service provides kerbside rubbish, recyclable materials and green waste from residential and commercial properties in the designated collection districts. The service also manages the waste transfer stations and landfills throughout the Shire.

- Manage the Shire's residential and commercial kerbside collections.
- Manage the Shire's waste transfer stations and landfill.
- Oversee a range of waste resource recovery services.
- Partner with Regional Waste Reduction Group to implement regional waste reduction programs.
- Maintain and monitor the Shire's closed landfills.
- Promotion and education on sustainable waste management practices.

### **Local Laws and Animal Control**

This service facilitates the smooth flow of traffic and parking in Port Fairy through the provision of safe, orderly and equitable parking enforcement and education. It also provides education, regulation and enforcement of the General Local Law and relevant State legislation and administers Council local laws including the issue of permits for grazing, droving and stock crossings. This service also provides services including a cat trapping program, a dog and cat collection service, a pound service, a registration and administration service, an after-hours service and an emergency service, and also implements the provisions of the Domestic Animals Act.

- Administrating Council Local Laws.
- Issuing and enforcement of permits for grazing, droving stock crossings and activities on Council land.
- Management of infringement notices including court proceedings.
- Responding to complaints related to animals including dogs and wandering stock.
- Implement provisions of the Domestic Animals Act.
- Issuing of animal registrations (4,500 per annum).
- Supervision of safe school crossing points at Koroit, Mortlake and Port Fairy.

### Service performance indicators

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

	Results			
Service/Indicator/Measure	2016	2017	2018	Material Variations
Animal Management				
<b>Timeliness</b> Time taken to action animal management requests Number of days between receipt and first response action for all animal management requests / Number of animal management requests	1.00	1.00	1.00	-
<b>Service standard</b> Animals reclaimed Number of animals reclaimed / Number of animals collected x100	72.24%	57.48%	55.71%	
<b>Service cost</b> Cost of animal management service Direct cost of the animal management service / Number of registered animals	\$38.58	\$34.26	\$47.23	Increase reflects reallocation of staff time spent on animal management matters.
<b>Health and safety</b> Animal management prosecutions Number of successful animal management prosecutions	0.00	0.00	0.00	Council has not undertaken any prosecutions having resolved offences through alternative means.



	Results			
Service/Indicator/Measure	2016	2017	2018	Material Variations
Food Safety				
Timeliness Time taken to action food complaints Number of days between receipt and first response action for all food complaints / Number of food complaints	2.00	1.00	1.00	-
Service standard Food safety assessments Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984 x100	78.95%	93.88%	79.31%	Required food safety assessments are completed on a calendar year basis per DHHS requirements. Further premises will be inspected in the 2nd half of 2018 in order to meet requirements.
Service cost Cost of food safety service Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984	\$483.85	\$586.51	\$547.42	
Health and safety Critical and major non-compliance outcome notifications 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	62.50%	100%	100%	

	Results			
Service/Indicator/Measure	2016	2017	2018	Material Variations
<b>Statutory Planning</b>				
<b>Timeliness</b> Time taken to decide planning applications The median number of days between receipt of a planning application and a decision on the application	53.00	56.00	59.00	
<b>Service standard</b> Planning applications decided within 60 days Number of planning application decisions made within 60 days / Number of planning application decisions made x100	80.89%	75.35%	78.51%	
<b>Service cost</b> Cost of statutory planning service Direct cost of the statutory planning service / Number of planning applications received	\$2,094.05	\$2,311.64	\$2,636.90	Increase in cost per planning application driven by lower number of total applications received.
<b>Decision making</b> Council planning decisions upheld at VCAT Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications x100	50.00%	50.00%	0.00%	Objections to planning decisions regarding dwellings on small lots in farming zones continue to present challenges to Council.

	Results			
Service/Indicator/Measure	2016	2017	2018	Material Variations
<b>Waste Collection</b>				
<b>Satisfaction</b> Kerbside bin collection requests Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households x1000	37.79	38.05	42.15	Extended bin collection in 2017/18.
<b>Service standard</b> Kerbside collection bins missed Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts x10,000	2.15	1.55	1.72	Slight increase in missed bins from a particularly low missed bin rate in 2016/17. Missed bin rate continues to be very low.
<b>Service cost</b> Cost of kerbside garbage bin collection service Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins	\$149.71	\$146.72	\$123.41	Decrease in costs due to increased number of bins collected (extended collection areas).
<b>Service cost</b> Cost of kerbside recyclables collection service Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins	\$38.95	\$40.32	\$53.29	Increase in cost driven by \$86 per tonne recycling cost increase from 1/1/2018 , due to the recycling crisis.
<b>Waste diversion</b> Kerbside collection waste diverted from landfill Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins x100	58.72%	60.03%	61.88%	

## Key Result Area 4 - Liveability

### Strategic Indicators

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic indicator / Measure	Result	Comments
At least 2,500 square metres of footpath renewed each year	5,396 sqm	Renewal of concrete footpaths in Port Fairy, Mortlake, Koroit, Macarthur and Nullawarre.
At least one new piece of public art in the Shire each year	Achieved	Public art piece at the Koroit skate park and Shearwater sculpture in Port Fairy
At least 70% community satisfaction with community and cultural activities	69	Community & Cultural activities were one of the top three performing service areas. Three in five residents rate the service as "very good" for "good"
At least 80% of premises assessed for food safety	79.31%	Required food safety assessments are completed on a calendar year basis per DHHS requirements. Further premises will be inspected in the 2nd half of 2018 in order to meet requirements.

### Major Initiatives

Major initiatives identified in the 2017/18 budget include:

- Completed Regional art project initiatives: Arts Atlas and social enterprise art project.
- Completed Public Art Policy and Procedures Document.
- Completed Youth Council and FreeZa youth leadership and planning camp to develop 12 months program.

## **Services**

The following statement provides information in relation to the services funded in the 2017/2018 budget and the persons or sections of the community who are provided the service.

### **Arts, Culture & Library Services**

This service provides support of the Shire's varied program of arts and cultural events and activities; plans and develops arts and cultural facilities and infrastructure in conjunction with community groups and develops policies and strategies to facilitate art practice through support of the Regional Arts Development Officer. This service also provides public library services at Port Fairy, Koroit and Mortlake branches, outreach van service to Peterborough and Nullawarre and community libraries at Hawkesdale and Macarthur.

- Contribution to Regional Library.
- Provision of operations to isolated sites Macarthur and Hawkesdale.
- Building operations to Moyne Shire Branch libraries.
- Contribution to Regional Arts Development Officer RADO position.
- Support for Arts and Culture Strategy.
- Support community's artists, not-for-profit groups and organisations to utilise the arts as a way of cultivating connection and wellbeing in the community.
- Assist the community to source and achieve funding for arts projects.

### **Parks and Amenities**

This service involves the management of parkland areas, including other areas of environmental significance, and also provides management of all parks and gardens and infrastructure maintenance. Ensures the Shire's public toilets are kept clean to agreed standards and usable at all times. Undertakes maintenance of Council's footpath assets in an integrated and prioritised manner in order to optimise their strategic value and service potential.

- Lawn, gardens and tree maintenance at 28 township sites.
- Site preparation/maintenance prior for local festivals/activities.
- Cleaning and maintenance of 20 Public Toilets.
- Cleaning and maintenance of 19 BBQ's.
- Maintenance of nine (9) Playgrounds.
- Clearing of street bins in 15 townships.
- Port Fairy Folk Festival, provision and placing of bins, barriers, toilet cleaning, bin clearing and street/footpath sweeping.
- Operation of Street Lights.

## **Health Services**

This service protects the community's health and well-being by coordinating food safety support programs, Tobacco Act activities and infectious diseases control. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls. The unit undertakes some health education initiatives as well as supervising and advising on septic tank systems.

- Registration of food and health premises, caravan parks and accommodation houses.
- Issue permits for installation and use of septic tanks.
- Implementation of the waste water management plan.
- Infectious disease control.
- Environmental health nuisance control.
- Respond to complaints and enquires on public health issues.
- Food surveillance and sampling.
- Monitoring Food Safety Plan.
- Tobacco legislation requirements.

## Key Result Area 5 - Economy

### Strategic Indicators

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic indicator / Measure	Result	Comments
Community satisfaction rating for town planning to be more than 50	54	Achieved
At least 80% of planning permits processed within the 60-day statutory time limit	78.51%	This result is marginally less than the target set but shows solid performance over the last year.

### Major Initiatives

Major initiatives identified in the 2017/18 budget include:

- Review of caravan parks in terms of strategic direction, and future delivery.
- Redevelopment of Wharf Building, Port Fairy.

## **Services**

The following statement provides information in relation to the services funded in the 2017/2018 budget and the persons or sections of the community who are provided the service.

### **Statutory & Strategic Planning**

This service maintains Council's role under the Planning and Environment Act 1987 as a Responsible Authority, including dealing with planning permit applications and enforcement of the Shire Planning Scheme. Provides advisory service to residents and developers in regards to heritage matters in the built environment. This service also provides strategic planning and economic development functions including policy and scheme development and review, as well as liaison with major project developers.

- Development Approvals, permit application decisions, planning applications and subdivision applications.
- Enforcement of planning scheme.
- Developer and community education.
- Advise Council in relation to its role as Responsible Authority.
- Forward planning policies and programs.
- VCAT Hearings.
- Provision of Heritage Advisory Service Forward planning policies and programs.
- Major development proposals.
- Amendments to the planning scheme.
- Developing and implementing sustainable economic development programs for the Moyne Shire Council that supports local enterprise and employment.

### **Corporate Business**

Provides management and administrative support service for the Shire Caravan parks, Port of Port Fairy, Festivals and Tourism.

- Management of Council Business Enterprise staff and contractors.
- Finance control of unit activities.
- Prepare funding applications and acquittals.
- Project management.
- Port Fairy Aerodrome maintenance.
- Shire marquee bookings.
- Event application coordination.



## **Caravan Parks**

Operation and management of caravan parks at Port Fairy Gardens, Southcombe Park, Killarney, Koroit, Mortlake, Peterborough and Yambuk. Also includes operation of Southcombe Lodge. Major caravan parks return a dividend of 33% to general revenue.

- Port Fairy Gardens, and Southcombe Caravan Parks accommodating approximately 135,000 persons, per annum.
- Management of site and cabin bookings.
- Enforcing compliance with park conditions of entry.
- Maintain surrounds (mowing, gardens).
- Cleaning of facilities (amenities and camp kitchens).
- Project management of park improvements.
- Minor maintenance of facilities.
- Management of contracts for the operation of Killarney Beach Camping Reserve, Koroit / Tower Hill Caravan Park, Mortlake Caravan Park, Yambuk Caravan Park and lease of the Great Ocean Road Tourist Park at Peterborough.

## **Tourism**

This service operates the Port Fairy Visitor Information Centre and also undertakes event promotion, souvenir sales and support for local tourism. Also provides support for festivals and administration of the Festivals Support Fund.

- Festivals & Events.
- Support provided to local community Festivals & Events (\$110,000 festival funding and officer advice and support).
- Tourism Services.
- Operation of the Port Fairy & Region Visitor Information Centre – local tourism advisory service. (30 volunteers).
- Visitor Information Centre services approx. 70,000 + visitors per annum.
- Provision of visitor information.
- Promoting events.
- Souvenir sales.
- Promotion & marketing.
- Support for the tourism industry in Moyne – website promotion & maintenance, tourism newsletters and general tourism promotion of townships and events across the Shire).

**Port of Port Fairy**

This service includes the management of operations and maintenance of the Port of Port Fairy. This includes administration, navigation, vessel berthing, slipways and leisure activities around the port. The Port Board provides direction for the development and operation of the Port.

- Port administration.
- Navigation aids maintenance.
- Management of berths allocations (14 commercial & 56 recreational).
- Visiting itinerant boat – berth and amenities facilities.
- Maintain public boat ramp.
- Slipway services.
- Wharf and marina maintenance.
- Training walls maintenance.
- Dredging of the river channel.
- Diesel refuelling facility.
- Port Board meetings.
- Lifeboat Committee meetings.

## Key Result Area 6 - Families

### Strategic Indicators

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic indicator / Measure	Result	Comments
At least 70% community satisfaction rating for elderly support services	70	Achieved
Number of days between the referral of a HACC services client and the commencement of the service divided by the number of new clients who have received a HACC service to be less than 10	3 Business days	Achieved
Number of people who receive a HACC service divided by the Municipal target for HACC services x 100 to be at least 25%	32%	Achieved
Number of infants enrolled in the Maternal and Child Health Service divided by the number of birth notifications received x 100	100%	Achieved
Number of children who attend the MCH service at least once per year divided by the number of children enrolled in the MCH service x 100 to be at least 70%	69.61%	Two families have relocated out of the Moyne Shire.

### Major Initiatives

Major initiatives identified in the 2017/18 budget include:

- Health and Wellbeing Plan renewal and implementation.
- Review of the Aged and Disability Services National Reform.

## **Services**

The following statement provides information in relation to the services funded in the 2017/2018 budget and the persons or sections of the community who are provided the service.

### **Child Care Services**

Provide occasional care through Hawkesdale and District Family Services Centre and long day care services at Port Fairy.

- Provision of long day care at the Port Fairy Community Services Centre.
- Provision of occasional child care at Hawkesdale on Mondays, Tuesdays and Thursdays.
- Provision of occasional child care at Chatsworth on Tuesdays and Thursdays.

### **Kindergartens & Preschools**

Group employer for kindergarten centres at Koroit, Merri, Macarthur, Hawkesdale, Port Fairy and Nullawarre and provides support for the pre-school at Mortlake. Support is also provided for pre-school and kinder Committees. Council is the cluster manager.

- A universal early childhood program, funded by the State Government on a per capita basis, for children in the year prior to commencing primary school. Children attending kindergarten receive a planned, developmentally appropriate program delivered by a qualified early childhood educator.
- Moyne Shire Council is Cluster Manager of the following services: Koroit, Merri, Nullawarre, Macarthur, Hawkesdale.
- Provision of Kindergarten in Port Fairy at the Port Fairy Community Services Centre.

## **Maternal and Child Health**

This service conducts sessions at Port Fairy, Koroit, Hawkesdale, Macarthur, Warrnambool, Yambuk and Mortlake providing immunisation advice, guidance and promotion and health care for infants as well as education for their parents.

- The universal Maternal and Child Health Service (MCH) delivers a free, universally accessible service for all families with children from birth to school age. Through the provision of ten “Key Age and Stage” visits, the Service supports families and their children with an emphasis on parenting, prevention and health promotion, developmental assessment, early detection and referral and social support.
- The MCH service also provides support to children and families in the provision of additional consultations, telephone support and parenting support groups.
- The enhanced MCH service responds assertively to the needs of children and families at risk of poor outcomes, in particular where there are multiple risk factors. It provides a more intensive level of support in a variety of settings, such as the family’s home, MCH centre or another location within the community.
- Immunisation services.

## **Aged and Disability Services**

Provide aged care services including domestic assistance, personal care, respite, garden & property maintenance, meals on wheels, some transport and social support.

- Home and Community Care (HACC) is a service that is funded primarily by the State Government under the banner of Department of Health. It provides services to maintain residents of the Moyne Shire in their homes for as long as possible. Council provides
- 13,712 hours of homecare,
- 7,236 hours of personal care,
- 3,832 hours of respite,
- 2,420 hours of home & garden maintenance.
- Community transport and social support.
- Deliver approximately 12,200 meals across the whole of the shire. In delivering all these services we cover in excess of 165,000 kilometres.

### **Aged Support Services**

This service provides a range of support for senior citizen clubs. Each conducts a program involving recreation, fitness, centre-based meals and social support. This service also provides planned activity groups (PAGs) and respite care for the frail or for those with a disability.

- High needs clients every Tuesday from 9.30 – 1.30pm
- Core (lower needs) clients every Thursday from 10.00am – 3.00pm
- Men's group every second Wednesday from 10.00 – 2.00pm
- Operation of four Senior Citizen facilities
- Annual Senior Citizens week activity.

### **Youth Services**

Facilitating the connection of young people of the Shire to their own local community by initiating and implementing projects and/or events that are of benefit to the whole community. This service encourages the participation of young people in all facets of community life thus promoting young people as integral members of the community.

- Increased participation of young people in the life of their local communities.
- Development of responsive and supportive partnerships in order to build community; local service clubs, Vic Police, township progress associations, local government, schools and regional service providers are key stakeholders in the program.
- Moyne Youth Council activities: leadership training, project planning and delivery.
- Youth-lead facilitation of major community activities and events, such as the Youth Forum, FReeZA Events and music festivals.
- Our PlaYce Youth Leadership training program, delivering initiatives that add value to community heritage, recreation and commemoration.
- Local Youth Action Groups, which facilitate projects like Mortlake Rainbow Run and the landscape design for the Tee Tree Lake skate park.

### Service performance indicators

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

	Results			
Service/Indicator/Measure	2016	2017	2018	Material Variations
Home and Community Care (HACC)				
<b>Timeliness</b> Time taken to commence the HACC service Number of days between the referral of a new client and the commencement of HACC service / Number of new clients who have received a HACC service	10.24	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
<b>Service standard</b> Compliance with Community Care Common Standards Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards x100	72.22%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs

	Results			
Service/Indicator/Measure	2016	2017	2018	Material Variations
<b>Service cost</b> Cost of domestic care service Cost of the domestic care service / Hours of domestic care service provided	\$41.20	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
<b>Service cost</b> Cost of personal care service Cost of the personal care service / Hours of personal care service provided	\$48.44	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
<b>Service cost</b> Cost of respite care service [Cost of the respite care service / Hours of respite care service provided]	\$47.34	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
<b>Participation</b> Participation in HACC service Number of people that received a HACC service / Municipal target population for HACC services x100	24.30%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs



	Results			
Service/Indicator/Measure	2016	2017	2018	Material Variations
<b>Participation</b> Participation in HACC service by CALD people Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services x100	11.29%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
<b>Maternal and Child Health (MCH)</b>				
<b>Satisfaction</b> Participation in first MCH home visit Number of first MCH home visits / Number of birth notifications received x100	95.08%	94.97%	95.32%	
<b>Service standard</b> Infant enrolments in the MCH service Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received x100	86.34%	96.23%	100%	
<b>Service cost</b> Cost of the MCH service Cost of the MCH service / Hours worked by MCH nurses	\$79.41	\$94.88	\$93.48	

	Results			
Service/Indicator/Measure	2016	2017	2018	Material Variations
<b>Participation</b> Participation in the MCH service Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service x100	68.31%	67.19%	69.61%	
<b>Participation</b> Participation in the MCH service by Aboriginal children Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service x100	60.66%	38.64%	66.04%	High percentage of aboriginal children are older than 2 years of age, attending more scheduled Key Age Stage visits.

# Key Result Area 7 – Managing our Organisation

## Strategic Indicators

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic indicator / Measure	Result	Comments
Council's annual financial sustainability risk assessment ranking remaining low	Low Risk	Results of the 2016-17 Audits: Local Government Report tabled 29 November 2017 identifies Moyne Shire as remaining at low risk in terms of Financial Sustainability.
Council's annual liquidity ration maintained above 1.0	2.48	Exceeds Council's minimum target of 1.00

## Major Initiatives

Major initiatives identified in the 2017/18 budget include:

- Investigated and implemented Electronic Time Sheets.
- Finalisation of the Business Continuity Plan.

## **Services**

The following statement provides information in relation to the services funded in the 2017/2018 budget and the persons or sections of the community who are provided the service.

## **Governance**

Administration of Executive services, Council, Councillor support and monitoring Council activities to ensure legislative compliance.

- Statutory and corporate support services to Council.
- Mayoral and Councillor allowances, expenses, training, professional development and membership.
- Administration of Council meetings and workshops.
- Supervision of all Council activities to ensure accountability, probity and legislative compliance.
- Collaboration with other agencies in regional projects.
- Subscriptions to municipal affiliations and public liability insurance cover.
- Maintain an understanding of issues of local importance and provide leadership in tackling them.
- Where appropriate, advocate on behalf of our community and ensure that our community is represented in debates which affect us.
- Strategic planning activities such as Council Plan review and studies on future directions and initiatives, including contributions to regional planning and projects.

## **Communications**

This service is responsible for the management and provision of external communication through various media, in consultation with relevant stakeholders, on behalf of Council.

- Publishing of quarterly Country to Coast newsletters.
- Publishing of fortnightly electronic news updates to subscribers .
- Liaison with local media outlets and co-ordination of responses to media inquiries (approximately three to four times a week).
- Coordination of all statutory and discretionary public advertising.
- Maintenance of internet and intranet content (as required).
- Media releases (distribute as required, approximately ten a year).
- Coordinate information, design and production of Annual report.
- Daily monitoring of press clippings.
- Coordinate monthly Mayor's message that appears the Warrnambool Standard.
- Coordinate weekly Mayors radio interview.
- Coordinate commercial printing such as letterhead, business cards etc.

## **Organisational Development**

This service provides Council with strategic and operational organisational development support. The service develops and implements strategies, policies and procedures through the provision of performance management, benchmarking human resource management and risk management.

- Co-ordination of advertising, short listing, interview and selection for positions vacant.
- Induction of all new employees (Including caravan park & road construction summer crews).
- Delivery of training and professional development program.
- Administration of employee performance appraisal system for all employees.
- Industrial Relations management including enterprise bargaining.
- Development and review of Human Resources policies and procedures.
- Staff Health & Wellbeing Program.
- Memberships to Meekin & Apel (industrial Relations Services) and Australian Local Government Women's Association.
- Fortnightly payroll service.
- Implementation and maintenance of specific risk management & reduction policies & programs.
- Work with Internal Audit on the Risk Assessment program. JMAPP, LMI and Fidelity Audits.
- Administration of the Council's insurance including Asset, Public Liability, Professional Indemnity and the WorkCover premium.
- Management of Work-cover claims and return to work obligations.
- Development of policies, systems and documentation to ensure safe work environments for employees, volunteers, contractors and the community.

## **Financial Services**

This service predominately provides financial based services to both internal and external customers. This includes reporting, investment of surplus funds and accounts payable and receivable functions.

- Preparation and auditing of financial statements.
- Preparation of annual budget including capital works budget.
- Completion of statutory returns including Victorian Grants Commission and Fringe Benefits Tax return.
- Prepare reports to Council and Managers on a monthly basis highlighting budget variations in respect of Council's operations.
- Compile financial models to assist in financial planning including the preparation of long term financial and capital works plans.
- Accounts payable and receivable functions.

- Maximise investment income on surplus Council funds for both the short and intermediate term.
- Manage Council's loan portfolio and ensure funds are raised in accordance with Council's approved program.
- Provide administrative support to the Audit and Risk Management Committee.

### **Information Technology Services**

This service provides, supports and maintains reliable and cost effective communications and computing systems to Council staff enabling them to deliver services in a smart, productive and efficient way.

- Implement the ICT strategy and manage the Council's ICT system.
- Monitor and review the ICT strategy and activities.
- Recommend new capital purchases and hardware and software acquisitions.
- Ensure the integrity and confidentiality of data and manage information in accordance with established principles including relevant privacy principles and guidelines.
- Development and delivery of appropriate information technology tools to enable Council departments to meet the needs of their internal and external customers.
- Development and implementation of policies, standards, guidelines and operating instructions for information systems and operating procedures for all users of computer facilities.

### **Property and Rating**

Management of Council's rating system, including levying rates and charges, outstanding interest and valuations of rateable properties:

- Production of approximately 12,000 rate assessment notices per year.
- Management of bi-annual revaluation process.
- Management of supplementary rate process.
- Supervision and maintenance of approximately 12,400 property files.
- Issuing of approximately 800 Land Information Certificates per year.
- Compilation of statistical data for rate management and reporting purposes.
- Processing of pensioner and farm municipal exemption forms.

**Administrative Service**

This service provides office accommodation for Port Fairy and Mortlake including customer service centres, as well as, document and information management support services to Council. This includes compliance with statutory obligations under freedom of information, public records and information privacy legislation:

- Office accommodation at Port Fairy and Mortlake.
- Provision of customer service function.
- Maintenance of the Council's Electronic Records Management System.
- Provision of records management policies and procedures.
- Training of employees in document management and retrieval.
- Maintenance of the Corporate Library.
- Compliance with Public Records Office Victoria standards in records management.
- Delivery and receipt of all physical correspondence – average of 50 documents scanned daily.
- Freedom of Information requests.
- Privacy inquiries.

### Service performance indicators

The following statements provide the results of the prescribed service performance indicators and measures including explanation of material variations.

	Results			
Service/Indicator/Measure	2016	2017	2018	Material Variations
Governance				
<b>Transparency</b> Council decisions made at meetings closed to the public Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special Committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special Committee consisting only of Councillors x100	10.05%	16.17%	14.35%	Less confidential contract matters presented to Council.
<b>Consultation and engagement</b> Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	58	58	57	



	Results			
Service/Indicator/Measure	2016	2017	2018	Material Variations
<b>Attendance</b> Councillor attendance at Council meeting The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election) x100	98.10%	93.33%	93.75%	
<b>Service cost</b> Cost of governance Direct cost of the governance service / Number of Councillors elected at the last Council general election	\$53,672.14	\$46,343.43	\$53,382.43	Slight increase in travel costs
<b>Satisfaction</b> Satisfaction with Council decision Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community	56	59	57	





# ANNUAL REPORT

Governance, management  
and other information

# Council Meetings

Moyne Shire Council ordinary meetings are held on the fourth Tuesday of each month and alternate between Port Fairy and Mortlake.

In 2017/2018 the Council held 16 meetings – 12 ordinary Council meetings and 4 special Council meetings.

Councillor	Ordinary Meetings	Special Meetings	Total
Cr Jim Doukas	11	4	15
Cr Jill Parker	11	4	15
Cr Colin Ryan	11	4	15
Cr Mick Wolfe	10	4	14
Cr Jordan Lockett	12	3	15
Cr Daniel Meade	11	4	15
Cr Ian Smith	11	4	15

## Declarations of Interest

Moyne Shire Council is committed to making all decisions impartially and in the best interests of the whole community. It therefore recognises the importance of fully observing the requirements of the Local Government Act in regard to disclosures of interest and conflicts of interest.

Councillors must declare direct and indirect interests in any matter – and the nature of the interest – before a matter is to be discussed, and remove themselves from both the discussion and voting.

Councillors declaring an interest at a Council meeting or special Committee meeting complete a disclosure form which states the type of interest and the nature of the interest. These details are recorded in the minutes of the meeting.

During the year all Councillors are required to submit an “ordinary interest” return in a prescribed form. The returns are kept in a register, which is available for public scrutiny under a process established in the Local Government Act.

## Councillor Code of Conduct

The Councillor Code of Conduct sets the standards expected of Councillor behaviour and disclosure, and identifies a process for resolving complaints. There were no complaints made under the Code in 2017/18.

# Special Committees of Council (Section 86)

(As of 30 June, 2018)

The Act allows councils to establish one or more special committees consisting of:

- Councillors
- Council staff
- Other persons
- Any combination of the above.

The following table contains a list of special committees established by the council that are in operation and the purpose for which each committee was established.

Special Committee	Councillors	Officers	Other	Purpose
CEO Performance Review Committee	7	0	0	To undertake performance reviews of the Chief Executive Officer To conduct the annual performance review of the CEO in accordance with the Officer's contract. To review the CEO's remuneration package. To exercise Council's functions and powers and to perform Council's duties in relation to the performance review of the Chief Executive Officer.

Special Committee	Councillors	Officers	Other	Purpose
Koroit Theatre Committee of Management	1	0	9	<p>To co-ordinate and control the management of the Koroit Theatre; to act as a liaison advisory, promoting and co-ordinating body for the use and further development of the Koroit Theatre.</p> <p>To control and manage the Theatre. To act as a consulting liaison, advisory, promoting and co-ordinating body for the development of the Theatre.</p> <p>To exercise Council's functions and powers and to perform Council's duties in relation to the management of the Koroit Theatre.</p>
Mortlake Recreation Reserve	1	0	6	<p>To control and manage the operation and development of the Mortlake Recreation Reserve.</p> <p>To co-ordinate and control the management of the Reserve.</p> <p>To maximise the shared-use and multi-use of the Reserve, and to facilitate the development of Major Capital Works.</p> <p>To maximise the broad community use of existing facilities and spaces at the Reserve.</p> <p>To maximise the input of the local community in the planning and management of the Reserve.</p> <p>To coordinate the use of the reserve by regular user groups, casual user groups</p>

Special Committee	Councillors	Officers	Other	Purpose
				<p>and by the community for informal/unstructured activities.</p> <p>To exercise Council's functions and powers and to perform Council's duties in relation to the management of the Mortlake Recreation Reserve.</p>
Nirranda Community Facility	1	0	10	<p>To co-ordinate and control the management of the facility.</p> <p>To co-ordinate and control the management of the Reserve.</p> <p>To maximise the shared-use and multi-use of existing and proposed new facilities and spaces at the Reserve.</p> <p>To maximise the broad community use of existing facilities and spaces at the Reserve.</p> <p>To maximise the input of the local community in the planning and management of the Reserve.</p> <p>To coordinate the use of the reserve by regular user groups, casual user groups and by the community for informal/unstructured activities.</p> <p>To exercise all of the contractual rights under the Licence Agreement between the Nirranda Community Facility Committee and the Council in respect of the Nirranda Community Facility</p>

Special Committee	Councillors	Officers	Other	Purpose
				<p>To co-ordinate and control the management of the Reserve.</p> <p>To maximise the shared-use and multi-use of existing and proposed new facilities and spaces at the Reserve.</p> <p>To maximise the broad community use of existing facilities and spaces at the Reserve.</p>
Port of Port Fairy Board	2	0	6	To control and manage the operation and development of the Port of Port Fairy.
Southcombe Park Sporting Complex Committee	1	0	9	<p>To control and manage the sports complex.</p> <p>To control and manage the Complex. To act as a consulting liaison, advisory, promoting and co-ordinating body for the development of the Complex for the foundation and benefit of approved indoor/outdoor sports and recreation.</p> <p>To exercise Council's functions and powers and to perform Council's duties in relation to the management of the Southcombe Park Sporting Complex.</p>
Victoria Park (Koroit) Committee	1	0	10	<p>To co-ordinate and control the management of the park.</p> <p>To co-ordinate and control the management of the Park.</p> <p>To maximise the shared-use and multi-use of existing</p>



Special Committee	Councillors	Officers	Other	Purpose
				<p>and proposed new facilities and spaces at the Park. To maximise the broad community use of existing facilities and spaces at the Park.</p> <p>To maximise the input of the local community in the planning and management of the Park.</p> <p>To coordinate the use of the reserve by regular user groups, casual user groups and by the community for informal/unstructured activities.</p> <p>To exercise all of the contractual rights under the Licence Agreement between the Koroit Agricultural Society Inc and the Council in respect of the Society's lands at the Park.</p>

# Councillor Allowances

In accordance with Section 74 of the Act, councillors are entitled to receive an allowance while performing their duty as a councillor. The Mayor is also entitled to receive a higher allowance.

The State Government sets the upper and lower limits for all allowances paid to councillors and Mayors. Councils are divided into three categories based on the income and population of each council. In this instance Moyne Shire City Council is recognised as a category 2 council.

The following table contains details of current allowances for the mayor and councillors during the year.

Councillors	Allowance \$
Cr Mick Wolfe (Mayor 28/11/17 to 30/06/18)	61,238
Cr Jim Doukas (Mayor 8/11/16 to 27/11/17)	51,025
Cr Jill Parker	27,396
Cr Colin Ryan	27,396
Cr Ian Smith	27,396
Cr Daniel Meade	27,396
Cr Jordan Lockett	27,396

## Councillor Expenses

In accordance with Section 75 of the Act, council is required to reimburse a councillor for expenses incurred whilst performing his or her duties as a councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the mayor and councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each councillor and member of a council committee paid by the Council.

The details of the expenses including reimbursement of expenses for each councillor for the 2017-18 year are set out in the following table

Councillors	CM* \$	IC \$	CT \$	Total \$
Cr Mick Wolfe (Mayor 28/11/17 to 30/06/18)	1,877	977	4,446	7,300
Cr Jim Doukas (Mayor 8/11/16 to 27/11/17)	11,898	600	2,676	15,174
Cr Jill Parker	11,981	478	3,995	16,454
Cr Colin Ryan	9,040	600	5,290	14,930
Cr Ian Smith	19,809	176	-	19,985
Cr Daniel Meade	4,897	1,571	-	6,468
Cr Jordan Lockett	3,831	857	-	4,688

*\*Includes operating cost allocation for the mayoral vehicle*

Legend:

CM Car Mileage

IC Information and Communication expenses

CT Conferences and Training expenses

# Audits

## **Internal Audit**

The internal audit program, in conjunction with the external audit program, links closely with the Council's Risk Management Policy in aiming to identify areas of risk, assess existing controls and implementing actions to further minimise risk exposure. The internal audit program is determined through consultation with the Audit and Risk Management Committee, senior management and is endorsed by Council. Primarily, an internal audit program is designed to review the areas of highest risk, but consideration is also given to ensure a periodic review of Council processes. Interaction between the Audit and Risk Management Committee, internal audit contractors and external auditors ensures that a comprehensive audit program mitigates all areas of risk.

The current Committee consists of two independent members and two Councillors: The Committee also has in attendance the Chief Executive Officer, three Directors and the Manager of Finance. The Audit and Risk Management Committee has played an important role in monitoring and promoting high standards of corporate governance of the Council. Moyne Shire Council has contracted an internal auditor to conduct scheduled audits every year. The internal audit program focuses on medium to high risk areas of Council operations, and includes internal service delivery. The internal audits identify improvement actions that will improve operational efficiency and maximise service delivery while minimising organisational risk.

## **External Audit**

Council is externally audited by the Victorian Auditor-General. For the 2017/2018 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external audit management letter and responses are also provided to the Audit and Risk Management Committee.

# Governance and Management Checklist

The following are the results of Council's assessment against the prescribed governance and management checklist.

Governance and Management Items	Assessment
1. Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy  Date of operation of current policy: 18 December 2007
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines  Date of operation of current guidelines: 18 December 2007
3. Strategic Resources Plan (plan under section 126 of the Local Government Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act  Date of adoption: 26 June 2018
4. Annual budget (plan under section 130 of the Local Government Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with Section 130 of the Local Government Act  Date of adoption: 26 June 2018
5. Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans  Date of operation of current plans: Building Management Plan: 1 October 2013 Road Management Plan: 1 October 2012 Bridges Management Plan: 1 November 2012 Footpaths and Cycleways Management Plan: 1 November 2012 Drainage Management Plan: 1 November 2012 Recreation (Playgrounds) Management Plan: 1 March 2012 Recreation (Other) Management Plan: 1 May 2012
6. Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy  Date of operation of current strategy: 28 June 2016

Governance and Management Items	Assessment
7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	<p>Policy</p> <p>Date of operation of current policy: 28 June 2012</p>
8. Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	<p>Policy</p> <p>Date of operation of current policy: 25 July 2017</p>
9. Municipal emergency management plan (plan under section 20 of the Emergency Management Act for emergency prevention, response and recovery)	<p>Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986</p> <p>Date of preparation: 23 August 2016</p>
10. Procurement policy (policy under section 186A of the Local Government Act outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	<p>Prepared and approved in accordance with section 186A of the Local Government Act</p> <p>Date of approval: 26 June 2018</p>
11. Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	<p>Plan</p> <p>Date of operation of current plan: 30 January 2014</p>
12. Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	<p>Plan</p> <p>Information Communications Technology Disaster Recovery Plan 1 October 2013, Disaster Recovery Plan for Physical Records 1 October 2013.</p>
13. Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	<p>Framework</p> <p>Date of operation of current framework: 28 June 2012</p>
14. Audit Committee (advisory Committee of Council under section 139 of the Local Government Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	<p>Established in accordance with Section 139 of the Local Government Act:</p> <p>Date of establishment: 30 September 1999</p>

Governance and Management Items	Assessment
15. Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	<p>Engaged:</p> <p>Date of engagement of current provider: 26 August 2014</p>
16. Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Local Government Act)	<p>Framework:</p> <p>Date of operation of current framework: 24 June 2014</p>
17. Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	<p>27 March 2018</p>
18. Financial reporting (quarterly statements to Council under section 138 of the Local Government Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	<p>Statements presented to Council in accordance with section 138(1) of the Local Government Act:</p> <p>Date statements presented:</p> <p>Monthly Statements:</p> <p>25 July 2017  22 August 2017  26 September 2017  24 October 2017  28 November 2017  19 December 2017  23 January 2018  27 February 2018  27 March 2018  24 April 2018  22 May 2018  26 June 2018</p>
19. Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	<p>Reports:</p> <p>Date of reports:</p> <p>Quarterly:</p> <p>30 August 2017  22 November 2017  15 March 2018  13 June 2018</p>

Governance and Management Items	Assessment
20. Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Local Government Act)	27 March 2018
21. Annual report (annual report under sections 131, 132 and 133 of the Local Government Act to the community containing a report of operations and audited financial and performance statements)	<p>Considered at a meeting of Council in accordance with section 134 of the Local Government Act:</p> <p>Date of consideration: 24 November 2017</p>
22. Councillor Code of Conduct (Code under section 76C of the Local Government Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	<p>Reviewed in accordance with section 76C of the Local Government Act:</p> <p>Date reviewed: 24 January 2017</p>
23. Delegations (a document setting out the powers, duties and functions Council and the Chief Executive Officer that have been delegated to members of staff)	<p>Reviewed in accordance with section 98(6) of the Local Government Act</p> <p>Date of reviews: 28 February 2017 26 April 2017</p>
24. Meeting procedures (a local law governing the conduct of meetings of Council and special Committees)	<p>Meeting procedures local law made In accordance with section 91(1) of the Act</p> <p>Date local law made: 27 September 2011</p>



# Statutory Information

The following information is provided in accordance with legislative and other requirements applying to Council.

## Information Available for Public Inspection

In accordance with regulation 12 of the Local Government (General) Regulations 2015 the following are prescribed documents that are available for public inspection or copies of the documents can be obtained for the purposes of section 222 of the Act at Moyne Shire Offices, Princes Street, Port Fairy:

- a document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by a Councillor or any member of Council staff in the previous 12 months;
- minutes of ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act;
- the minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act;
- a register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act;
- of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease;
- a register maintained under section 224(1A) of the Act of authorised officers appointed under that section by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

### **Freedom of Information Requests**

The Freedom of Information Act 1982 provides the opportunity for public access to Council documents, subject to various exemptions and exceptions. The Act establishes a legally enforceable right for the community to access information in document form held by the Council.

Moyne Shire Council received four (4) valid Freedom of Information applications during 2017/18. Access was granted in full to one request and the information was released outside the Act for the other three request.

Requests for access to information under Freedom of Information are lodged with the Council's Freedom of Information Officer. Publications under Sections 7 and 8 of the Freedom of Information Act are available to the public and can be obtained by contacting the Freedom of Information Officer.

### **Protected Disclosure**

Moyne Shire Council is committed to the aims and objectives of the Protected Disclosure Act 2012. It recognises the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal improper conduct. It does not tolerate improper conduct by the organisation, its employees, officers, or Councillors, nor the taking of reprisals against those who come forward to disclose such conduct.

Moyne Shire Council will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person or body who is the subject of the disclosure.

### **Best Value**

The Local Government Act 1989 requires Councils to comply with six Best Value principles and to report to the community at least once a year on how they have achieved this.

These principles are relate to:

- Quality and cost standards.
- Responsiveness to community needs.
- Accessibility.
- Continuous improvement.
- Community consultation.
- Reporting to the community.

Moyne Shire Council has embraced all of these principles by incorporating them into its management planning process to ensure it provides the services that best reflect the needs of our community.

### **Carers Recognition**

In accordance with the Carers Recognition Act 2012, Council is required to report annually on its care measurement obligations under Section 11 of that Act. Council has taken all practicable measures to comply with its responsibilities outlined in the Carers Recognition Act 2012. Council has promoted the principles of that Act to people in care relationships who receive Council services, to people in care relationships, and to the wider community by:

- Distributing printed material through relevant Council services.
- Providing information to organisations represented in Council/community networks.

The Council has taken all practicable measures to ensure staff, Council agents and volunteers working for Council are informed about the principles and obligations of the Act by including information on the care relationship in:

- Induction and training programs for staff working in Aged and Disability Services.
- Induction and training programs for staff working in front-line positions with the general community.
- Induction and training programs for volunteers working directly with the community.

Council has taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer relationship and has provided the following additional activities and resources to recognise the care relationship:

- recognising carers during National Carers Week.

### **Contracts**

During the year Moyne Shire Council did not enter into any contracts valued at \$150,000 or more for services or \$200,000 or more for works or more of a kind specified in section 186(5)(a) and (c) of the Act. It also did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

### **Disability Action Plan**

In accordance with section 38 of the Disability Act 2006, the Council must report on the implementation of the Disability Action Plan in its annual report.

Council has prepared a Disability Action Plan and implemented the following actions:

- Promoted and provided Disability Awareness Training for all staff members. events such as One & All Inclusive Events.

**Domestic Animal Management Plan**

Council is required under section 68a of the Domestic Animals Act 1994 to have and maintain a Domestic Animal Management Plan. Council must submit a domestic animal management plan on a four yearly cycle and review the plan annually.

The new plan was submitted to the Secretary of the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) in November 2017.

All three of Council's full-time local laws officers are trained and educated in Certificate IV in Regulatory Services and Animal Management ensuring officers educated and skilled in animal management.

Euthanasia rates for dogs remain at less than 10%. This can be attributed to Council returning a large proportion of wandering dogs directly home to their owner, together with a commitment to re-housing impounded animals.

Council continue to provide education and information programs to encourage residents to be responsible pet owners. Penalty infringement notices will continue to be utilised where appropriate to discourage irresponsible pet ownership. Cat traps will continue to be offered as a free service to residents experiencing cat related nuisance problems.

Council in an effort to reduce dog litter in the streets, parks and on beaches maintain dog poo bag dispensers in numerous locations across the shire.

**Food Act Ministerial Directions**

In accordance with section 7E of the Food Act 1984, Council is required to publish a summary of any Ministerial Directions received during the financial year in its annual report. No such Ministerial Directions were received by Council during the financial year.

**Road Management Act Ministerial Direction**

In accordance with section 22 of the Road Management Act 2004, Council must publish a copy or summary of any Ministerial Direction in its annual report. No such Ministerial Directions were received by Council during the financial year.



# ANNUAL REPORT

## Performance Statement



# **MOYNE SHIRE COUNCIL**

## **Performance Statement**

**For the year ended 30 June 2018**

## Certification of the performance statement

In my opinion, the accompanying performance statement has been prepared in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.



Craig Ralston (Bbus, CPA)  
**Principal Accounting Officer**  
**Dated:** 25 September 2018

In our opinion, the accompanying performance statement of the Moyne Shire Council for the year ended 30 June 2018 presents fairly the results of council's performance in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

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 2014 to certify this performance statement in its final form.



Mick Wolfe  
**Councillor**  
**Dated:** 25 September 2018



Jim Doukas  
**Councillor**  
**Dated:** 25 September 2018



Kevin Leddin  
**Acting Chief Executive Officer**  
**Dated:** 25 September 2018



# Independent Auditor's Report

## *To the Councillors of Moyne Shire Council*

<b>Opinion</b>	<p>I have audited the accompanying performance statement of Moyne Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• description of municipality for the year ended 30 June 2018</li> <li>• sustainable capacity indicators for the year ended 30 June 2018</li> <li>• service performance indicators for the year ended 30 June 2018</li> <li>• financial performance indicators for the year ended 30 June 2018</li> <li>• other information and</li> <li>• the certification of the performance statement.</li> </ul> <p>In my opinion, the performance statement of Moyne Shire Council in respect of the year ended 30 June 2018 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the performance statement</b>	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<b>Auditor's responsibilities for the audit of the performance statement</b>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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MELBOURNE  
26 September 2018

  
Tim Loughnan  
as delegate for the Auditor-General of Victoria

## **Performance Statement**

For the year ended 30 June 2018

Moyne Shire is located in Victoria's South West, 250 kilometres from Melbourne on the Great South Coast. The municipality stretches from the Great Ocean Road in the south to the pastoral area of Mortlake in the north.

Moyne takes its name from a place in Ireland or from an Aboriginal word meaning "covered with leaves or ferny hole". Moyne Shire is characterised by agriculture, fresh seafood, manufacturing and a healthy tourism industry.

The dairy industry is the dominant industry but sheep production and cereal crops are growing in size. Manufacturing, retail and education are other important sectors.

## Sustainable Capacity Indicators

For the year ended 30 June 2018

<i>Indicator/measure</i>	<b>Results 2015</b>	<b>Results 2016</b>	<b>Results 2017</b>	<b>Results 2018</b>	<b>Material Variations and Comments</b>
<b>Population</b>					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,534	\$2,586	\$2,556	\$2,987	Significantly higher contract payments than previous year for external works and road making materials.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$23,797	\$24,360	\$24,573	\$30,832	Increase driven by revaluation of Council assets, predominately roads.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	5.96	5.91	5.94	6.09	
<b>Own-source revenue</b>					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,737	\$1,833	\$1,849	\$2,182	Significant increase in external works revenue compared to 2016/17.
<b>Recurrent grants</b>					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$1,035	\$750	\$1,160	\$932	Variance driven by timing of receipt of Financial Assistance Grant funding.
<b>Disadvantage</b>					
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	7	7	7	7	

## Definitions

"adjusted underlying revenue" means total income other than—

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

"infrastructure" means non-current property, plant and equipment excluding land

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

"population" means the resident population estimated by council

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

"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

"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.

## Service Performance Indicators

For the year ended 30 June 2018

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations and Comments
<b>Aquatic Facilities</b> <b>Utilisation</b>  <i>Utilisation of aquatic facilities</i>  [Number of visits to aquatic facilities / Municipal population]	0.51	0.65	0.72	0.57	Decreased pool patronage.
<b>Animal Management</b> <b>Health and safety</b>  <i>Animal management prosecutions</i>  [Number of successful animal management prosecutions]	0.00	0.00	0.00	0.00	Council has not undertaken any prosecutions having resolved offences through alternative means.
<b>Food Safety</b>  <b>Health and safety</b>  <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	65.00%	62.50%	100.00%	100.00%	Increased resources in this area has resulted in improved responses. With low numbers of notifications any small deviation will have a significant impact on comparative percentages.

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations and Comments
<b>Governance</b> <b>Satisfaction</b> <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	59.00	56.00	59.00	57.00	
<b>Home and Community Care (HACC)</b> <b>Participation</b> <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100 <b>Participation</b> <i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	27.75%	24.30%	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
	7.00%	11.29%	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
<b>Libraries</b> <b>Participation</b> <i>Active library members</i> [Number of active library members / Municipal population] x100	10.00%	10.58%	10.68%	9.87%	

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations and Comments
<b>Maternal and Child Health (MCH)</b>					
<b>Participation</b>					
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	71.00%	68.31%	67.19%	69.61%	
<b>Participation</b>					
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	62.00%	60.66%	38.64%	66.04%	High percentage of aboriginal children are younger than 2 years of age, attending more scheduled Key Age Stage visits.



Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations and Comments
<b>Roads</b> <b>Satisfaction</b> <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	40.00	33.00	36.00	34.00	
<b>Statutory Planning</b> <b>Decision making</b> <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	50.00%	50.00%	50.00%	0.00%	Objections to planning decisions regarding dwellings on small lots in farming zones continue to present challenges to Council.
<b>Waste Collection</b> <b>Waste diversion</b> <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	60.00%	58.72%	60.03%	61.88%	

## Definitions

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

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

"active library member" means a member of a library who has borrowed a book from the library

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

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

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

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

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

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

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

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

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

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

"population" means the resident population estimated by council

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.

## Financial Performance Indicators

For the year ended 30 June 2018

Dimension/indicator/measure	Results	Results	Results	Results	Forecasts				Material Variations and Comments
	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Efficiency</b>									
<b>Revenue level</b>									
<i>Average residential rate per residential property assessment</i>	\$1,385.65	\$1,469.40	\$1,506.40	\$1,577.97	\$1,847.33	\$1,889.02	\$1,877.01	\$1,894.11	Increased garbage collection revenue due to expanded kerbside collection areas.
[Residential rate revenue / Number of residential property assessments]									
<b>Expenditure level</b>									
<i>Expenses per property assessment</i>	\$3,486.70	\$3,508.19	\$3,500.59	\$4,168.32	\$3,752.19	\$3,733.43	\$3,700.28	\$3,689.32	Significantly higher contract payments than previous year for external works and road making materials, which also has matching revenue.
[Total expenses / Number of property assessments]									
<b>Workforce turnover</b>									
<i>Resignations and terminations compared to average staff</i>	10.58%	8.36%	9.69%	13.06%	10.19%	10.04%	10.02%	9.98%	The increase in staff turnover is due to an increase in retirements due to our ageing workforce.
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100									

Dimension/indicator/measure	Results	Results	Results	Results	Forecasts				Material Variations and Comments
	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Liquidity</b>									
<b>Working capital</b>									
Current assets compared to current liabilities [Current assets / Current liabilities] x100	185.56%	162.46%	217.54%	247.50%	128.24%	140.43%	155.36%	176.71%	Result of Financial Assistance Grant funding received in advance (\$4.2M) and timing of works payments.
<b>Unrestricted cash</b>									
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	101.97%	93.82%	102.64%	81.85%	85.52%	96.44%	112.04%	133.91%	Variance driven by maturity profile of Council investments.
<b>Obligations</b>									
<b>Asset renewal</b>									
Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100	99.30%	106.80%	115.59%	100.72%	90.89%	92.07%	92.89%	85.05%	Greater percentage of upgraded assets as opposed to renewal, driven by significant improvements to two large Council facilities (Port Fairy wharf building & Mortlake Recreation Reserve).

Dimension/indicator/measure	Results	Results	Results	Results	Forecasts				Material Variations and Comments
	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Loans and borrowings</b>									
<i>Loans and borrowings compared to rates</i>	15.29%	11.60%	8.50%	2.80%	1.38%	0.00%	0.00%	0.00%	Movement driven by a one off early loan repayment paid out of 2016/17 surplus.
[Interest bearing loans and borrowings / Rate revenue] x100									
<i>Loans and borrowings repayments compared to rates</i>	4.28%	3.53%	0.60%	5.64%	1.41%	1.37%	0.00%	0.00%	Increase is the result of a one off early loan repayment paid out of 2016/17 surplus.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									
<b>Indebtedness</b>									
<i>Non-current liabilities compared to own source revenue</i>	7.06%	6.99%	5.90%	7.94%	3.70%	3.64%	3.66%	3.65%	Movement driven by a significant increase in estimated cost to rehabilitate Council landfill site.
[Non-current liabilities / Own source revenue] x100									
<b>Operating position</b>									
<b>Adjusted underlying result</b>									
<i>Adjusted underlying surplus (or deficit)</i>	9.53%	0.34%	15.45%	4.68%	0.17%	1.56%	1.72%	1.96%	Variance driven by timing of receipt of Financial Assistance Grant funding.
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100									

Dimension/ <i>indicator/measure</i>	Results	Results	Results	Results	Forecasts				Material Variations and Comments
	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Stability</b> <b><i>Rates concentration</i></b> <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100 <b><i>Rates effort</i></b> <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	41.39%	47.84%	42.13%	41.05%	49.15%	49.81%	49.85%	50.34%	
	0.32%	0.34%	0.34%	0.35%	0.33%	0.33%	0.33%	0.33%	

## Definitions

"adjusted underlying revenue" means total income other than—

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

## Other Information

For the year ended 30 June 2018

### 1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the Local Government Act 1989 and Local Government (Planning and Reporting) Regulations 2014.

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 26 June 2018 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.





# ANNUAL REPORT

## Financial Report

**MOYNE SHIRE COUNCIL**  
**ANNUAL FINANCIAL REPORT**  
*For the Year Ended 30 June 2018*

# Moyne Shire Council

## Financial Report

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	8.3 Superannuation

### **Certification of the Financial Statements**

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.

**Craig Ralston (BBus, CPA)**  
**Principal Accounting Officer**

**Date :** 25/09/2018  
Port Fairy

In our opinion the accompanying financial statements present fairly the financial transactions of Moyne Shire Council for the year ended 30 June 2018 and the financial position of the Council as at that date.

As 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 2014* to certify the financial statements in their final form.

**Mick Wolfe**  
**Mayor**

**Date :** 25/09/2018  
Mortlake

**Jim Doukas**  
**Councillor**

**Date :** 25/09/2018  
Mortlake

**Kevin Leddin**  
**Acting Chief Executive Officer**

**Date :** 25/09/2018  
Mortlake

# Independent Auditor's Report

## *To the Councillors of Moyne Shire Council*

<b>Opinion</b>	<p>I have audited the financial report of Moyne Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2018</li> <li>• comprehensive income statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cash flows for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• certification of the financial report.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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**Auditor's  
responsibilities  
for the audit  
of the financial  
report**

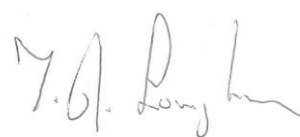
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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Tim Loughnan

*as delegate for the Auditor-General of Victoria*

MELBOURNE  
26 September 2018

## Comprehensive Income Statement For the Year Ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>Income</b>			
Rates and charges	2.1	21,535	20,768
Statutory fees and fines	2.2	487	497
User fees	2.3	14,031	9,150
Grants - operating	2.4	11,969	14,768
Grants - capital	2.4	8,456	7,768
Contributions - monetary	2.5	523	639
Contributions - non-monetary	2.5	720	286
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.6	(410)	(649)
Share of net profits/(losses) of associates and joint ventures	5.2	15	25
Other income	2.7	466	372
<b>Total income</b>		57,792	53,624
<b>Expenses</b>			
Employee costs	3.1	(17,857)	(16,682)
Materials and services	3.2	(18,441)	(11,964)
Depreciation and amortisation	3.3	(12,881)	(12,567)
Bad and doubtful debts	3.4	(14)	(27)
Borrowing costs	3.5	(51)	(124)
Other expenses	3.6	(353)	(314)
<b>Total expenses</b>		(49,597)	(41,678)
<b>Surplus/(deficit) for the year</b>		8,195	11,946
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment/(decrement)	8.1	109,826	-
<b>Total Comprehensive result</b>		118,021	11,946

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

## Balance Sheet As at 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4.1	8,555	10,888
Trade and other receivables	4.1	4,191	4,557
Other financial assets	4.1	11,000	6,000
Inventories	4.2	313	396
Other assets	4.2	691	198
<b>Total current assets</b>		24,750	22,039
<b>Non-current assets</b>			
Trade and other receivables	4.1	80	106
Investments in associates, joint arrangements and subsidiaries	5.2	282	267
Property, infrastructure, plant and equipment	5.1	564,196	447,886
<b>Total non-current assets</b>		564,558	448,259
<b>Total assets</b>		589,308	470,298
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	4.3	3,728	2,683
Trust funds and deposits	4.3	1,035	1,430
Provisions	4.5	4,942	4,855
Interest-bearing liabilities	4.4	295	1,163
<b>Total current liabilities</b>		10,000	10,131
<b>Non-current liabilities</b>			
Provisions	4.5	2,593	1,178
Interest-bearing liabilities	4.4	308	603
<b>Total non-current liabilities</b>		2,901	1,781
<b>Total liabilities</b>		12,901	11,912
<b>Net assets</b>		576,407	458,386
<b>Equity</b>			
Accumulated surplus		229,390	222,011
Reserves	8.1	347,017	236,375
<b>Total equity</b>		576,407	458,386

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



### Statement of Changes in Equity For the Year Ended 30 June 2018

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2018</b>				
Balance at beginning of the financial year	458,386	222,011	231,230	5,145
Surplus for the year	8,195	8,195	-	-
Net asset revaluation increment/(decrement)	109,826	-	109,826	-
Transfers to other reserves	-	(1,512)	-	1,512
Transfers from other reserves	-	696	-	(696)
<b>Balance at end of the financial year</b>	<b>576,407</b>	<b>229,390</b>	<b>341,056</b>	<b>5,961</b>

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2017</b>				
Balance at beginning of the financial year	446,440	210,311	231,230	4,899
Surplus for the year	11,946	11,946	-	-
Transfers to other reserves	-	(1,085)	-	1,085
Transfers from other reserves	-	839	-	(839)
<b>Balance at end of the financial year</b>	<b>458,386</b>	<b>222,011</b>	<b>231,230</b>	<b>5,145</b>

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

## Statement of Cash Flows For the Year Ended 30 June 2018

		2018 Inflows/ (Outflows) \$'000	2017 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>	<b>Note</b>		
Rates and charges		21,453	20,721
Statutory fees and fines		505	497
User Fees		13,705	10,488
Grants - operating		12,264	14,308
Grants - capital		9,739	6,904
Contributions - monetary		523	639
Interest received		428	398
Net GST refund/(payment)		2,126	1,851
Employee costs		(17,798)	(16,543)
Materials and services		(21,195)	(14,987)
<b>Net cash provided by/(used in) operating activities</b>	<b>8.2</b>	<u>21,750</u>	<u>24,276</u>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	5.1	(18,271)	(19,079)
Proceeds from sale of property, infrastructure, plant and equipment		375	1,031
Payments for investments		(5,000)	(1,000)
Payment of loans and advances		26	(18)
<b>Net cash provided by/(used in) investing activities</b>		<u>(22,870)</u>	<u>(19,066)</u>
<b>Cash flows from financing activities</b>			
Finance costs		(51)	(124)
Repayment of borrowings		(1,163)	(568)
<b>Net cash provided by/(used in) financing activities</b>		<u>(1,214)</u>	<u>(692)</u>
Net increase/(decrease) in cash and cash equivalents		(2,334)	4,518
Cash and cash equivalents at the beginning of the financial year		10,889	6,371
<b>Cash and cash equivalents at the end of the financial year</b>	<b>4.1(a)</b>	<u>8,555</u>	<u>10,889</u>
Financing arrangements	4.6		
Restrictions on cash assets	4.1		

The above statement of cash flow should be read with the accompanying notes.

### Statement of Capital Works For the Year Ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>Property</b>			
Land		167	-
<b>Total land</b>		<u>167</u>	<u>-</u>
Buildings		4,027	2,512
<b>Total buildings</b>		<u>4,027</u>	<u>2,512</u>
<b>Total property</b>		<u>4,194</u>	<u>2,512</u>
<b>Plant and equipment</b>			
Plant, machinery and equipment		1,165	1,876
Fixtures, fittings and furniture		12	-
Computers and telecommunications		56	158
<b>Total plant and equipment</b>		<u>1,233</u>	<u>2,034</u>
<b>Infrastructure</b>			
Roads		10,667	12,223
Bridges		1,142	1,280
Footpaths and cycleways		424	627
Drainage		169	14
Recreational, leisure and community facilities		447	436
Waste management		11	70
Other infrastructure		-	189
<b>Total infrastructure</b>		<u>12,860</u>	<u>14,839</u>
<b>Total capital works expenditure</b>		<u>18,287</u>	<u>19,385</u>
<b>Represented by:</b>			
New asset expenditure		1,458	698
Asset renewal expenditure		12,974	14,527
Asset expansion expenditure		956	140
Asset upgrade expenditure		2,899	4,020
<b>Total capital works expenditure</b>		<u>18,287</u>	<u>19,385</u>

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

## OVERVIEW

### Introduction

The Moyne Shire Council was established by an Order of the Governor in Council on 22 September 1994 and is a body corporate.

The Council's main office is located at Princes Street, Port Fairy.

### Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

### Significant accounting policies

#### (a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 5.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 5.1)
- the determination of employee provisions (refer to Note 4.5)
- the determination of landfill provisions (refer to Note 4.5)

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.

## Note 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 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$500,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 27 June 2017. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

### 1.1 Income and Expenditure

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
<b>Income</b>				
Rates and charges	21,315	21,535	220	
User fees	9,008	14,518	5,510	1
Grants - operating	10,979	11,969	990	2
Grants - capital	5,005	8,456	3,451	3
Contributions - monetary	245	523	278	4
Contributions - non monetary	-	720	720	5
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	(410)	(410)	6
Other income	460	466	6	
<b>Total income</b>	<b>47,012</b>	<b>57,792</b>	<b>10,780</b>	
<b>Expenses</b>				
Employee costs	(16,872)	(17,857)	(985)	7
Materials and services	(13,539)	(18,808)	(5,269)	8
Depreciation and amortisation	(12,799)	(12,881)	(82)	
Borrowing costs	(92)	(51)	41	
<b>Total expenses</b>	<b>(43,302)</b>	<b>(49,597)</b>	<b>(6,295)</b>	
<b>Surplus/(deficit) for the year</b>	<b>3,710</b>	<b>8,195</b>	<b>4,485</b>	

#### (i) Explanation of material variations

Variance Ref	Item	Explanation
1	User Fees	External works income exceeded budget by \$5.0 million due to a large number of contract jobs undertaken.
2	Grants - operating	Primarily due to increase in Financial Assistance Grant funding of \$0.44 million.
3	Grants - capital	Unbudgeted flood grants of \$0.7 million, road funded projects of \$1.1 million and \$1.3 million towards Port Fairy Bowls Club redevelopment.
4	Contributions - monetary	Primarily due to community group contributions towards infrastructure projects that were carried over from the 2016-17 financial year.
5	Contributions - non monetary	Contributed infrastructure assets transferred to Council resulting from new developments.
6	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Plant and equipment and infrastructure asset disposals and sale proceeds recognised in 2017-18.
7	Employee costs	Primarily due to additional external contract works performed by Council, which has also resulted in additional income as per variance ref 1.
8	Materials and services	Primarily due to additional external contract works performed by Council (\$2.8 million), which has also resulted in additional income as per variance ref 1. Also includes unbudgeted fire recovery costs of \$0.5 million for the Garvoc and Gazette bushfires in March 2018 and additional local road maintenance works of \$0.7 million.

Note 1 Performance against budget (cont'd)

1.2 Capital works

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
<b>Property</b>				
Land	809	167	(642)	1
<b>Total Land</b>	<u>809</u>	<u>167</u>	<u>(642)</u>	
Buildings	941	4,027	3,086	2
<b>Total Buildings</b>	<u>941</u>	<u>4,027</u>	<u>3,086</u>	
<b>Total Property</b>	<u>1,750</u>	<u>4,194</u>	<u>2,444</u>	
<b>Plant and Equipment</b>				
Plant, machinery and equipment	1,366	1,165	(201)	3
Fixtures, fittings and furniture	-	12	12	
Computers and telecommunications	143	56	(87)	
<b>Total Plant and Equipment</b>	<u>1,509</u>	<u>1,233</u>	<u>(276)</u>	
<b>Infrastructure</b>				
Roads	9,943	10,667	724	4
Bridges	1,100	1,142	42	
Footpaths and cycleways	250	424	174	5
Drainage	374	169	(205)	6
Recreational, leisure and community facilities	698	447	(251)	7
Waste management	45	11	(34)	8
<b>Total Infrastructure</b>	<u>12,410</u>	<u>12,860</u>	<u>450</u>	
<b>Total Capital Works Expenditure</b>	<u>15,669</u>	<u>18,287</u>	<u>2,618</u>	
<b>Represented by:</b>				
New asset expenditure	567	1,458	891	
Asset renewal expenditure	12,923	12,974	51	
Asset expansion expenditure	-	956	956	
Asset upgrade expenditure	2,179	2,899	720	
<b>Total Capital Works Expenditure</b>	<u>15,669</u>	<u>18,287</u>	<u>2,618</u>	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Rockwall repairs at East Beach carried forward, tree works and other various small works reclassified.
2	Buildings	Major building works at the Port Fairy Wharf and DC Farren Oval works carried forward from 2016/17.
3	Plant	Purchase of some major plant items deferred until 2018/19 due availability issues.
4	Roads	Primarily due to expenditure on flood damaged roads which was unbudgeted.
5	Footpaths and Cycleways	Two footpaths carried forward from 2016/17. Two new footpaths completed as part of streetscaping reclassified.
6	Drainage	Two projects reclassified as operating expenditure and one as a carpark.
7	Recreation, leisure and community facilities	Part of swimming pool works reclassified as Buildings.
8	Waste management	Some sealing works deferred to 2018/19.

	2018 \$'000	2017 \$'000
<b>Note 2 Funding for the delivery of our services</b>		
<b>2.1 Rates and charges</b>		

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is defined under the *Valuation of Land Act 1960* as:

"..the sum which land, if it were unencumbered by any lease, mortgage or other charge, might be expected to realise at the time of valuation if offered for sale on any reasonable terms and conditions which a genuine seller might in ordinary circumstances be expected to require."

The valuation base used to calculate general rates for 2017/2018 was \$6.113 billion (2016-2017 \$6.056 billion). The 2017/2018 rate in the CIV dollar was 0.0023634 (2016-2017, 0.0023146).

Residential	4,776	4,626
Commercial/Industrial	785	764
Farm/Rural	11,287	11,019
Supplementary rates and rate adjustments	(2)	-
Waste management charge	3,085	2,810
Interest on rates and charges	113	95
Revenue in lieu of rates	1,491	1,454
<b>Total rates and charges</b>	<b>21,535</b>	<b>20,768</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2018, and the valuation first applied in the rating year commencing 1 July 2018.

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.

## 2.2 Statutory fees and fines

Dog and Cat Charges	136	117
Health Licences and Fees	83	104
Regulation Fees and Permits	29	24
Town Planning Fees & Certificates	239	252
<b>Total statutory fees and fines</b>	<b>487</b>	<b>497</b>

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

## 2.3 User fees

Aged & Disability Services Fees	416	348
Building Fees	64	78
Childcare / Preschool Fees	1,152	1,051
Port Fees and Charges	128	127
Private Works	5,824	1,426
Property Rentals	56	90
Quarry Fees and Charges	1,842	1,736
Refuse Operations	280	344
Caravan Park/Lodge Fees	3,372	3,260
Reimbursements	420	102
Corporate Fees and Charges	21	21
Other	456	567
<b>Total user fees</b>	<b>14,031</b>	<b>9,150</b>

User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.

	2018 \$'000	2017 \$'000
<b>Note 2 Funding for the delivery of our services (cont'd)</b>		
<b>2.4 Funding from other levels of government</b>		
Grants were received in respect of the following :		
<b>Summary of grants</b>		
Commonwealth funded grants	12,746	16,224
State funded grants	7,679	6,312
<b>Total grants received</b>	<b>20,425</b>	<b>22,536</b>
<b>(a) Operating Grants</b>		
<b><i>Recurrent - Commonwealth Government</i></b>		
Financial Assistance Grant - unallocated	4,279	5,701
Financial Assistance Grant - local roads	4,117	5,679
Aged Care	709	691
<b><i>Recurrent - State Government</i></b>		
Aged Care	407	424
Port of Port Fairy	447	453
Community Services	269	184
Environment	124	213
Family & Children	1,180	1,234
Regulatory Services	43	14
Emergency Management	59	-
Other	335	175
<b>Total recurrent operating grants</b>	<b>11,969</b>	<b>14,768</b>
<b>Total operating grants</b>	<b>11,969</b>	<b>14,768</b>
<b>(b) Capital Grants</b>		
<b><i>Recurrent - Commonwealth Government</i></b>		
Roads to Recovery	3,641	4,153
<b>Total recurrent capital grants</b>	<b>3,641</b>	<b>4,153</b>
<b><i>Non-Recurrent - State Government</i></b>		
Environment	8	102
Parks and Amenities	-	17
Port of Port Fairy	1,094	331
Recreation	-	260
Emergency Management	-	171
Roads and Streets	1,390	1,809
Asset Management	1,561	622
Bridge Maintenance & Construction	762	303
<b>Total non-recurrent capital grants</b>	<b>4,815</b>	<b>3,615</b>
<b>Total capital grants</b>	<b>8,456</b>	<b>7,768</b>



	2018 \$'000	2017 \$'000
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**Note 2 Funding for the delivery of our services (cont'd)**

**Grants (cont.)**

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

Balance at start of year	1,382	601
Received during the financial year and remained unspent at balance date	1,985	1,382
Received in prior years and spent during the financial year	(774)	(601)
Balance at year end	<u>2,593</u>	<u>1,382</u>

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal) or upon earlier notification that a grant has been secured.

**2.5 Contributions**

Monetary	523	639
Non-monetary	<u>720</u>	<u>286</u>
<b>Total contributions</b>	<b><u>1,243</u></b>	<b><u>925</u></b>

*Contributions of non-monetary assets were received in relation to the following asset classes:*

Infrastructure	<u>720</u>	<u>286</u>
<b>Total non-monetary contributions</b>	<b><u>720</u></b>	<b><u>286</u></b>

Monetary and non monetary contributions are recognised as revenue when Council obtains control over the contributed asset.

	2018 \$'000	2017 \$'000
<b>Note 2 Funding for the delivery of our services (cont'd)</b>		
<b>2.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>		
Proceeds of sale	375	1,031
Written down value of assets disposed	(785)	(1,680)
<b>Total net gain/(loss) on the disposal of property, infrastructure, plant and equipment</b>	<b>(410)</b>	<b>(649)</b>

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

**2.7 Other income**

Interest	466	372
<b>Total other income</b>	<b>466</b>	<b>372</b>

Interest is recognised as it is earned.

**Note 3 The cost of delivering services**

**3.1 Employee costs**

Wages and salaries	14,138	13,443
Annual leave and long service leave	1,807	1,535
Superannuation	1,425	1,328
WorkCover	343	219
Fringe benefits tax	144	157
<b>Total employee costs</b>	<b>17,857</b>	<b>16,682</b>

**(a) Superannuation**

Council made contributions to the following funds:

**Defined benefit fund**

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	141	145
	<u>141</u>	<u>145</u>
Employer contributions payable at reporting date	-	-

**Accumulation funds**

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,050	1,001
Employer contributions - other funds	377	346
	<u>1,427</u>	<u>1,347</u>
Employer contributions payable at reporting date	-	-

Refer to note 8.3 for further information relating to Council's superannuation obligations.

**3.2 Materials and services**

Contract payments	11,563	6,579
Vehicle Operating Costs	1,918	1,700
Utilities	934	843
Office administration	587	562
Insurance	368	421
Computer & Software Maintenance	611	574
Donations/Contributions	1,267	1,033
Other	1,193	252
<b>Total materials and services</b>	<b>18,441</b>	<b>11,964</b>

**3.3 Depreciation**

Property	1,266	1,258
Plant and equipment	1,514	1,576
Infrastructure	10,101	9,733
<b>Total depreciation</b>	<b>12,881</b>	<b>12,567</b>

Refer to note 5.1 for a more detailed breakdown of depreciation charges and accounting policy.

	2018 \$'000	2017 \$'000
<b>Note 3 The cost of delivering services (cont'd)</b>		
<b>3.4 Bad and doubtful debts</b>		
Rates debtors	-	25
Childcare debtors	8	-
Other debtors	6	2
<b>Total bad and doubtful debts</b>	<b>14</b>	<b>27</b>

**Movement in provisions for doubtful debts**

Balance at the beginning of the year	32	133
New Provisions recognised during the year	20	(74)
Amounts already provided for and written off as uncollectible	(30)	(27)
Amounts provided for but recovered during the year	(2)	-
Balance at end of year	<b>20</b>	<b>32</b>

Provision for doubtful debt is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified.

**3.5 Borrowing costs**

Interest - Borrowings	51	124
<b>Total borrowing costs</b>	<b>51</b>	<b>124</b>

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.

**3.6 Other expenses**

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	32	25
Auditors' remuneration - Internal	72	67
Councillors' allowances	249	222
<b>Total other expenses</b>	<b>353</b>	<b>314</b>

**Note 4 Our financial position**

**4.1 Financial assets**

**(a) Cash and cash equivalents**

Cash on hand	1	3
Cash at bank	5,554	4,885
Term Deposits	3,000	6,000
<b>Total cash and cash equivalents</b>	<b>8,555</b>	<b>10,888</b>

**(b) Other financial assets**

Term deposits - current	11,000	6,000
<b>Total other financial assets</b>	<b>11,000</b>	<b>6,000</b>
<b>Total financial assets</b>	<b>19,555</b>	<b>16,888</b>

Councils cash and cash equivalents and financial assets are subject to external restrictions that limit amounts available for discretionary or future use. These include:

- Heritage loan reserve (Note 8.1)	109	109
Total restricted funds	<b>109</b>	<b>109</b>
Total unrestricted cash and cash equivalents	<b>19,446</b>	<b>16,779</b>

	2018 \$'000	2017 \$'000
<b>Note 4 Our financial position (cont'd)</b>		
<b>4.1 Financial assets (cont'd)</b>		
<b>Intended allocations</b>		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	5,293	3,223
Total funds subject to intended allocations	5,293	3,223
 Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.		
Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.		
<b>(c) Trade and other receivables</b>		
<b>Current</b>		
<i>Statutory receivables</i>		
Rates debtors	1,132	1,050
<i>Non statutory receivables</i>		
Home care debtors	98	74
Childcare debtors	59	50
Quarry debtors	120	114
Building and planning debtors	17	46
Loans and advances to community organisations	26	26
Government debtors	239	1,893
Other debtors	1,845	1,114
Provision for doubtful debts - other debtors	(20)	(32)
Net GST receivable	675	222
	<u>4,191</u>	<u>4,557</u>
<b>Non-current</b>		
<i>Non statutory receivables</i>		
Loans and advances to community organisations	80	106
	<u>80</u>	<u>106</u>
<b>Total trade and other receivables</b>	<u>4,271</u>	<u>4,663</u>

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

	2018 \$'000	2017 \$'000
<b>Note 4 Our financial position (cont'd)</b>		
<b>4.1 Financial assets (cont'd)</b>		
<b>(d) Ageing of Receivables</b>		
The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:		
Current (not yet due)	1,401	1,487
Past due by up to 30 days	578	821
Past due between 31 and 180 days	258	853
Past due between 181 and 365 days	177	181
Past due by more than 1 year	50	49
Total trade & other receivables	<u>2,464</u>	<u>3,391</u>
<b>(e) Ageing of individually impaired Receivables</b>		
At balance date, other debtors representing financial assets with a nominal value of \$19,539 (2017: \$32,106) were impaired. The amount of the provision raised against these debtors was \$19,539 (2017: \$32,106 ). They individually 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 individually determined as impaired at reporting date was:		
Past due between 31 and 180 days	6	3
Past due between 181 and 365 days	6	2
Past due by more than 1 year	8	27
Total trade & other receivables	<u>20</u>	<u>32</u>

	2018 \$'000	2017 \$'000
<b>Note 4 Our financial position (cont'd)</b>		
<b>4.2 Non-financial assets</b>		
<b>(a) Inventories</b>		
Inventories held for distribution	305	384
Inventories held for sale	8	12
<b>Total inventories</b>	<b>313</b>	<b>396</b>
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>(b) Other assets</b>		
Prepayments	607	152
Accrued income	84	46
<b>Total other assets</b>	<b>691</b>	<b>198</b>
<b>4.3 Payables</b>		
<b>(a) Trade and other payables</b>		
Trade payables	3,093	2,016
Accrued expenses	635	667
<b>Total trade and other payables</b>	<b>3,728</b>	<b>2,683</b>
<b>(b) Trust funds and deposits</b>		
Refundable deposits	231	347
Fire services levy	747	1,034
Retention amounts	23	23
Trust funds - drainage	7	7
Trust funds - other	27	19
<b>Total trust funds and deposits</b>	<b>1,035</b>	<b>1,430</b>

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.

*Purpose and nature of items*

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

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

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

<b>Note 4 Our financial position (cont'd)</b>	<b>2018</b>	<b>2017</b>
<b>4.4 Interest-bearing liabilities</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Borrowings - secured	295	1,163
	<b>295</b>	<b>1,163</b>
<b>Non-current</b>		
Borrowings - secured	308	603
	<b>308</b>	<b>603</b>
<b>Total</b>	<b>603</b>	<b>1,766</b>

Borrowings are secured by the general rates revenue of the Council.

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

Not later than one year	295	479
Later than one year and not later than five years	308	1,287
	<b>603</b>	<b>1,766</b>

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 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.

Note 4 Our financial position (cont'd)

4.5 Provisions

	Annual leave	Long service leave	Landfill restoration	Other	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>2018</b>					
Balance at beginning of the financial year	1,583	3,581	868	-	6,032
Additional provisions	1,502	328	1,593	-	3,423
Amounts used	(1,512)	(361)	-	-	(1,873)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	20	83	(150)	-	(47)
Balance at the end of the financial year	1,593	3,631	2,311	-	7,535
<b>2017</b>					
Balance at beginning of the financial year	1,770	3,239	845	40	5,894
Additional provisions	983	515	9	-	1,507
Amounts used	(1,193)	(257)	-	(40)	(1,490)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	23	84	14	-	121
Balance at the end of the financial year	1,583	3,581	868	-	6,032
				<b>2018</b>	<b>2017</b>
				<b>\$'000</b>	<b>\$'000</b>
<b>(a) Employee provisions</b>					
<b>Current provisions expected to be wholly settled within 12 months</b>					
Annual leave				520	508
Long service leave				361	257
				881	765
<b>Current provisions expected to be wholly settled after 12 months</b>					
Annual leave				1,073	1,075
Long service leave				2,988	3,015
				4,061	4,090
Total current employee provisions				4,942	4,855
<b>Non-current</b>					
Long service leave				282	310
Total non-current employee provisions				282	310
Aggregate carrying amount of employee provisions:					
Current				4,942	4,855
Non-current				282	310
Total aggregate carrying amount of employee provisions				5,224	5,165

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

*Wages and salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

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. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. 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.

Key assumptions:

- weighted average discount rate	2.18%	2.06%
- inflation rate	3.88%	3.81%
- long service leave settlement period	12 years	12 years



Note 4 Our financial position (cont'd)

4.5 Provisions (cont'd)

	2018	2017
	\$'000	\$'000
(b) Landfill restoration		
Non-current	2,311	868
<b>Total</b>	<b>2,311</b>	<b>868</b>

Council is obligated to restore landfill sites 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 has 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.

Key assumptions:

- average discount rate	2.43%	2.59%
- inflation rate	2.00%	2.76%
- estimated cost to rehabilitate	\$2.30 mill	\$0.87 mill

4.6 Financing arrangements

Bank loans (Note 4.4) are secured over the general rates of the Council and the interest rates are fixed.

Bank loans	603	1,766
Credit card facility	100	100
<b>Total facilities</b>	<b>703</b>	<b>1,866</b>
Used facilities	603	1,767
Unused facilities	100	99
	<b>703</b>	<b>1,866</b>

4.7 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.

2018	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Cleaning contracts for council buildings	150	-	-	-	150
Swimming Pools	146	-	-	-	146
Caravan Park	82	-	-	-	82
<b>Total</b>	<b>378</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>378</b>

2017	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Cleaning contracts for council buildings	143	150	-	-	293
Swimming Pools	146	146	-	-	292
Caravan Park	93	82	-	-	175
<b>Total</b>	<b>382</b>	<b>378</b>	<b>-</b>	<b>-</b>	<b>760</b>

**Operating lease commitments**

At the reporting date, the Council had no obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities.

Note 5 Assets we manage

5.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2017 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	At Fair Value 30 June 2018 \$'000
Property	95,099	3,985	372	862	(1,266)	(212)	1,684	100,524
Plant and equipment	8,405	1,232	-	-	(1,514)	(198)	-	7,925
Infrastructure	342,682	13,176	348	108,964	(10,101)	(376)	-	454,693
Work in progress	1,700	1,038	-	-	-	-	(1,684)	1,054
	447,886	19,431	720	109,826	(12,881)	(786)	-	564,196

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Closing WIP \$'000
Property	1,700	208	(1,684)	224
Plant and equipment	-	-	-	-
Infrastructure	-	830	-	830
Total	1,700	1,038	(1,684)	1,054

Note 5 Assets we manage (cont'd)

5.1 Property, infrastructure, plant and equipment (cont'd)

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
Land & land improvements		
land	-	2
Buildings		
buildings	25-120 years	5
Plant and Equipment		
plant, machinery and equipment	2-10 years	2
fixtures, fittings and furniture	3-10 years	2
Infrastructure		
road pavements	50-80 years	5
road seals	10-15 years	5
bridges	30-110 years	5
footpaths	10-50 years	5
drainage pits	70 years	5
drainage pipes	120 years	5
other structures	33-50 years	5
playgrounds	3-40 years	5
recreational, leisure and community facilities	10-50 years	5
waste management	7-50 years	5

Note 5 Assets we manage (cont'd)

5.1 Property, infrastructure, plant and equipment (cont'd)

(a) Property

	Land - specialised \$'000	Land - non specialised \$'000	Land under roads \$'000	Total Land & Land Improvements \$'000	Buildings - specialised \$'000	Buildings - non specialised \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 2017	45,827	507	478	46,812	83,178	673	83,851	1,700	132,363
Accumulated depreciation at 1 July 2017	-	-	-	-	(35,143)	(421)	(35,564)	-	(35,564)
	45,827	507	478	46,812	48,035	252	48,287	1,700	96,799
<b>Movements in fair value</b>									
Additions	148	-	-	148	3,837	-	3,837	208	4,193
Contributions	-	-	372	372	-	-	-	-	372
Revaluation	630	81	-	711	(1,849)	-	(1,849)	-	(1,138)
Disposal	-	-	-	-	(239)	(209)	(448)	-	(448)
Transfers	-	-	-	-	1,684	-	1,684	(1,684)	-
	778	81	372	1,231	3,433	(209)	3,224	(1,476)	2,979
<b>Movements in accumulated depreciation</b>									
Depreciation	-	-	-	-	(1,258)	(8)	(1,266)	-	(1,266)
Revaluation	-	-	-	-	1,997	3	2,000	-	2,000
Accumulated depreciation of disposals	-	-	-	-	139	97	236	-	236
	-	-	-	-	878	92	970	-	970
At fair value 30 June 2018	46,605	588	850	48,043	86,611	464	87,075	224	135,342
Accumulated depreciation at 30 June 2018	-	-	-	-	(34,265)	(329)	(34,594)	-	(34,594)
	46,605	588	850	48,043	52,346	135	52,481	224	100,748

Note 5 Assets we manage (cont'd)

5.1 Property, infrastructure, plant and equipment (cont'd)

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	17,058	898	2,386	20,342
Accumulated depreciation at 1 July 2017	(9,043)	(757)	(2,137)	(11,937)
	8,015	141	249	8,405
<b>Movements in fair value</b>				
Additions	1,164	12	56	1,232
Disposal	(660)	-	(12)	(672)
	504	12	44	560
<b>Movements in accumulated depreciation</b>				
Depreciation	(1,355)	(36)	(123)	(1,514)
Accumulated depreciation of disposals	463	-	11	474
	(892)	(36)	(112)	(1,040)
At fair value 30 June 2018	17,562	910	2,430	20,902
Accumulated depreciation at 30 June 2018	(9,935)	(793)	(2,249)	(12,977)
	7,627	117	181	7,925

Note 5 Assets we manage (cont'd)

5.1 Property, infrastructure, plant and equipment (cont'd)

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community	Waste Management	Playgrounds	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	434,079	65,502	9,703	13,413	2,460	3,388	2,190	4,909	-	535,644
Accumulated depreciation at 1 July 2017	(154,222)	(27,242)	(1,631)	(5,345)	(1,081)	(1,069)	(636)	(1,735)	-	(192,961)
	279,857	38,260	8,072	8,068	1,379	2,319	1,554	3,174	-	342,683
<b>Movements in fair value</b>										
Additions	9,916	1,074	424	169	58	1,153	41	339	829	14,003
Contributions	207	-	44	97	-	-	-	-	-	348
Revaluation	109,963	-	-	-	-	-	-	-	-	109,963
Disposal	(2,510)	-	-	(47)	-	-	(25)	-	-	(2,582)
	117,576	1,074	468	219	58	1,153	16	339	829	121,732
<b>Movements in accumulated depreciation</b>										
Depreciation	(8,238)	(733)	(279)	(135)	(201)	(126)	(146)	(243)	-	(10,101)
Accumulated depreciation of disposals	(999)	-	-	-	-	-	-	-	-	(999)
Impairment losses recognised in operating result	2,173	-	-	20	-	-	14	-	-	2,207
	(7,064)	(733)	(279)	(115)	(201)	(126)	(132)	(243)	-	(8,893)
At fair value 30 June 2018	551,655	66,576	10,171	13,632	2,518	4,541	2,206	5,248	829	657,376
Accumulated depreciation at 30 June 2018	(161,286)	(27,975)	(1,910)	(5,460)	(1,282)	(1,195)	(768)	(1,978)	-	(201,854)
	390,369	38,601	8,261	8,172	1,236	3,346	1,438	3,270	829	455,522

**Note 5 Assets we manage (cont'd)**

**Note 5.1 (d) Property, infrastructure, plant and equipment (cont'd)**

*Acquisition*

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

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.

*Land under roads*

Land under roads acquired after 30 June 2008 are brought to account using Fair Value. Council does not recognise land under roads that it controlled prior to that period in its financial report.

*Depreciation and amortisation*

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

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

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

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

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

*Repairs and maintenance*

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

**Valuation of land and buildings**

Valuation of land and buildings were undertaken by a qualified independent valuer Barrie J Walder, AAPI 62325 of Preston Rowe Paterson Warrnambool Pty Ltd. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

The date 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 2018 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Land - Non Specialised	-	588		Jun-18
Land - Specialised	-	-	46,605	Jun-18
Buildings - Non Specialised	-	104		Jun-18
Buildings - Specialised	-	-	52,377	Jun-18
Total	-	692	98,982	

Note 5 Assets we manage (cont'd)

Note 5.1 (d) Property, infrastructure, plant and equipment (cont'd)

**Valuation of infrastructure**

Valuation of bridges and drainage has been determined in accordance with a valuation undertaken by the Council's engineering unit at 30th June 2014.

Valuation of roads has been determined in accordance with a valuation undertaken by Ashay Prabhu, MIE (Aust) CPEng, NPER: Membership 1102199 of Assetic Pty Ltd at 30th June 2018.

Valuation of footpaths and playgrounds has been determined in accordance with a valuation undertaken by the Council's engineering unit at 30th June 2015.

The valuation is at fair value based on 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 2018 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Roads	-	-	390,370	Jun-18
Bridges	-	-	38,601	Jun-14
Footpaths and cycleways	-	-	8,262	Jun-15
Drainage	-	-	8,172	Jun-14
Recreational, leisure and community facilities	-	-	1,235	Historical Cost
Waste management	-	-	3,345	Historical Cost
Playgrounds	-	-	1,437	Jun-15
Other infrastructure	-	-	3,271	Historical Cost
Total	-	-	454,693	

**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 \$0.07 and \$1,250.00 per square metre.

**Specialised buildings** are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$100 to \$6,195 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 0 years to 120 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of 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 current condition of the asset and vary from 0 years to 110 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.

	2018 \$'000	2017 \$'000
<b>Reconciliation of specialised land</b>		
Land under roads	850	478
Other Council Land	46,604	45,826
<b>Total specialised land</b>	<b>47,454</b>	<b>46,304</b>



Note 5 Assets we manage (cont'd)	2018	2017
5.2 Investments in associates, joint arrangements and subsidiaries	\$'000	\$'000
<b>(a) Investments in associates</b>		
Investments in associates accounted for by the equity method are:		
Corangamite Regional Library Corporation	267	267
<i>Background</i>		
The Corangamite Regional Library Corporation was formed under section 196 of the <i>Local Government Act 1989</i> on 01/01/1996. The library receives funding from four municipalities: Colac Otway Shire, Corangamite Shire, Warrnambool City Council and Moyne Shire Council. Council has a 18.8% ownership share of the Corporation as at 30 June 2018 (18.8% as at 30 June 2017).		
<b>Fair value of Council's investment in Corangamite Regional Library Corporation</b>		
	282	267
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus/(deficit) at start of year	193	168
Reported surplus/(deficit) for year	15	25
Transfers (to)/from reserves	-	-
Distributions for the year	-	-
Council's share of accumulated surplus/(deficit) at end of year	208	193
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	74	74
Transfers (to)/from reserves	-	-
Council's share of reserves at end of year	74	74
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	267	242
Share of surplus/(deficit) for year	15	25
Share of reserves	-	-
Carrying value of investment at end of year	282	267

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

For joint operations, Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations.

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

#### Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

	2018 No.	2017 No.
<b>Note 6 People and relationships</b>		
<b>6.1 Council and key management remuneration</b>		
<b>(a) Related Parties</b>		
<i>Parent entity</i>		
Moyne Shire Council is the parent entity.		
<i>Subsidiaries and Associates</i>		
Interests in subsidiaries and associates are detailed in note 5.2		
<b>(b) Key Management Personnel</b>		
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:		
<b>Councillors</b>		
Councillor Jim Doukas (Mayor 8/11/16 to 27/11/17)		
Councillor Michael Wolfe (Mayor 28/11/17 to 30/6/18)		
Councillor Colin Ryan		
Councillor Jill Parker		
Councillor Ian Smith		
Councillor Daniel Meade		
Councillor Jordan Lockett		
<b>Total Number of Councillors</b>	7	10
<b>Chief Executive Officer and other Key Management Personnel</b>	4	4
<b>Total Key Management Personnel</b>	11	14
<b>(c) Remuneration of Key Management Personnel</b>		
Total remuneration of key management personnel was as follows:		
Short-term benefits	900	923
Long-term benefits	68	74
Termination benefits	79	-
<b>Total</b>	<b>1,047</b>	<b>997</b>
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$0 - \$9,999	-	3
\$10,000 - \$19,999	-	3
\$20,000 - \$29,999	5	2
\$40,000 - \$49,999	-	1
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	1	1
\$170,000 - \$179,999	1	3
\$180,000 - \$189,999	2	-
\$250,000 - \$259,999	1	1
	11	14
<b>(d) Senior Officer Remuneration</b>		
	<b>2018 No.</b>	<b>2017 No.</b>
A Senior Officer is an officer of Council, other than Key Management Personnel, who:		
a) has management responsibilities and reports directly to the Chief Executive; or		
b) whose total annual remuneration exceeds \$145,000		
The number of Senior Officers are shown below in their relevant income bands:		
Income Range:		
\$145,000 - \$149,999	2	2
\$150,000 - \$159,999	2	-
	<b>4</b>	<b>2</b>
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	597	298

**Note 6 People and relationships (cont'd)**

**6.2 Related party disclosure**

**(a) Transactions with related parties**

There are no transactions between Council and related parties during the reporting period which require disclosure.

**(b) Outstanding balances with related parties**

There are no outstanding balances at the end of the reporting period in relation to transactions with related parties which require disclosure.

**(c) Loans to/from related parties**

There are no loans in existence at balance date that have been made, guaranteed or secured by the council to a related party.

**(d) Commitments to/from related parties**

There are no commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party.

**Note 7 Managing uncertainties**

**7.1 Contingent assets and liabilities**

**(a) Contingent assets**

As at 30 June 2018 Council has incurred \$1.94 million in response to flood and fire events. Council has lodged claims through the Natural Disaster Financial Assistance fund for the recovery of these amounts in the 2018-19 financial year.

**Operating lease receivables**

The Council has entered into property leases on various Council properties. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

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

	2018	2017
	\$'000	\$'000
Not later than one year	34	35
Later than one year and not later than five years	12	20
Later than five years	1	1
	<u>47</u>	<u>56</u>

**(b) Contingent liabilities**

**Superannuation**

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

*Future superannuation contributions*

In addition to the disclosed contributions, Moyne Shire has paid nil unfunded liability payments to Vision Super during the 2016/17 and 2015/16 financial years. There were *no* contributions outstanding and *no* loans issued from or to the above schemes as at 30 June 2018. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 is nil.

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.

**(c) Guarantees for loans to other entities**

Council has financial guarantees of \$49,500 as a surety for compliance for rehabilitation and stabilisation of land used for quarry operations.

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

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

**Note 7 Managing uncertainties (cont'd)**

**7.2 Change in accounting standards**

The following new AAS's have been issued that are not mandatory for the 30 June 2018 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

*Financial Instruments - Disclosures (AASB 7) (applies 2018/19)*

This Standard requires entities to provide disclosures in their financial statements that enable users to evaluate: (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed.

*Financial Instruments (AASB 9) (applies 2018/19)*

The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.

*Revenue from contracts with customers (AASB 15) (applies 2019/20 for LG sector)*

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

*Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019)*

*Leases (AASB 16) (applies 2019/20)*

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

Council has a number of operating leases that will be impacted as a result of this change. This will see assets and liabilities of approximately \$0.24 million recognised.

*Income of Not-for-Profit Entities (AASB 1058) (applies 2019/20)*

This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives.

Council has determined that recognition of volunteer hours would impact on the income statement by approximately \$0.10 million as an expense and \$0.10 million as income.

Note 7 Managing uncertainties (cont'd)

7.3 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.

(c) Interest rate risk

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

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. Council manages interest rate risk by adopting an investment policy that ensures:

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

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

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

(d) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. To help manage this risk:

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

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 7.1(b).

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

**Note 7 Managing uncertainties (cont'd)**

**7.3 Financial instruments (cont'd)**

**(e) Liquidity risk**

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

To help reduce these risks Council:

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

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 7.1(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 4.4.

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

**(f) Sensitivity disclosure analysis**

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

- A parallel shift of + 0.5% and -0.5% in market interest rates (AUD) from year-end rates of 2.30%.

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.

Note 7 Managing uncertainties (cont'd)

**7.4 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.

AASB 13 defines fair value as 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. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

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. 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.

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

*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.

**7.5 Events occurring after balance date**

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



Note 8 Other matters

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
<b>8.1 Reserves</b>			
<b>(a) Asset revaluation reserves</b>			
<b>2018</b>			
<b>Property</b>			
Land & land improvements	34,332	711	35,043
Buildings	22,642	151	22,793
	56,974	862	57,836
<b>Infrastructure</b>			
Roads	131,643	108,964	240,607
Bridges	29,095	-	29,095
Footpaths and cycleways	808	-	808
Drainage	2,914	-	2,914
Plant and Equipment	430	-	430
Other infrastructure	9,366	-	9,366
	174,256	108,964	283,220
<b>Total asset revaluation reserves</b>	<b>231,230</b>	<b>109,826</b>	<b>341,056</b>
<b>2017</b>			
<b>Property</b>			
Land & land improvements	34,332	-	34,332
Buildings	22,642	-	22,642
	56,974	-	56,974
<b>Infrastructure</b>			
Roads	131,643	-	131,643
Bridges	29,095	-	29,095
Footpaths and cycleways	808	-	808
Drainage	2,914	-	2,914
Plant and Equipment	430	-	430
Other infrastructure	9,366	-	9,366
	174,256	-	174,256
<b>Total asset revaluation reserves</b>	<b>231,230</b>	<b>-</b>	<b>231,230</b>

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

Note 8 Other matters (cont'd)  
8.1 Reserves (cont'd)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
<b>(b) Other reserves</b>				
<b>2018</b>				
Business enterprise reserve	1,673	292	(653)	1,312
Southcombe park sporting complex	8	-	-	8
Heritage loan reserve	109	-	-	109
Subdivision reserve	327	19	(43)	303
Quarry reserve	962	595	-	1,557
Waste facilities reserve	2,066	606	-	2,672
<b>Total Other reserves</b>	<b>5,145</b>	<b>1,512</b>	<b>(696)</b>	<b>5,961</b>
<b>2017</b>				
Business enterprise reserve	2,128	287	(742)	1,673
Southcombe park sporting complex	20	-	(12)	8
Heritage loan reserve	107	2	-	109
Subdivision reserve	412	-	(85)	327
Quarry reserve	920	42	-	962
Waste facilities reserve	1,312	754	-	2,066
<b>Total Other reserves</b>	<b>4,899</b>	<b>1,085</b>	<b>(839)</b>	<b>5,145</b>

Business enterprise reserve funds are used for the Council's major caravan parks and the Port of Port Fairy capital works programs.

Southcombe Park sporting complex funds are used for capital works at the Southern Park stadium.

The heritage loan reserve expenditure is restricted to funding of low interest heritage loans.

The subdivision reserve is used to develop strategically located parks and reserves for the benefit of residents in the general area, as provided in the *Subdivision Act 1988* and *Planning and Environment Act 1987*.

Quarry reserve funds are used for the capital works program at the Mount Shadwell quarry.

Waste facilities reserve funds are used for maintenance, development and rehabilitation works at waste facility sites.

Note 8 Other matters (cont'd)

	2018 \$'000	2017 \$'000
<b>8.2 Reconciliation of cash flows from operating activities to surplus (deficit)</b>		
Surplus for the year	8,195	11,946
Depreciation/amortisation	12,881	12,567
Finance costs	51	124
Profit/(loss) on disposal of property, infrastructure, plant and equipment	410	649
Contributions - Non-monetary assets	(720)	(286)
Landfill provision	301	-
Share of net (profits)/losses of associates & joint ventures accounted for by the equity method	(15)	(25)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	364	(1,814)
Increase/(decrease) in trade and other payables	634	657
(Increase)/decrease in other assets	(410)	321
Increase/(decrease) in provisions	59	137
Net cash provided by/(used in) operating activities	21,750	24,276

**8.3 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 categories, Vision MySuper/Vision Super Saver, receive 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 2018, this was 9.5% as required under Superannuation Guarantee legislation).

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

**Funding arrangements**

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

As at 30 June 2017, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 103.1%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns 6.5% pa  
Salary information 3.5% pa  
Price inflation (CPI) 2.5% pa.

Vision Super has advised that the estimated VBI at 30 June 2018 was 106.0%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 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.

Note 8 Other matters (cont'd)  
8.3 Superannuation (cont'd)

**Employer contributions**

**Regular contributions**

On the basis of the results of the 2017 interim 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 2018, this rate was 9.5% of members' salaries (9.5% in 2016/2017). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

**Funding calls**

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

**2017 triennial actuarial investigation surplus amounts**

The Fund's triennial investigation as at 30 June 2017 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$69.8 million
- A total service liability surplus of \$193.5 million.
- A discounted accrued benefits surplus of \$228.8 million.

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 2017. Council was notified of the 30 June 2017 VBI during August 2017.

**2018 interim actuarial investigation**

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2018. It is anticipated that this actuarial investigation will be completed in December 2018.