

MOYNE
SHIRE

Moyne Shire Council
Annual Report
2019-2020



Acknowledgments

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 km², 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, economic 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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The Year in Review





Message from the Chief Executive Officer

"I am particularly proud of Council's imperative addressing of climate change, which significantly influences Council's actions and future plans."

It is with great pleasure that I present this year's Annual Report, which captures the success and challenges experienced over the past year and highlights our future direction.

Despite the impacts of COVID-19, Council has remained in a stable position, working towards the completion of capital works projects and setting up new milestones to deliver the facilities and services that our community needs – now and in the long term.

In our third year working towards achieving the actions in our Council Plan 2017-2021, we have presented an annual budget that invests in Council's vision for a vibrant, liveable and prosperous community. Moyne remains in a strong financial position, delivering a wide variety of projects, community services and support measures in response to the impacts of COVID-19.

The Local Government Act 2020 received Royal Assent on 24 March 2020 introducing the most comprehensive reform of local government in Victoria for 30 years. The Act is to be implemented in four (4) stages by the end of 2021. Council met all of its stage deliverables which has been a considerable undertaking.

The Highlights

Throughout the year, Council continued to focus on improving our roads, including Tarrone Lane, Blackwood Road, a two kilometre section of Darlington-Carranballac Road, safety improvements for the Dundonnell-Nerrin Road, major works on Darlington-Nerrin Road, Waters Lane, Occupation Lane and a three kilometre section of Portland Road. Significant bridge renewal works near Caramut and in Winslow are nearing completion and roads crews have been busy completing a number of road rehabilitation and re-surfacing works across the Shire.

Among the many highlights of the year, Council addressed a need for more recreational spaces. Following feedback from Mortlake residents who indicated a strong interest in activating the Tea Tree Lake precinct, Council installed new exercise equipment and footpaths, and partnered with Origin Energy to provide picnic shelters and BBQ facilities near the skate park. We look forward to seeing a young local artist bring even more vibrancy to the space as work begins on a new mural.

Upgrades to improve accessibility at the Wangoom Hall were completed in March and works are well advanced at Koroit and Port Fairy bowls clubs. Mortlake Library entrance works were also completed earlier this year, and the Illowa Hall received a new roof. Funding for a new hall in Garvoc has also been secured, which will provide a community hub that can be used for a range of purposes.

Plans for Peterborough's new playground and upgrades to Koroit's Early Years 'Hub' will further boost liveability, improve access to services, and support long-term initiatives such as community activities and events.

Our Community Grants Program provided more than \$350,000 over two rounds, supporting a diverse range of projects and initiatives including building and infrastructure works, community programs, and festivals and events. All are run by dedicated community members who each play a role in making Moyne a great place to visit and live.

Another major achievement for Moyne was the introduction of purple-lidded, glass only waste bin. As one of only a few councils across the country that include a glass only kerbside collection, Moyne is committed to finding a sustainable, long-term solution to ongoing recycling issues. This year, for the first time, glass collected by Council was used as a substitute for sand in new local roads.

Looking forward

Whilst we are working towards rebuilding our region and responding to the impacts of COVID-19, we are looking to the future and focusing on the needs of our community. Results from the Customer Satisfaction Survey revealed that whilst Moyne has increased satisfaction scores in most key measures, road maintenance continues to be a priority for residents.

Positioning ourselves for the future, Council has endorsed a range of long-term plans, set to improve recreation, facilities and environmental features as part of Peterborough's Irvine Reserve Master Plan, the Woorndoo Township and Streetscape Plan and Macarthur's Market Street Precinct Plan.

Community-led feedback and engagement has helped to guide Council's decision-making. We have finalised a number of plans and strategies to support our community including the Open Spaces

Strategy and Youth Plan.

Council's Economic Development Strategy 2019-2029 received substantial input from local businesses, industry and the community. Significant progress has been made towards achieving the year one actions including the appointment of an Economic Development Advisory Committee. Further economic stimulus is targeted through year two actions, with a focus on delivering outcomes in line with COVID-19 business support measures.

The global pandemic has created unique challenges for our businesses, organisations, and the broader community and I am proud of the efforts made by Council to respond to the crisis and its impact on our region. This has included implementing a rate freeze, providing access to various business support programs and grants, and introducing a range of hardship measures for businesses and those doing it tough.

Advocacy

Over the past year, Council has advocated on a range of issues and opportunities, including increased funding for roads, the need to reduce roadside fuel and enable roadside grazing, renewable energy projects including noise impacts, gas exploration, climate emergency actions and supply of worker accommodation.

I am particularly proud of Council's imperative addressing of climate change, which significantly influences Council's actions and future plans. Council's decision to declare a climate emergency commits us to advocating to the Australian Government to take action to reduce emissions and the serious impacts on coastal areas.

Thank you

I would like to take this opportunity to thank the Executive Team for their strong support of Councillors and their sound advice on the many complex matters brought to Council.

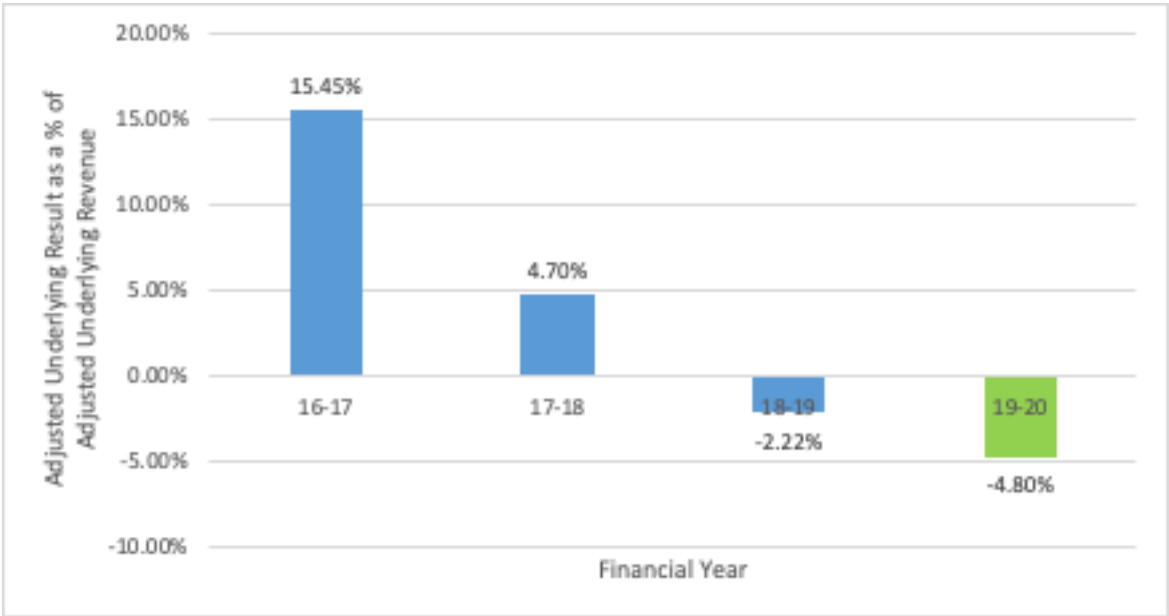
I also thank Councillors, all Council staff and members of our community for their commitment to the Shire. I don't need to look far to see how difficult times can bring out the best in people. It has been inspiring to witness the comradery and community spirit shown by residents and business owners who have rallied together in support of each other and the great Shire of Moyne.

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.

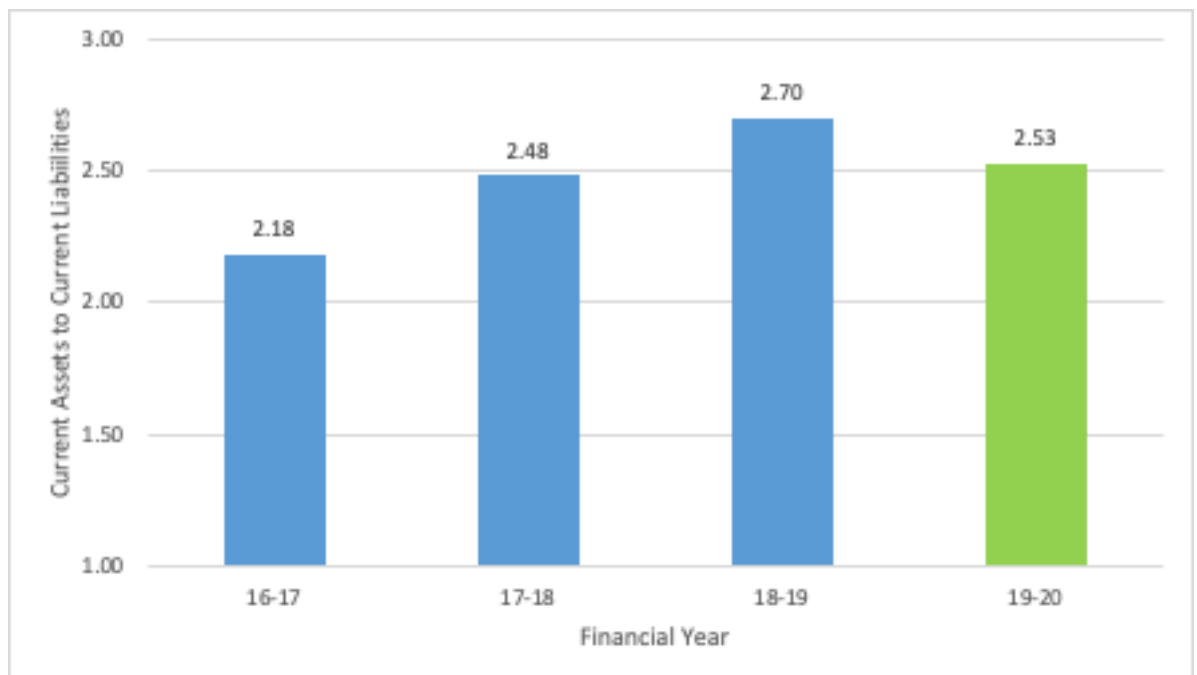
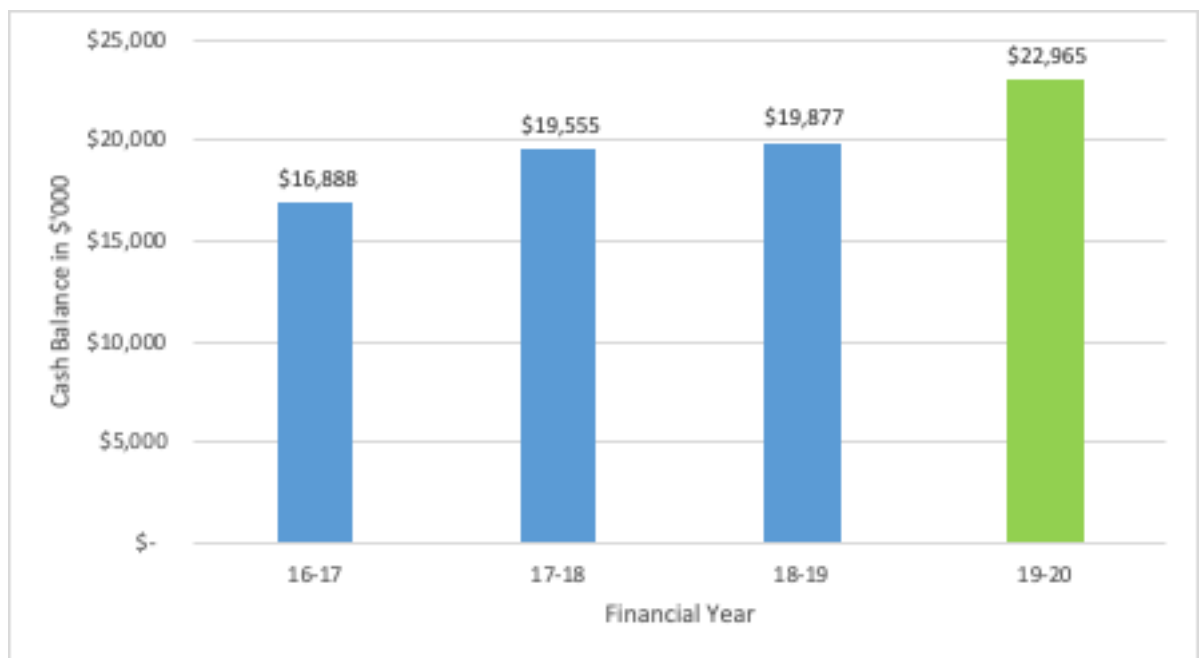
Operating Position

Council achieved a surplus of \$2.95 million in 2019–20. The adjusted underlying surplus of Council, after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is a deficit of \$2.27 million or 4.80% of adjusted underlying revenue. This included a significant downwards non-cash accounting adjustment as a result of footpath revaluations of \$1.0 million, and the impact of private works revenue returning to more regular levels than the previous year.



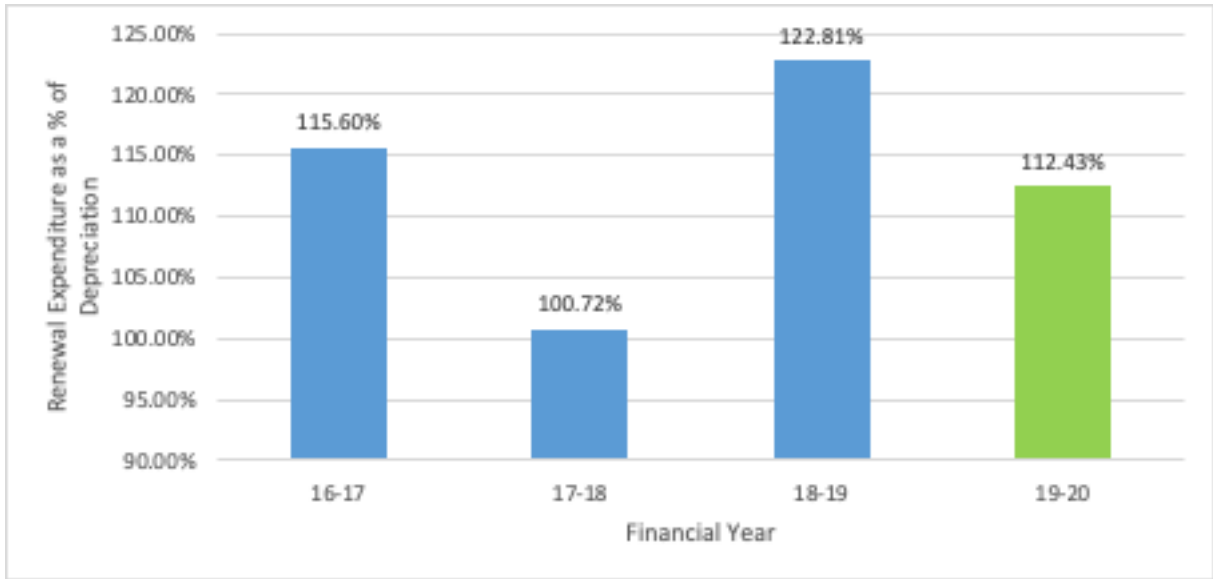
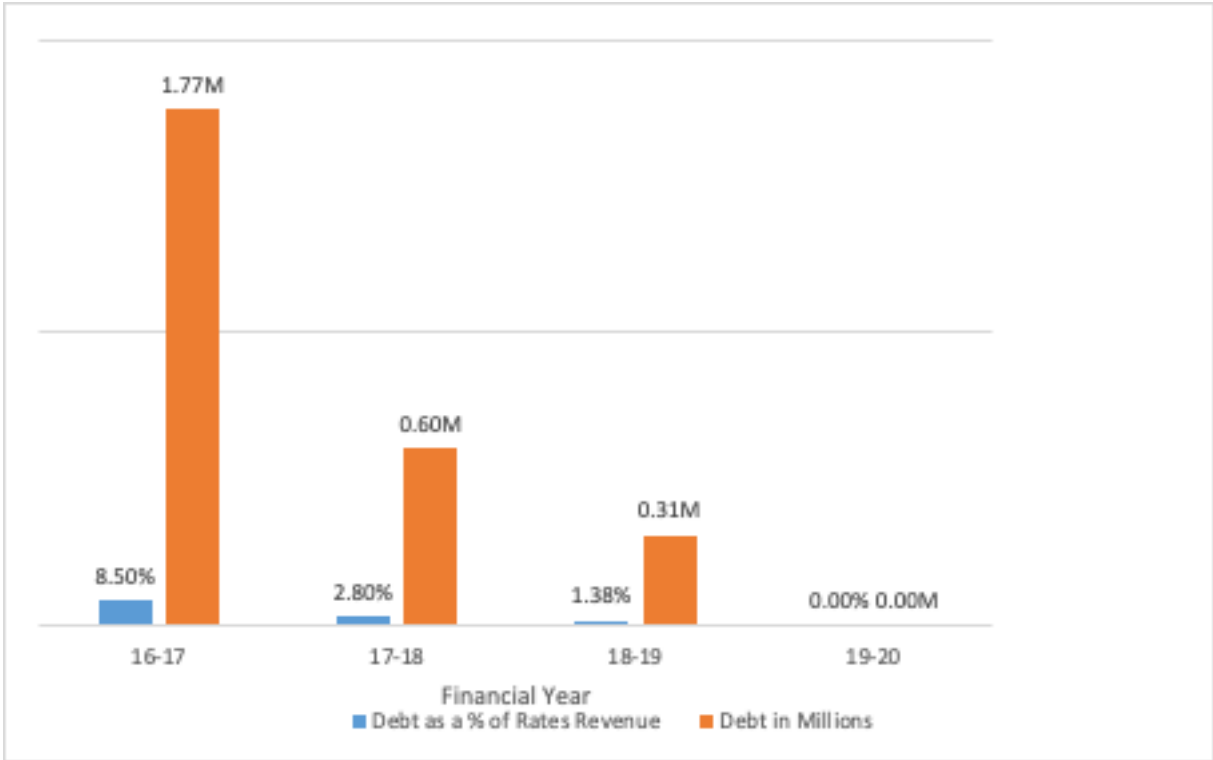
Liquidity

Cash has increased by \$3.08 million from the prior year to \$22.97 million at 30 June 2020. 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 2.53 exceeds Council's minimum target of 1.00.



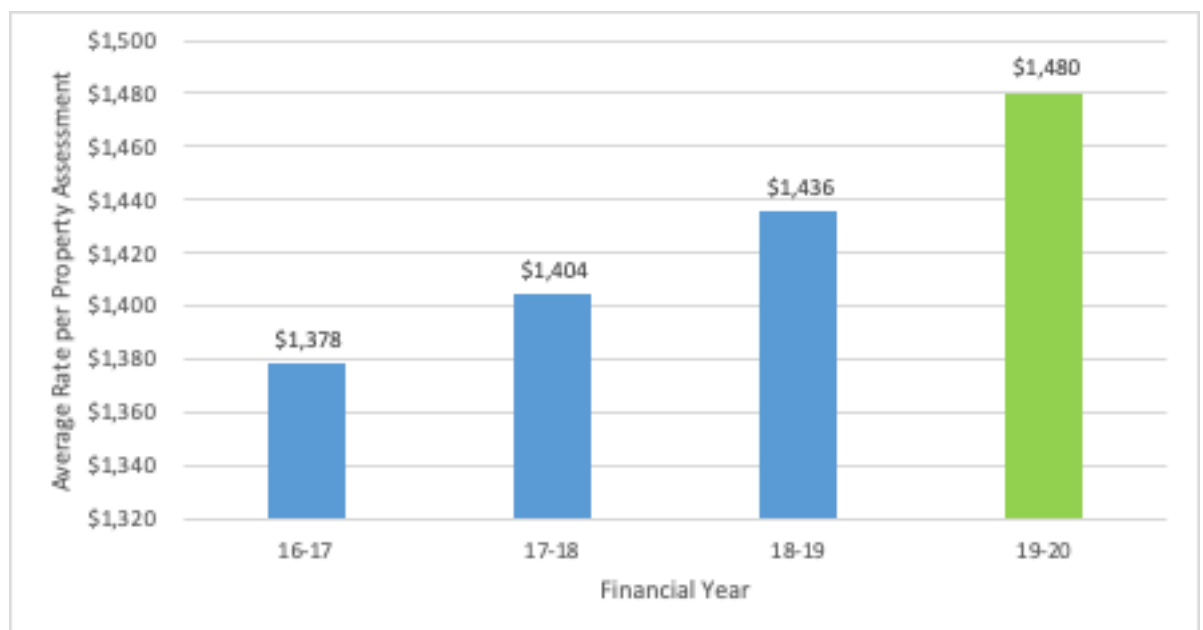
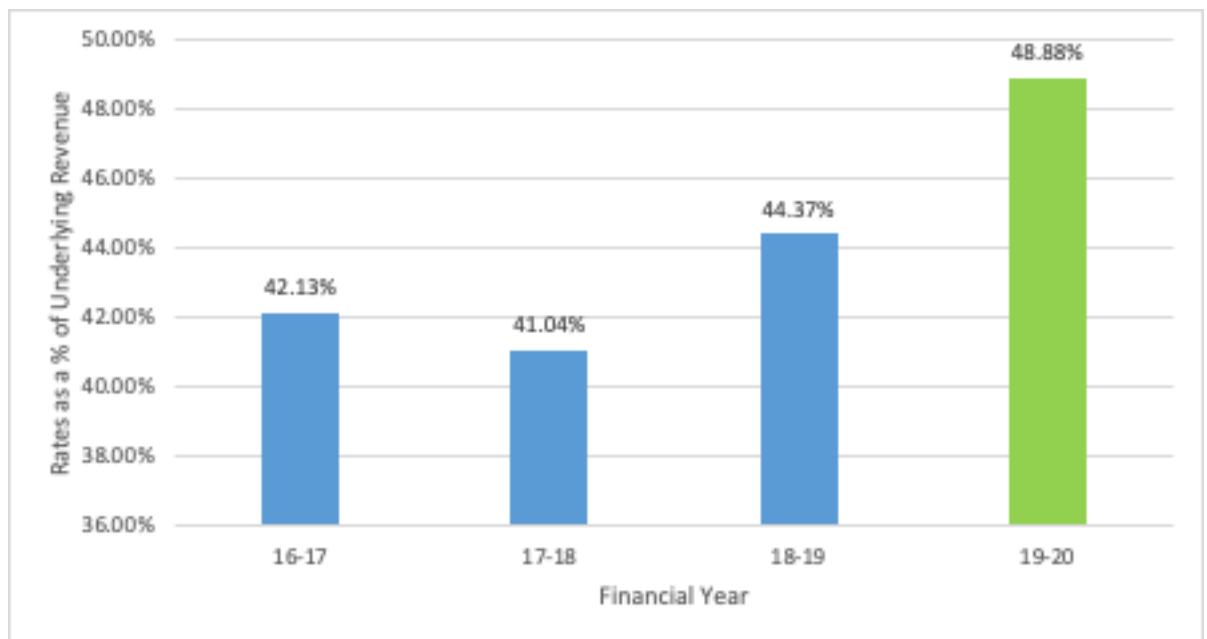
Obligations

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. Council invested \$15.10 million in renewal works during the 2019-20 year addressing asset renewal requirements. At the end of 2019-2020 Council was debt free. Council's asset renewal ratio, which is measured by comparing asset renewal expenditure to depreciation, was 112.43%. 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 48.88% for the 2019-20 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 rate per property assessment of \$1,480 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 2019/2020 highlighted by an operating surplus of \$2.95 million, no debt and an asset renewal indicator of 112.43%, indicating that Council is meeting the demand to renew the \$569 million of community assets under its control.

Major Capital Works

During 2019-2020 major capital works included the following:

- Upgrade and Improvement works to halls in Hawkesdale, Wangoom and Illowa
- A new netball facility at Woorndoo Recreation Reserve
- New Toilet facilities at Southcombe Park, Port Fairy
- New BBQ facilities, pathways and outdoor exercise equipment at Tea Tree Lake, Mortlake
- Completion of stage 3 of the Port Fairy Streetscape
- New accessible toilet facilities at Koroit Bowls Club
- Roads and Bridge construction related expenditure of over \$12 million.
- Construction of the intersection at Hallowells Road and Dwarroon Road, Cudgee at the Cudgee Primary School
- New footpath and carpark at Victoria Park, Koroit
- Construction of Stage 2 of the Koroit Youth Space

Major Changes

Organisational Structure Refresh aligning services and reporting functions.

Recruitment of new Director Economic Development and Planning, Brett Davis.

Major Achievements

- Completion of Stage 3 of the Port Fairy Streetscape
- Road grant funding success
- Road renewal investment
- Advocacy
 - droving
 - wind farms
 - transmission line undergrounding
- Adoption of Economic Development Strategy and Action Plan.

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.

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 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 16,693 (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 5,478km² of the Shire.



Major Areas	Population (Census 2016)
Koroit and District	4346
Mortlake and District	3401
Port Fairy and 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, economic 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

Website: 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

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.



Bill Millard
Chief Executive Officer

Mr Millard joined Moyne Shire Council in October 2018 from Hobsons Bay Council in Melbourne's inner west, where as Director, Strategic Development, he was responsible for city planning, economic development, environmental sustainability, arts and events.

Having previously worked with Glenelg Shire and Warrnambool City Councils, Mr Millard has a strong connection to South West Victoria. He has a strong interest and significant experience in strategic planning and economic development where he has supported major manufacturing expansion, industrial and residential development and all aspects of land use.

Mr Millard is an Australian Certified Economic Developer (AcED), member of the Australian Institute of Company Directors (GAICD), the Planning Institute of Australia (PIA), a Member of the International Economic Development Council (IEDC) and holds post graduate qualifications (MBA) in Strategic Human Resource Management



Kevin Leddin **Director Community and** **Corporate Services**

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 and Corporate Services, Mr Leddin is responsible for all corporate functions including finance, information technology, organisation development and the full range of aged and disability services 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 and Risk Committee.



Trevor Greenberger **Director Infrastructure and** **Environment**

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, business administration and is a graduate of the Australian Institute of Company Directors.

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

Oliver Moles **Director Economic** **Development and Planning**

Mr Moles retired in August 2019



Brett Davis

Director Economic Development and Planning (January 2020)

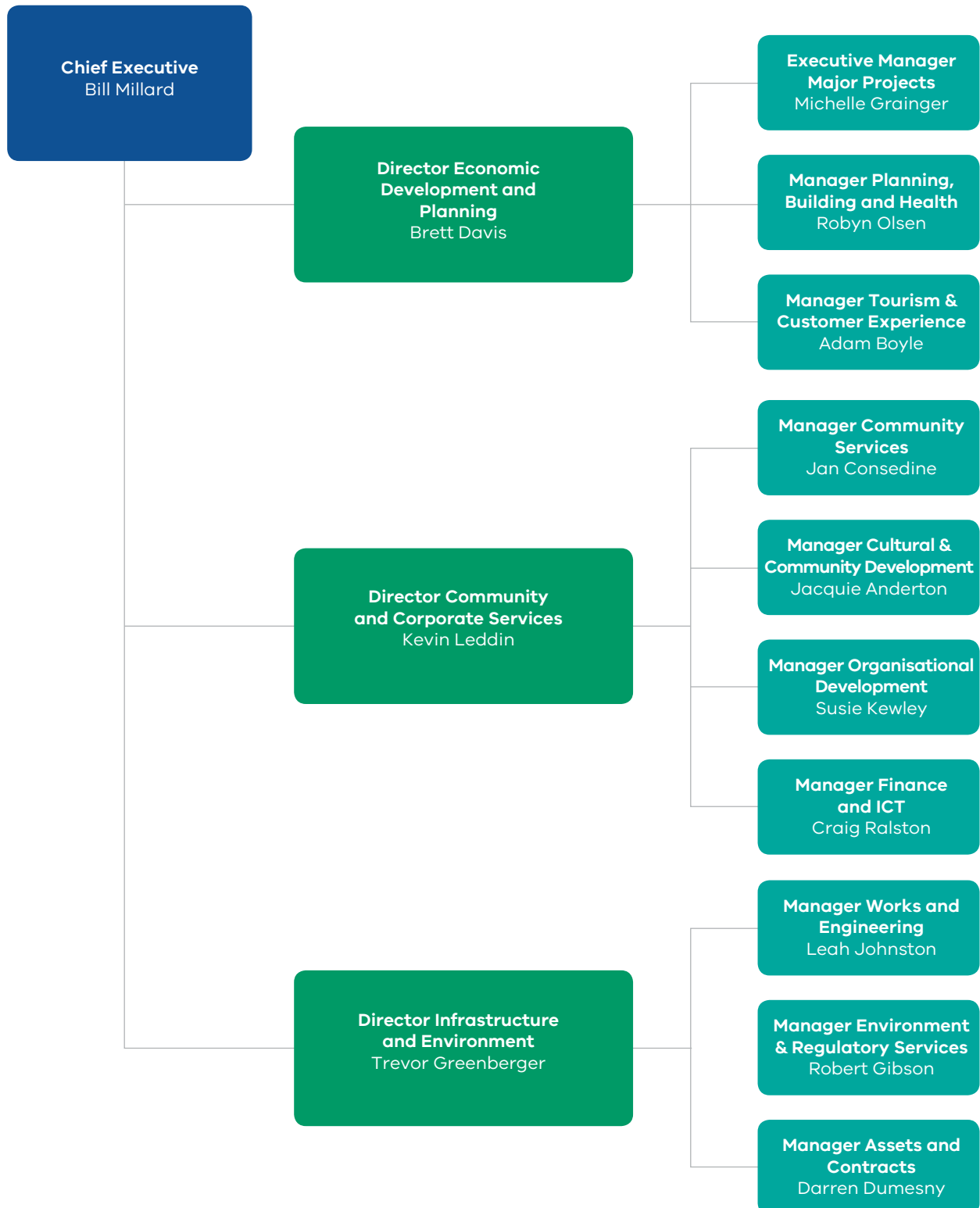
Mr Davis joined Moyne Shire Council in January 2020 and is a qualified town planner with over 25 years' experience in management, urban and regional planning, property, development management and facilitation. Most recently Mr Davis was Executive Director Regional Victoria with the Victorian Planning Authority.

Mr Davis has been a Senior and Sessional Member at Planning Panels Victoria, and has served on the Building Appeals Board. He has held a number of senior planning and leadership roles in the public and private sectors as well as extensive experience in local Government and industry as a planner and project manager. He also holds a Certificate in Property Practice and is undertaking the Australian Institute of Company Directors Course.

Mr Davis is a Fellow and past State President of the Planning Institute of Australia and has worked throughout Australia on numerous large-scale projects and led multi-disciplinary teams for public and private organisations. Mr Davis is a Fellow of the Leadership Ballarat and Western Region program.

Management Structure

(As of 30 June 2020)



Organisational Structure

(As of 30 June 2020)



Workplace Profile

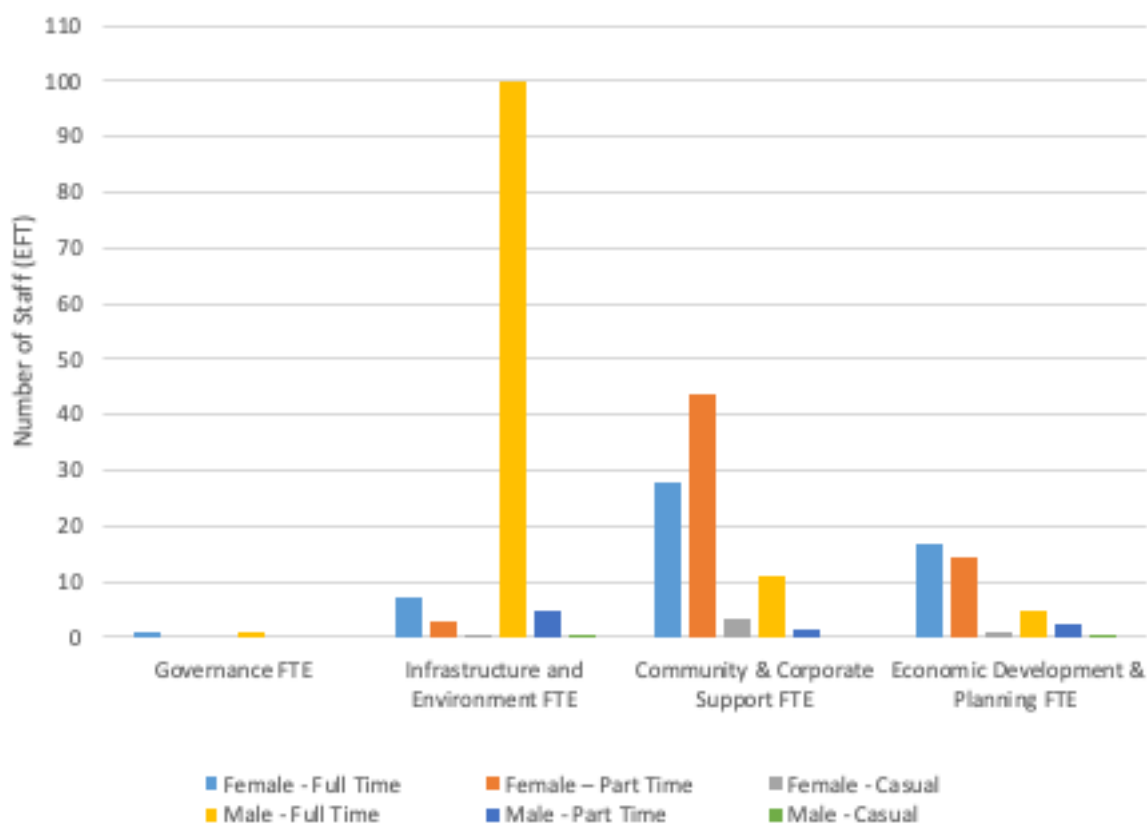
Diverse and highly skilled, Moyne Shire Council is proud of its staff members who boast a variety of skill sets across a broad range of disciplines. From town planning to road maintenance crews, parks and gardens, accounting, community development, organisational administration and public relations,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

In 2019/2020 Moyne Shire Council employed the equivalent of 244.20 full-time positions (FTE).

Council Staff

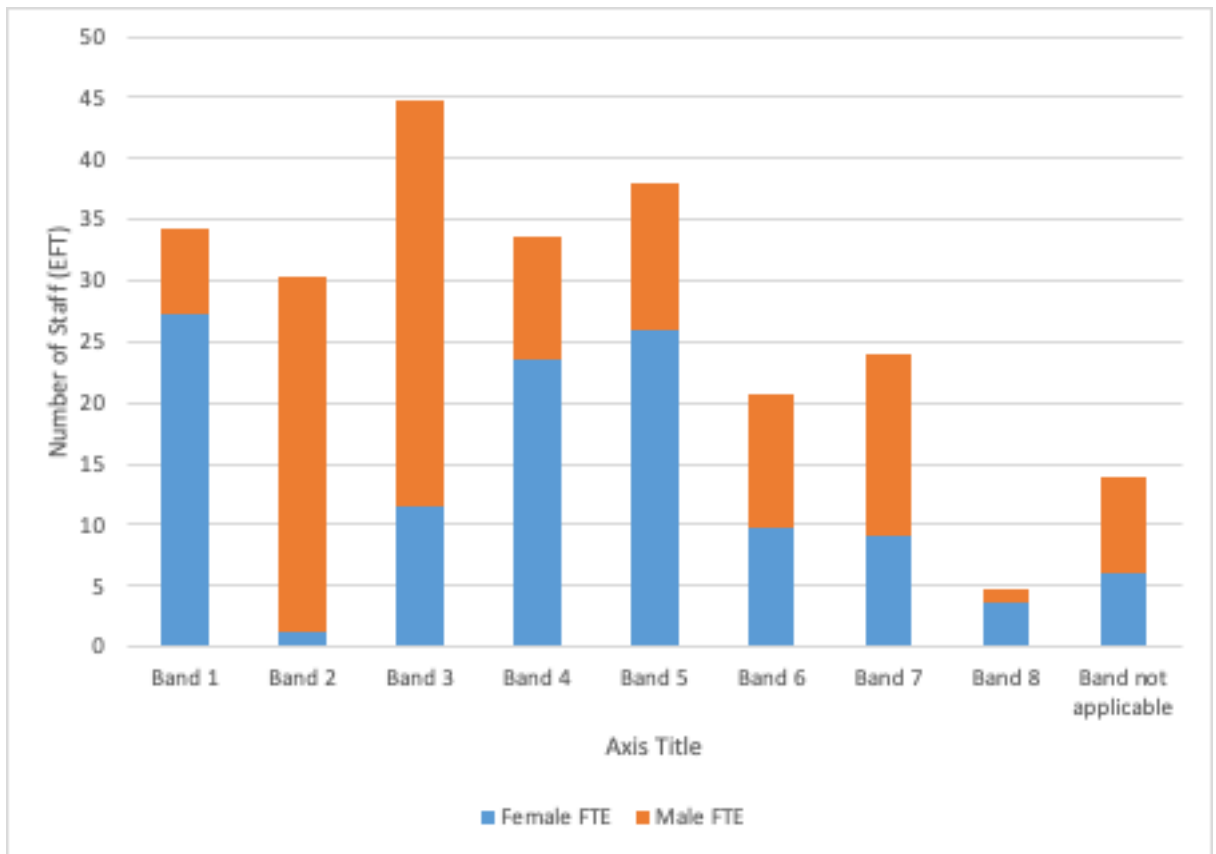
A summary of the number of full time equivalent (FTE) Council staff by organisational structure employment type and gender is set out below.

Employee type/gender	Governance FTE	Infrastructure and Environment FTE	Community and Corporate Services FTE	Economic Development and Planning FTE	Total FTE
Female - Full Time	1.00	7.00	28.00	17.00	53.00
Female – Part Time	0.00	2.72	43.61	14.17	60.50
Female - Casual	0.00	.66	3.28	.70	4.64
Male - Full Time	1.00	100.00	11.00	5.00	117.00
Male - Part Time	0.00	4.97	1.20	2.30	8.47
Male - Casual	0.00	.11	0.00	.48	0.59
Total	2.00	115.46	87.09	39.59	244.20



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	27.3	7.0	34.3
Band 2	1.2	29.1	30.3
Band 3	11.5	33.3	44.8
Band 4	23.5	10.	33.5
Band 5	26.0	12.0	38.0
Band 6	9.8	10.8	20.6
Band 7	9.2	14.8	24.0
Band 8	3.7	1.	4.7
Band not applicable	6.0	8.0	14.0
Total	118.2	126.0	244.2



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 People and Culture, 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.

Moyne Shire Council Enterprise Agreement

The Moyne Shire Council Enterprise Agreement No. 9 2019 was negotiated between bargaining representatives then lodged and accepted by the Fair Work Commission in December 2019.

The Enterprise Agreement details the terms and conditions of employment for all staff covered by the Agreement.

Learning and development (education and 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:

- Outdoor Staff Health and Wellbeing
- Community Services Staff Health and Wellbeing
- Child Safety Standards
- First Aid (including Level 2 First Aid, CPR, Asthma Management and Anaphylaxis). Health and Safety Representative Refresher Risk Management Masterclass
- Remote Driver Training
- Mimecast ICT Safe Usage
- Emerging Leaders
- Disability, Access and Inclusion
- Counselling Skills for the Accidental Counsellor
- Traffic Management Refresher Training

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.

Supplementing our training program is our online learning and development platform Litmos. Staff have access to this platform which hosts over 990 courses ranging from compliance to personal and

professional development training.

Unfortunately, the availability of both internal and external training opportunities has been significantly affected by COVID-19.

Child Safe Standards

The Victorian Government has introduced compulsory Child Safe Standards to improve the way organisations that provide services for children can help prevent and respond to child abuse.

The Seven Standards are a result of a Royal Commission and Parliamentary Inquiry which raised serious concerns about the reporting and handling of child abuse by religious and other non-government organisations. This led to significant changes in legislation across Victoria.

In addressing the Child Safe Standards, the organisation implemented a number of key initiatives including:

- Design and implementation of online Child Safe Standards training on our staff e-learning platform at Moyne Shire Council.
- Delivery of Child Safe Training workshops for staff who work or interact with children/young people as part of their role at Moyne Shire Council.
- Delivery of Child Safe Training workshops for our Management Team at Moyne Shire Council.
- Review of a number of key policies including the Employee Code of Conduct.
- Training in the Code of Conduct and full Child Safe Policy for all new employees as part of their Corporate Induction schedule.
- Review and implement changes to our recruitment and People and Culture practices.

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 2019/2020 Annual Report describes Council's operations and performance for the financial year from 1 July 2019 to 30 June 2020.

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 2019/2020. 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 implement the Municipal Public Health and Wellbeing Action 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

Key Result Area 3 – Environment

- Protecting our coastline
- Supporting and encouraging renewable energy
- Continuing to implement Council's Waste Management Strategy
- Reducing the spread of weeds across our Shire Educating the community about recycling and kerbside collection arrangements
- Leading by example in sustainable practices
- Continuing to partner with schools and community organisations to deliver environmental benefits

Key Result Area 4 – Liveability

- Supporting events, festivals and the arts
- Supporting the volunteers that contribute to community organisations and activities
- Advocating to retain a tertiary education facility in our region
- Developing and implementing an Open Space Strategy
- Providing pathway networks to encourage families to walk and cycle together

Key Result Area 5 – Economy

- Providing for sustainable agricultural industries through responsible land use planning
- Processing permit requirements in a timely fashion to support development
- Developing and implementing an economic development strategy
- Supporting businesses to complete their own business plans
- Supporting the training needs of business owners and their staff
- Continuing to work with GORT and other regional groups to increase and enhance tourism
- Advocating to other levels of government for adequate water, power and waste services to support business development

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 and disability 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 2019/2020 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2017 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	90%	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	163,590 sqm	Achieved This figure is for our rehabilitated roads, including widening sections. Note that works on the Port Fairy Streetscape are not included, nor on the Springflat Road, Staywood Road, and the Terang Woolsthorpe Road as these were shown in last years figures. The area on Waters Lane is also not included as this project was half privately funded.
Number of sealed local road requests divided by kilometres of road to be less than 10%	8.7%	Achieved Length of sealed local roads is 1627km and there were 142 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%	97%	Achieved Maintenance and renewal programs targeted at priority roads as identified by road condition surveys.
Asset renewal and upgrade as a percentage of depreciation to be at least 90%	141%	Achieved Focussed consideration given to renewal during the budget process.
Community satisfaction with sealed local roads to be higher than 40	38	Score appears to still be impacted by the condition of State Managed Roads.

Major Initiatives

Major initiatives identified in the 2019/2020 budget include:

- Condition and Compliance Assessment completed for council owned and managed buildings.
- Purchase of a new street sweeper was approved to enable an expansion of the current service.
- Construction of a new access into Mount Shadwell Quarry and relocation of the site facilities to a permanent location for the remaining life of the quarry.

Services

The following statement provides information in relation to the services funded in the 2019/2020 budget and the persons or sections of the community who are provided the service.

Local Roads and 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

This service undertakes design and planning for various works within Council's capital works program including roads, footpaths, bridges, drainage and waterways infrastructure.

- Project management including programming of roads, road seals, bridges and footpaths.
- 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 28.6% 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 \$605,000.
- Truck, Water Truck and Ute maintenance.
- Weighbridge maintenance.

Asset Management and Contract 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.

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.

- 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.
- 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.

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.

Service/Indicator/Measure	Results			Material Variations
	2018	2019	2020	
Aquatic Facilities				
Service Standard	1.00	1.00	0.00	Resourcing impacts due to Environmental Health Officer vacancies
Health inspections of aquatic facilities				
Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities				
Health and Safety	0.00	0.00	0.00	Nil reportable incidents
Reportable safety incidents at aquatic facilities				
Number of WorkSafe reportable aquatic facility safety incidents				
Service Cost	\$0.00	\$0.00	\$0.00	Council does not manage indoor aquatic facilities
Cost of indoor aquatic facilities				
Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities				
Service Cost	\$16.17	\$15.69	\$21.46	
Cost of outdoor aquatic facilities				
Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities				

Service/Indicator/Measure	Results			Material Variations
	2018	2019	2020	
Utilisation Utilisation of aquatic facilities Number of visits to aquatic facilities / Municipal population	0.57	0.59	0.44	Attendance impacted by inclement weather at the beginning and end of season.
Libraries				
Utilisation Library collection usage Number of library collection item loans / Number of library collection items	2.81	2.83	2.24	This figure only includes loans of physical items. The CRLC Library closed its Branches from 23 March 2020 until 9 June 2020, when it reopened with limited hours and time limits on visits due to Covid-19. No activities or programs have been conducted on site at our libraries since the beginning of March 2020.
Standard of library collection Number of library collection items purchased in the last 5 years / Number of library collection items x100	68.69%	69.03%	66.40%	This figure also includes CRLC e-collection resources, which have been allocated to member Councils as a percentage using current regional resources allocation percentages.
Service Cost Cost of library service per population Direct cost of the library service / Population	New in 2020	New in 2020	\$20.60	This measure is replacing the previous 'Cost of library service' indicator which measured based on number of visits.-
Participation Active library members Number of active library members / Municipal population x100	9.87%	9.86%	10.04%	
Roads				
Satisfaction of use Sealed local road requests Number of sealed local road requests / Kilometres of sealed local roads x100	9.00	5.36	8.73	Trended back to regular levels of request despite a significant improvement in 2018-19.
Condition 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	95.19%	97.68%	97.41%	-

Service/Indicator/Measure	Results			Material Variations
	2018	2019	2020	
Service Cost	\$38.46	\$39.45	\$46.66	Poor subgrades and more dense native vegetation on the reconstruction jobs, compared to previous years, resulted in a higher unit cost.
Cost of sealed local road reconstruction				
Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed				
Service Cost	\$5.73	\$4.43	\$3.68	Improved focus on resealing techniques and efficiencies resulted in a reduced unit cost.
Cost of sealed local road resealing				
Direct cost of sealed local road resealing / Square metres of sealed local roads resealed				
Satisfaction	34.00	39.00	38.00	
Satisfaction with sealed local roads				
Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads				

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	55	Achieved
Fully expending the Community Assistance Fund each year	Achieved	A total of 22 community applications were received during 2019/20 for disbursement of Community Assistance Fund.
Cost of outdoor swimming pools per visit being less than \$20	\$21.46	Management of ageing infrastructure.
Number of library collection loans divided by the number of collection items to be 3 or above	2.24	Consistent with an industry-wide trend of declining loans in some collections.
Number of active library members to be at least 10%	10.04%	Achieved

Major Initiatives

Major initiatives identified in the 2019/2020 budget include:

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

Services

The following statement provides information in relation to the services funded in the 2019/2020 budget and the persons or sections of the community who are provided the service.

Cultural and 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, Mortlake Recreation Reserve and the Nirranda and District Community Facility. 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.
- Open Space planning.
- Maintenance of Gardens Oval and Victoria Park Reserves.
- Contribution to the operating costs of DC Farran 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 support.

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	67.54	Increase in requests due in part to introduction of dedicated kerbside glass recycling bin.
At least 60% of kerbside waste diverted from landfill	63.32	Achieved despite interruptions to the recycling system impacting this result. Introduction of kerbside glass only bin will support recycling into the future.

Major Initiatives

Major initiatives identified in the 2019/2020 budget included:

- Finalisation and implementation of the Port Fairy Coastal Structure Plan.
- Finalisation of Amendment C44 to implement recommendations of the Rural Housing and Land Capability and Biodiversity Strategies
- Development of a master plan for main public area at East Beach

Other Initiatives

- Introduction of a dedicated kerbside glass only collection bin has underpinned Council's response to the recycling crisis. The fourth bin service commenced in February 2020.
- Council has engaged in a comprehensive community education program aimed at assisting the community to make optimal use of the kerbside waste collection service. This includes community information materials and auditing of bins to understand community use patterns.
- Council completed an options analysis to identify the most appropriate management of the decommissioned East Beach tip sites.
- Commenced a masterplan for the Port of Port Fairy.
- Completion of dedicated e-waste storage sheds at Mortlake and Killarney transfer stations.

Services

The following statement provides information in relation to the services funded in the 2019/2020 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 collection from residential and commercial properties in the designated collection districts. In 2020, the service was refined and now includes a dedicated glass only collection bin. The service provides for:

- Management of the Shire's residential and commercial kerbside collections.
- Management of the Shire's 8 waste transfer stations and inert landfill.
- Delivery of a range of waste resource recovery services.
- Implementation of waste reduction programs in conjunction with the Barwon South West Waste and Resource Recovery Group.
- Monitoring and maintenance of 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 including the Domestic Animals Act 1994. Services include:

- Administering Council Local Laws.
- Issuing and enforcement of permits for grazing, droving, stock crossings and activities on Council land.
- An after-hours emergency service
- 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, a cat trapping program, a dog and cat collection service and a pound service,
- Administering 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.

Service/Indicator/Measure	Results			Material Variations
	2018	2019	2020	
Animal Management				
Timeliness	1.00	1.00	1.00	
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				
Service standard	55.71%	52.81%	57.91%	
Animals reclaimed				
Number of animals reclaimed / Number of animals collected x100				
Service Cost	New in 2020	New in 2020	\$15.05	This measure is replacing previous 'cost of animal management service' which was based on cost per number of registered animals.
Cost of animal management service / Population				
Health and Safety	New in 2020	New in 2020	100%	This measure is replacing previous 'Animal prosecutions' which was a measure of number, not proportion.
Animal management prosecutions				
Number of successful animal management prosecutions				

Service/Indicator/Measure	Results			Material Variations
	2018	2019	2020	
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	1.00	2.00	1.00	Priority given to complaints resulting in improved actioning timeframes.
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	79.31%	84.89%	201.45%	Focus on food safety assessments has resulted in more assessments being undertaken.
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	\$547.42	\$677.38	\$751.98	A slight reduction in the number of registered food premises contributed to the increased cost per premise.
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	100%	100%	100%	

Service/Indicator/Measure	Results			Material Variations
	2018	2019	2020	
Statutory Planning				
Timeliness	59.00	72.00	55.00	Commencement of process reviews and resource allocation has resulted in the reduction of this metric.
Time taken to decide planning applications				
The median number of days between receipt of a planning application and a decision on the application				
Service Standard	78.51%	74.26%	77.12%	
Planning applications decided within 60 days				
Number of planning application decisions made within 60 days / Number of planning application decisions made x100				
Service Cost	\$2,636.90	\$3,068.80	\$2,558.77	Absence of VCAT hearings has contributed to a lower cost for the year.
Cost of statutory planning service				
Direct cost of the statutory planning service / Number of planning applications received				
Decision Making	.00%	33.33%	0.00%	There were no VCAT hearings decisions for Moyne in the 2019-20 financial year.
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				

Service/Indicator/Measure	Results			Material Variations
	2018	2019	2020	
Waste Collection				
Satisfaction	42.15	48.39	67.54	The roll out of the fourth kerbside bin dedicated to glass collection contributed to increased requests.
Kerbside bin collection requests				
Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households x1000				
Service Standard	1.72	1.64	2.02	A small increase on a very low based and also impacted by the additional fourth bin being rolled out.
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				
Service Cost	\$123.41	\$127.96	\$132.92	
Cost of kerbside garbage bin collection service				
Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins				
Service Cost	\$53.29	\$57.45	\$70.47	Due to changes in the recycling system, the costs of recycling have increased including the introduction of a fourth glass only kerbside collection bin system.
Cost of kerbside recyclables collection service				
Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins				
Waste diversion	61.88%	61.77%	63.32%	
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				

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	1,648 sqm	Not Achieved Renewal of concrete footpaths included Manifold St, Woolsthorpe and the Princes Highway, Elizabeth St and Baulch Crescent in Port Fairy. However, kerb and channel was in extremely poor condition and needed to be replaced as part of the works in Baulch Crescent and along the highway in Port Fairy.
At least one new piece of public art in the Shire each year	Achieved	Public art piece at the Mortlake Community Centre decorative feature seating.
At least 70% community satisfaction with community and cultural activities	69	Community and Cultural activities were one of the top five performing service areas.
At least 80% of premises assessed for food safety	85%	Achieved.

Major Initiatives

Major initiatives identified in the 2019/2020 budget include:

- Completion of the next stage of the Port Fairy Streetscape - stage 3 of the Port Fairy Streetscape has now been completed. The project included converting the existing asphalt footpaths to bluestone to match the first 2 stages, new kerb and channel, road pavement improvements, and renewal of the street furniture. The final outcome has been very highly regarded by the traders and the community.
- Completion of Koroit Structure Plan

Services

The following statement provides information in relation to the services funded in the 2019/2020 budget and the persons or sections of the community who are provided the service.

Arts, Culture and 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 with support from Regional Arts Victoria Creative Arts Facilitator. This service works closely with the traditional landowners and indigenous groups within our region. 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 Corporation.
- Provision of operations to isolated sites Macarthur and Hawkesdale.
- Building operations to Moyne Shire Branch libraries.
- Contribution to Regional Arts Victoria Creative Arts Facilitator.
- Support for Great South Coast Creative Industries 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.
- Liaise with traditional owners and indigenous groups within our region.

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 to 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	56	Achieved
At least 80% of planning permits processed within the 60-day statutory time limit	74.26%	Result comparable to similar Councils and higher than All Councils result.

Major Initiatives

Major initiatives identified in the 2019/2020 budget include:

- Preparation and implementation of an Economic Development Strategy - Council prepared and adopted its Economic Development Strategy and Action Plan, 2019-2029 based on 6 key directions. Council adopted the Strategy in September, 2019 and commenced implementing the High Year 1 Actions. Council has made considerable progress in commencing and in some instances completing actions from the Strategy including appointing an Economic Development Advisory Committee, advocating strongly on behalf of the Moyne business community and ensuring a cultural shift to signal that the Moyne economy is open for business across all functions of Council. Having a strong strategic direction including measures to support business has enabled Council to respond with flexibility to the economic challenges of the COVID-19 pandemic.

Other Initiatives

- Caravan Park framework and Marketing Strategy developed.
- Delivered a Visitor Services Merchandise and Retail Strategy
- Undertaken reaccreditation of Port Fairy and Region Visitor Information Service.
- Delivered 'Looking out for Moyne' communication campaign extending from COVID-19

Services

The following statement provides information in relation to the services funded in the 2019/2020 budget and the persons or sections of the community who are provided the service.

Statutory and 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.

Tourism and Customer Experience

Provides management and administrative support service for the Council owned or managed Caravan parks, Communications, Customer Service, Events, Visitor Services and Tourism.

- Management of Council Business Enterprise's, their staff and contractors.
- Project management.
- Shire event promotion, permit issuing and asset bookings.

- Coordinate and continuously improve the administration of Customer Service experience entry points including counter services in Port Fairy and Mortlake.
- Strategic coordination of communication, advocacy, engagement and consultation.
- Event application coordination and promotion.

Caravan Parks

Operation, management or contract management of caravan parks at Port Fairy Gardens, Southcombe Park, Killarney, Koroit, Mortlake, Great Ocean Road Tourist Park and Yambuk. Also includes operation of Southcombe Lodge. Major caravan parks return a dividend contribution to general revenue.

- Port Fairy Gardens, and Southcombe Caravan Parks accommodating approximately 30,000 persons, per annum.
- Management of accommodation sites and cabin bookings.
- Ensuring compliance with park conditions of entry.
- Maintain surrounds and cleaning of facilities (amenities and camp kitchens).
- Project management of park improvements.
- Proactive marketing and promotion of stay opportunities.
- 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 visitor services including the operations of the Port Fairy Visitor Information Centre and also undertakes event promotion, souvenir sales and support for local tourism operators. Also provides support for festivals and events.

- Festivals and Events Fund.
- Support provided to local community Festivals and Events (\$110,000 festival funding and officer advice and support).
- Operation of the Port Fairy and Region Visitor Information Centre – local tourism advisory service (25 volunteers).
- Visitor Information Centre services approx. 80,000 + walk in visitors per annum.
- Provision of Visitor Information (accredited VIC and pop up / mobile VIC) and Tourism Advisory Services.
- Locally branded souvenir sales.
- Digital channels (promotion and marketing) maintenance www.facebook.com/portfairyvic and <https://www.instagram.com/iamporfairy/>

Major Projects

Renewable energy projects worth an estimated \$7 billion are in various stages of planning and development across the Shire. Emerging benefits and challenges require Council's oversight in an emerging and changing power industry.

The service

- Administers planning permits issued by the Minister for Planning for wind farms.
- Assesses and determines permit compliance.
- Provides advice and support to Council and the community, particularly through establishing and chairing Community Engagement Committees for individual projects.
- Participates in Environment Effects Statement and planning permit and panel processes for proposed wind farms.
- Advocates to government and industry for process improvement and regulatory change based on lived learnings and National Wind Farm Commissioner recommendations.
- Assists in managing natural gas projects.
- Seeks to secure community benefits offered by major project proponents.

Economic Development

This service includes business support and engagement including a range of advocacy activities. Importantly in 2019/20 Council adopted its Economic Development Strategy and Action Plan with a 10 year horizon to 2029. The Strategy is based on 6 key directions being:

Economic Direction 1:	People and Place
Economic Direction 2:	Attracting Investment
Economic Direction 3:	Major Local Industries
Economic Direction 4:	Role of Moyne Shire
Economic Direction 5:	Sustainability
Economic Direction 6:	Together as a region

Delivery of the Year 1 actions across the organisation achieved the following outcomes:

- (i) Signalled that we are Open for Business;
- (ii) Created a culture to support economic development;
- (iii) Improved economic advocacy; and
- (iv) Promotion of tourism and events.

Within the Year 1 Action Plan, the key economic directions are to be achieved through the successful delivery of 12 objectives 24 priority actions and 60 tasks.

Significant progress has been made with respect to each of the key economic directions, however, with the outbreak of the of the COVID -19 pandemic and its associated health, economic and social impacts, some of the actions have had to pivot to provide business support and recovery in a manner that was not anticipated.

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 and 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	73	Achieved
Number of days between the referral of CHSP and PYP services client and the commencement of the service divided by the number of new clients who have received a CHSP and PYP service to be less than 10	3 Business days	Achieved
Number of people who receive a CHSP and PYP service divided by the Municipal target for CHSP and PYP 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	99%	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%	74%	Achieved

Major Initiatives

Major initiatives identified in the 2019/2020 budget include:

- Review and update the Municipal Early Years Plan – the newly developed Municipal Early Years Plan was adopted by Council in October 2019.

Other Initiatives

- Implementation of supported playgroup services.
- Implementation of actions from Municipal Early Years Plan
- Implementation of actions from review of child care services

Services

The following statement provides information in relation to the services funded in the 2019/2020 budget and the persons or sections of the community who are provided the service.

Child Care Services

Provide centre based care at Hawkesdale and District Family Services Centre, Chatsworth Child Care and Port Fairy Community Services Centre.

- Provision of centre based care at Port Fairy Community Services Centre Monday – Friday.
- Provision of centre based care at Hawkesdale on Tuesdays, Wednesdays and Thursdays.
- Provision of centre based care at Chatsworth on Tuesdays and Thursdays.

Kindergartens and Preschools

Early Years Manager for kindergarten centres at Koroit, Merri, Macarthur, Hawkesdale, Port Fairy, Nullawarre and Mortlake. This includes providing support to parent Committees/ Parent Advisory Groups.

- 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 Early Years Manager of the following services: Koroit, Merri, Nullawarre, Macarthur, Hawkesdale, Port Fairy, Mortlake.

Maternal and Child Health

This service conducts sessions at Port Fairy, Koroit, Warrnambool, and Mortlake providing advice, guidance and health promotion for infants and 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 and disability services including domestic assistance, personal care, respite, garden and property maintenance, meals on wheels, CHSP transport and social support.

CHSP is a service that is funded by the Commonwealth Government. HACC PYP is a service that is funded under the State Government.

- Domestic Assistance, CHSP – 6,773 hours, HACC PYP – 1,373 hours
- Personal Care, CHSP – 2,593 hours, HACC PYP – 1,152 hours
- Respite Care, CHSP – 724 hours, HACC PYP – 1,172 hours
- Garden maintenance, CHSP – 2,100 hours, HACC PYP – 331 hours
- Community transport, CHSP – 1,377 trips.
- Food Services (Meals), CHSP – 7,571 meals, HACC PYP – 925 meals
- Social Support, CHSP – 1,644 hours, HACC PYP – 979 hours

In delivering all these services we cover in excess of 165,000 kilometres.

Social 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.

- Operation of four Senior Citizen facilities
- Annual Senior Citizens week activities.

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 Koroit skate competition and advocacy projects such as Youth Parliament.

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

Service performance indicators

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

Service/Indicator/Measure	Results			Material Variations
	2018	2019	2020	
Maternal and Child Health				
Participation	69.61%	70.60%	74.46%	
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				
Participation	66.04%	55.88%	56.25%	
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				

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 2019-2020 Audits: Local Government Report tabled 27 November 2019 identifies Moyne Shire as remaining at low risk in terms of Financial Sustainability.
Council's annual liquidity ratio maintained above 1.0	2.53	Exceeds Council's minimum target of 1.00

Major Initiatives

Major initiatives identified in the 2019/2020 budget include:

- Develop a Gender Equity and Diversity Plan – A Gender Equity Action Plan was drafted and presented to the Executive. The Plan and Policy will be further developed in line with the Gender Equality Act 2020 and the Workforce Development Plan as per the Local Government Act 2020.
- Review and Update Council's ICT Strategy – This ICT Strategy was put on hold pending the Rural Council Transformation Program state government funding approval. Council has been given conditional approval to implement a shared service ERP product across three Councils, namely Moyne, Warrnambool and Corangamite.
- Transition from Sec 86 Committees of management to incorporated committees of management – the introduction of the Local Government Act 2020 required councils to consider the matter in which all Council Committees are established and administered. Incorporated committees of management did not meet the requirements of the LGA 2020. Council therefore adopted the establishment of Community Asset Committees.

Services

The following statement provides information in relation to the services funded in the 2019/2020 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 and internal communication and engagement through various media, in consultation with relevant stakeholders, on behalf of Council.

- Strategic coordination of communication, advocacy, engagement and consultation.
- Liaison with local media outlets and co-ordination of responses to media inquiries (approximately eight to ten times a week).
- Coordination of all statutory and discretionary public advertising.
- Maintenance of website content.
- Source, develop and disseminate stories via best communication channels.
- Develop and distribute proactive media releases (approximately two each week).
- Regular updates to Council's social media accounts (approximately 2-3 per day)
- Daily media monitoring.
- Coordinate regular social media updates from the Mayor following Council meetings.
- Provide communication support to other departments for major projects, events and initiatives.

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 and 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 and Wellbeing Program.
- Memberships to Meekin and Apel (industrial Relations Services) and Australian Local Government Women's Association.
- Fortnightly payroll service.
- Implementation and maintenance of specific risk management and reduction policies and 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.
- 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.

Service/Indicator/Measure	Results			Material Variations
	2018	2019	2020	
Governance				
Transparency 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	14.35%	7.98%	8.90%	Council is committed to minimising the number of resolutions made in closed meetings. An increase in confidential contractual items considered by Council has contributed to this result increasing slightly over the prior year.
Consultation and engagement Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	57	57	59	
Attendance 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	93.75%	97.96%	95.60%	
Service Cost Cost of governance Direct cost of the governance service / Number of Councillors elected at the last Council general election	\$53,382.43	\$54,286.71	\$51,013.73	
Satisfaction Satisfaction with Council decision Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community	57	55	58	Making Community Decisions significantly increased by 3 points from last year's results. Council remains higher than both the Large Rural and State-wide averages.

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 2019/2020 the Council held 14 meetings – 12 Ordinary Council meetings and 2 Special Council meetings.

Councillor	Ordinary Meetings	Special Meetings	Total
Cr Jim Doukas	11	2	13
Cr Jill Parker	11	2	13
Cr Colin Ryan	10	2	12
Cr Mick Wolfe	10	2	12
Cr Jordan Lockett	10	2	12
Cr Daniel Meade	11	2	13
Cr Ian Smith	10	2	12

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 2019/2020.

Special Committees of Council (Section 86)

(As of 30 June, 2020)

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.

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

Councillors	Officers	Other	Purpose
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 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 and District Community Facility

Councillors	Officers	Other	Purpose
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> <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

Councillors	Officers	Other	Purpose
2	0	6	To control and manage the operation and development of the Port of Port Fairy.

Southcombe Park Sporting Complex Committee

Councillors	Officers	Other	Purpose
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

Councillors	Officers	Other	Purpose
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 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 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 01/07/19 to 26/11/19)	53,384
Cr Jim Doukas	28,503
Cr Jill Parker	28,503
Cr Colin Ryan	28,503
Cr Ian Smith	28,503
Cr Daniel Meade (Mayor 27/11/19 to 30/06/20)	63,608
Cr Jordan Lockett	28,503

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 members of a council committee paid by the Council.

The details of the expenses including reimbursement of expenses for each councillor for the 2019-20 year are set out in the following table

Councillors	CM* \$	IC \$	CT \$	Travel \$	Total \$
Cr Mick Wolfe (Mayor 01/07/19 to 26/11/19)	6,667*	650	576	1,035	8,928
Cr Jim Doukas	11,525	650	1,184	-	14,059
Cr Jill Parker	9,971	440	1,832	-	12,242
Cr Colin Ryan	4,090	650	2,978	-	7,717
Cr Ian Smith	11,310	300	214	-	11,823
Cr Daniel Meade (Mayor 27/11/19 to 30/06/20)	15,149*	643	9,530	969	26,290
Cr Jordan Lockett	1,950	736	-	-	2,685

*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 Framework 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, Director of Community and Corporate Services and the Manager of Finance and IT. 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 2019/2020 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: 23 June 2020
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: 23 June 2020
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
7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: June 2012

Governance and Management Items	Assessment
8. Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 27 July 2017
9. Municipal emergency management plan (plan under section 20 of the Emergency Management Act for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986 Date of preparation: 23 June 2020
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)	Prepared and approved in accordance with section 186A of the Local Government Act Date of approval: 23 April 2019
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)	Plan Date of operation of current plan: 1 November 2018
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)	Plan Current plan in operation 15 May 2019
13. Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: June 2012
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)	Established in accordance with Section 139 of the Local Government Act: Date of establishment: 30 September 1999
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)	Engaged Date of engagement of current provider: 1 October 2019
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)	Framework Date of operation of current framework: 24 June 2014
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)	23 June 2020

Governance and Management Items	Assessment
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>23 July 2019 27 August 2019 24 September 2019 22 October 2019 26 November 2019 17 December 2019 28 January 2020 25 February 2020 24 March 2020 28 April 2020 26 May 2020 23 June 2020</p>
19. Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies. Operational Risk Report on a quarterly basis.)	<p>Reports</p> <p>Date of reports:</p> <p>Quarterly:</p> <p>4 September 2019 4 December 2019 18 March 2020 30 June 2020</p>
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)	28 April 2020
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: 22 October 2019</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 October 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 review: 22 October 2019</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 fifteen (15) valid Freedom of Information applications during 2019/2020. Access was granted in full to (1) request, access was granted in part to (5) requests, access was denied in full to (0) request, access was granted outside the Act to (4) requests, (2) requests were withdrawn, (1) request the Act did not apply, (1) request did not proceed and (1) is not yet finalised.

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.

Privacy

Council is committed to protecting people's right to privacy and the responsible and fair handling of personal information, consistent with the Privacy and Data Protection Act 2014 and the Health Records Act 2001. These Acts outline several privacy principles the Council must adhere to when undertaking its statutory functions and activities, so the privacy of individuals can be protected.

Public Interest 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.

Council is required to provide certain information about the number and types of protected disclosures complaints during the financial year. During the 2019-2020 financial year no disclosures were notified to IBAC under section 21(2) of the Protected Disclosure Act 2012.

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 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 and 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.

Two of the three of Council's full-time local laws officers are trained and educated in Certificate IV in Regulatory Services and Animal Management with the third to commence training when available ensuring officers educated and skilled in animal management.

Euthanasia rates for dogs are currently at less than 13%. 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.

Moyne Shire Council

Performance Statement

For the year ended 30 June 2020



Performance Statement

For the year ended 30 June 2020

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.

Other Information

For the year ended 30 June 2020

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 23 June 2020 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.

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: 15 September 2020

In our opinion, the accompanying performance statement of the Mayne Shire Council for the year ended 30 June 2020 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.



Daniel Meade
Mayor
Dated: 15 September 2020



Mick Wolfe
Councillor
Dated: 15 September 2020



Bill Millard
Chief Executive Officer
Dated: 15 September 2020

Independent Auditor's Report

To the Councillors of Moyne Shire Council

Opinion	<p>I have audited the accompanying performance statement of Moyne Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2020 • sustainable capacity indicators for the year ended 30 June 2020 • service performance indicators for the year ended 30 June 2020 • financial performance indicators for the year ended 30 June 2020 • other information and • certification of performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2020 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<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>
Councillors' responsibilities for the performance statement	<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>
Auditor's responsibilities for the audit of the performance statement	<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</p>

Engagements 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 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.

MELBOURNE
18 September 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Sustainable Capacity Indicators

For the year ended 30 June 2020

Indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations and Comments
Population					
<i>Expenses per head of municipal population</i>	\$2,556	\$2,987	\$3,060	\$2,922	
[Total expenses / Municipal population]					
<i>Infrastructure per head of municipal population</i>	\$24,573	\$30,832	\$30,679	\$30,730	
[Value of infrastructure / Municipal population]					
<i>Population density per length of road</i>	5.94	6.09	6.15	6.18	
[Municipal population / Kilometres of local roads]					
Own-source revenue					
<i>Own-source revenue per head of municipal population</i>	\$1,849	\$2,182	\$2,051	\$1,815	Lower own source revenue largely driven by decrease in private works revenue.
[Own-source revenue / Municipal population]					
Recurrent grants					
<i>Recurrent grants per head of municipal population</i>	\$1,160	\$932	\$932	\$954	
[Recurrent grants / Municipal population]					
Disadvantage					
<i>Relative Socio-Economic Disadvantage</i>	7	7	8	8	
[Index of Relative Socio-Economic Disadvantage by decile]					
Workforce Turnover					
<i>Percentage of Staff Turnover</i>	9.7%	13.1%	16.0%	12.6%	Given staff numbers, these changes in turnover rates are considered to be within a reasonable range.
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year]					
x100					

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 2020

Service/indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations and Comments
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	0.72	0.57	0.59	0.44	Attendance impacted by inclement weather at the beginning and end of season.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	New in 2020	New in 2020	New in 2020	100%	
Food Safety Health and safety <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	100.00%	100.00%	100.00%	100.00%	

Service/indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations and Comments
Governance Satisfaction <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	57.00	55.00	58.00	Making Community Decisions significantly increased by 3 points from last year's results. Council remains higher than both the Large Rural and State-wide averages.
Libraries Participation <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	10.68%	9.87%	9.86%	10.04%	
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 Participation <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	67.19%	69.61%	70.60%	74.46%	
	38.64%	66.04%	55.88%	56.25%	

Service/indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations and Comments
Roads Satisfaction <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]	36.00	34.00	39.00	38.00	
Statutory Planning Decision making <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%	0.00%	33.33%	0.00%	There were no VCAT decisions for Moyne in the 2019-20 financial year.
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	60.03%	61.88%	61.77%	63.32%	

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 2020

Dimension/ <i>indicator/measure</i>	Results	Results	Results	Results	Forecasts				Material Variations and Comments
	2017	2018	2019	2020	2021	2022	2023	2024	
Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,500.59	\$4,168.32	\$4,264.90	\$4,056.90	\$3,949.51	\$3,943.12	\$3,937.37	\$3,914.97	
Revenue level <i>Average rate per property assessment</i> [General rates and Municipal charges / Number of property assessments]	New in 2020	New in 2020	New in 2020	\$1,480.27	\$1,480.48	\$1,472.08	\$1,462.70	\$1,453.47	
Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100 Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	217.54%	247.50%	270.29%	252.65%	124.02%	120.40%	113.07%	123.16%	Movement driven by higher trade payables at year end
	102.64%	81.85%	75.83%	65.15%	70.23%	66.95%	56.87%	65.75%	

Dimension/indicator/measure	Results	Results	Results	Results	Forecasts				Material Variations and Comments
	2017	2018	2019	2020	2021	2022	2023	2024	
Obligations									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i>	8.50%	2.80%	1.37%	0.00%	12.04%	9.92%	7.31%	4.91%	All borrowings repaid at 30/6/2020. Borrowings of \$3M for infrastructure works forecast to be drawn down by the end of 2020/21.
[Interest bearing loans and borrowings / Rate revenue] x100									
<i>Loans and borrowings repayments compared to rates</i>	0.60%	5.64%	1.41%	1.37%	0.00%	2.59%	2.51%	2.51%	Borrowings of \$3M for infrastructure works forecast to be drawn down by the end of 2020/21.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i>	5.90%	7.94%	9.15%	11.56%	16.88%	14.50%	12.44%	10.70%	Movement primarily driven by an increase in provision for landfill restoration (i.e. increase in non-current liabilities).
[Non-current liabilities / Own source revenue] x100									
Asset renewal and upgrade									
<i>Asset renewal and upgrade compared to depreciation</i>	New in 2020	New in 2020	New in 2020	141.23%	120.89%	110.99%	118.12%	106.04%	
[Asset renewal and asset upgrade expense / Asset depreciation] x100									

Dimension/ <i>indicator/measure</i>	Results	Results	Results	Results	Forecasts				Material Variations and Comments
	2017	2018	2019	2020	2021	2022	2023	2024	
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	15.45%	4.68%	-2.22%	-4.80%	0.34%	2.22%	3.40%	3.26%	Increased underlying deficit driven by significant downwards non-cash accounting adjustment, as a result of footpaths revaluation. Additionally, this has been impacted by lower private works revenue.
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100 Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	42.13%	41.05%	44.37%	48.88%	49.14%	48.43%	49.23%	49.28%	Lower underlying revenue largely driven by decrease in private works revenue.
	0.34%	0.35%	0.33%	0.31%	0.32%	0.32%	0.32%	0.32%	

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 above

"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

Moyne Shire Council

Annual Financial Report

For the Year Ended 30 June 2020



Moyne Shire Council

Financial Report

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Certification of the Financial Statements

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



Craig Ralston (BBus, CPA)
Principal Accounting Officer

Date : 15/09/2020

In our opinion the accompanying financial statements present fairly the financial transactions of Moyne Shire Council for the year ended 30 June 2020 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.



Daniel Meade
Mayor

Date : 15/09/2020



Mick Wolfe
Councillor

Date : 15/09/2020



Bill Millard
Chief Executive Officer

Date : 15/09/2020

Independent Auditor's Report

To the Councillors of Moyne Shire Council

Opinion	<p>I have audited the financial report of Moyne Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2020 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2020 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>
Basis for Opinion	<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 <i>APES 110 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>
Councillors's responsibilities for the financial report	<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>

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.

MELBOURNE
18 September 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Rates and charges	3.1	23,103	22,432
Statutory fees and fines	3.2	529	544
User fees	3.3	9,283	11,074
Grants - operating	3.4	13,453	13,890
Grants - capital	3.4	7,421	8,400
Contributions - monetary	3.5	768	313
Contributions - non-monetary	3.5	80	406
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	3.6	(2,505)	(3,168)
Share of net profits/(losses) of associates and joint ventures	6.2	26	-
Other income	3.7	332	580
Total income		52,490	54,471
Expenses			
Employee costs	4.1	(18,740)	(18,002)
Materials and services	4.2	(15,769)	(16,328)
Depreciation	4.3	(13,428)	(13,772)
Amortisation - right of use assets	4.5	(68)	-
Bad and doubtful debts	4.6	(117)	(25)
Borrowing costs	4.7	(8)	(21)
Finance costs - leases	4.8	(7)	-
Other expenses	4.9	(1,399)	(366)
Total expenses		(49,536)	(48,514)
Surplus/(deficit) for the year		2,954	5,957
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	9.1	190	(3,000)
Total comprehensive result		3,144	2,957

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

Balance Sheet As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	7,965	7,877
Trade and other receivables	5.1	3,467	4,542
Other financial assets	5.1	15,000	12,000
Inventories	5.2	370	388
Other assets	5.2	560	760
Total current assets		27,362	25,567
Non-current assets			
Trade and other receivables	5.1	8	14
Investments in associates, joint arrangements and subsidiaries	6.2	308	282
Property, infrastructure, plant and equipment	6.1	569,035	566,130
Right-of-use assets	5.8	183	-
Total non-current assets		569,534	566,426
Total assets		596,896	591,993
Liabilities			
Current liabilities			
Trade and other payables	5.3	4,564	3,484
Trust funds and deposits	5.3	801	595
Provisions	5.5	5,398	5,072
Interest-bearing liabilities	5.4	-	308
Lease liabilities	5.8	67	-
Total current liabilities		10,830	9,459
Non-current liabilities			
Provisions	5.5	3,439	3,170
Lease liabilities	5.8	119	-
Total non-current liabilities		3,558	3,170
Total liabilities		14,388	12,629
Net assets		582,508	579,364
Equity			
Accumulated surplus		236,780	234,086
Reserves	9.1	345,728	345,278
Total equity		582,508	579,364

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

Statement of Changes in Equity For the Year Ended 30 June 2020

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2020					
Balance at beginning of the financial year		579,364	234,086	338,056	7,222
Surplus for the year		2,954	2,954	-	-
Net asset revaluation increment/(decrement)	9.1	190	-	190	-
Transfers to other reserves	9.1	-	(593)	-	593
Transfers from other reserves	9.1	-	333	-	(333)
Balance at end of the financial year		582,508	236,780	338,246	7,482

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2019					
Balance at beginning of the financial year		576,407	229,390	341,056	5,961
Surplus for the year		5,957	5,957	-	-
Net asset revaluation increment/(decrement)	9.1	(3,000)	-	(3,000)	-
Transfers to other reserves	9.1	-	(1,300)	-	1,300
Transfers from other reserves	9.1	-	39	-	(39)
Balance at end of the financial year		579,364	234,086	338,056	7,222

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

Statement of Cash Flows For the Year Ended 30 June 2020

		2020 Inflows/ (Outflows) \$'000	2019 Inflows/ (Outflows) \$'000
	Note		
Cash flows from operating activities			
Rates and charges		23,232	22,373
Statutory fees and fines		552	492
User fees		10,492	11,530
Grants - operating		13,301	13,990
Grants - capital		8,084	7,525
Contributions - monetary		768	313
Interest received		332	621
Trust funds and deposits taken		206	-
Net GST refund/(payment)		2,342	2,461
Employee costs		(18,378)	(17,783)
Materials and services		(18,842)	(19,904)
Trust funds and deposits repaid		-	(440)
Net cash provided by/(used in) operating activities	9.2	22,089	21,178
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(20,060)	(22,059)
Proceeds from sale of property, infrastructure, plant and equipment		441	553
Payments for investments		(2,000)	(1,000)
Payment of loans and advances		6	86
Net cash provided by/(used in) investing activities		(21,613)	(22,420)
Cash flows from financing activities			
Finance costs		(8)	(21)
Repayment of borrowings		(308)	(295)
Interest paid - lease liability		(7)	-
Repayment of lease liabilities		(65)	-
Net cash provided by/(used in) financing activities		(388)	(316)
Net increase/(decrease) in cash and cash equivalents		88	(678)
Cash and cash equivalents at the beginning of the financial year		7,877	8,555
Cash and cash equivalents at the end of the financial year	5.1(a)	7,965	7,877
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

Statement of Capital Works For the Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Property			
Buildings		2,128	2,291
Total buildings		2,128	2,291
Total property		2,128	2,291
 Plant and equipment			
Plant, machinery and equipment		2,193	1,928
Fixtures, fittings and furniture		19	20
Computers and telecommunications		205	171
Total plant and equipment		2,417	2,119
 Infrastructure			
Roads		12,353	13,587
Bridges		915	1,699
Footpaths and cycleways		679	780
Drainage		442	189
Recreational, leisure and community facilities		205	1,227
Waste management		287	90
Parks, open space and streetscapes		634	41
Total infrastructure		15,515	17,613
 Total capital works expenditure		20,060	22,023
 Represented by:			
New asset expenditure		922	1,152
Asset renewal expenditure		15,097	16,914
Asset expansion expenditure		174	105
Asset upgrade expenditure		3,867	3,852
Total capital works expenditure		20,060	22,023

The above statement of capital works should be read in conjunction 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 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)

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 (except where transitional requirements of *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities* do not require restatement of comparatives under the modified retrospective approach adopted by the Council), 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.

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 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref
Income					
Rates and charges	23,050	23,103	53	0.2%	
Statutory fees and fines	432	529	97	22.5%	1
User fees	8,886	9,283	397	4.5%	
Grants - operating	12,329	13,453	1,124	9.1%	2
Grants - capital	3,118	7,421	4,303	138.0%	3
Contributions - monetary	77	768	691	897.4%	4
Contributions - non monetary	-	80	80	-	5
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	(2,505)	(2,505)	-	6
Share of net profits/(losses) of associates and joint ventures	-	26	26	-	
Other income	435	332	(103)	-23.7%	
Total income	48,327	52,490	4,163	8.6%	
Expenses					
Employee costs	(18,080)	(18,740)	(660)	3.7%	7
Materials and services	(15,355)	(15,769)	(414)	2.7%	
Depreciation	(13,819)	(13,428)	391	-2.8%	
Amortisation - Right of use assets	-	(68)	(68)	-	
Bad and doubtful debts	-	(117)	(117)	-	
Borrowing costs	(8)	(8)	-	0.0%	
Finance costs - Leases	-	(7)	(7)	-	
Other expenses	-	(1,399)	(1,399)	-	8
Total Expenses	(47,262)	(49,536)	(2,274)	4.8%	
Surplus/(deficit) for the year	1,065	2,954	1,889	177.4%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory Fees & Fines	Primarily due to increase in planning permit application fees and health service fees.
2	Grants - operating	Significant items include unbudgeted fire recovery grant of \$0.3 million, additional early years funding \$0.2 million and various non recurrent project funding.
3	Grants - capital	Includes significant unbudgeted road and bridges funded projects of \$3 million and Port Fairy East Beach landfill remediation funding of \$1.3 million.
4	Contributions - monetary	Includes \$0.2 million towards road construction projects and various community group contributions towards infrastructure projects.
5	Contributions - non monetary	Gifted playground equipment.
6	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Plant and equipment and infrastructure asset disposals and sale proceeds recognised in 2019-20.
7	Employee costs	Primarily due to unbudgeted work cover salary payments of \$0.22 million and increase in annual leave provision \$0.16 million.
8	Other expenses	Footpaths revaluation decrement of \$1 million that was not offset against previous increments within the Asset Revaluation Reserve.

Note 1 Performance against budget (cont'd)

1.2 Capital Works

	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref
Property					
Land	428	-	(428)	-100.0%	1
Total Land	428	-	(428)	-100.0%	
Buildings	1,269	2,128	859	67.7%	2
Total Buildings	1,269	2,128	859	67.7%	
Total Property	1,697	2,128	431	25.4%	
Plant and Equipment					
Plant, machinery and equipment	1,617	2,193	576	35.6%	3
Fixtures, fittings and furniture	57	19	(38)	-66.7%	4
Computers and telecommunications	260	205	(55)	-21.2%	5
Total Plant and Equipment	1,934	2,417	483	25.0%	
Infrastructure					
Roads	9,232	12,353	3,121	33.8%	6
Bridges	576	915	339	58.9%	7
Footpaths and cycleways	250	679	429	171.6%	8
Drainage	488	442	(46)	-9.4%	
Recreational, leisure and community facilities	335	205	(130)	-38.8%	9
Waste management	60	287	227	378.3%	10
Parks, open space and streetscapes	277	634	357	128.9%	11
Other infrastructure	65	-	(65)	-100.0%	12
Total Infrastructure	11,283	15,515	4,232	37.5%	
Total Capital Works Expenditure	14,914	20,060	5,146	34.5%	
Represented by:					
New asset expenditure	575	922	347	60.3%	
Asset renewal expenditure	11,613	15,097	3,484	30.0%	
Asset expansion expenditure	45	174	129	286.7%	
Asset upgrade expenditure	2,681	3,867	1,186	44.2%	
Total Capital Works Expenditure	14,914	20,060	5,146	34.5%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Quarry Access reclassified to Roads (\$80k), Gardens Caravan Park Underground services (\$158k) and Griffith Island Causeway (\$150k) carried forward to 2020/21, Tree trimming reclassified to operating expenditure (\$40k).
2	Buildings	Funding opportunity following adopted budget for Port Fairy Bowls Club redevelopment (\$396k), Woorndoo Netball Change rooms (\$281k) and Southcombe Park Toilets (\$217k) carried forward from 2018/19.
3	Plant, machinery and equipment	Major plant purchases (\$282k) and Utility purchases (\$145k) carried forward from 2018/19.
4	Fixtures, fittings and furniture	Small furniture purchases reclassified to operating expenditure (\$20k). Meeting space upgrade reclassified to Buildings (\$17k).
5	Computers and telecommunications	IT equipment purchases carried forward to 2020/21 (\$55k).
6	Roads	Streetscape works carried forward from 2018/19 (\$677k). Additional Roads to Recovery, Roads to Market, Fixing Country Roads and Heavy Vehicle Safety Productivity Program funding secured to allow an additional \$1.87m rehabilitation and safety works and \$585k roundabout works.
7	Bridges	Additional funding from the Country Roads and Bridges program allowed addition bridge rehabilitation works (\$340k).
8	Footpaths and cycleways	\$450k footpath reclassified from streetscape works.
9	Recreation, leisure and community facilities	Caravan Park signage, entry and waste infrastructure upgrade incomplete and carried forward to 2020/21. Macarthur splash pad project deferred until 2020/21.
10	Waste Management	Public place bins in Koroit project deferred until 2020/21. Bins for kerbside glass collection purchased that were not in the Adopted Budget (\$256k).
11	Parks, opens space and streetscapes	Additional funding secured saw the commencement of further East Beach works (\$42k), continued works at Battery Hill on cannons carried forward from 2018/19 (\$108k), unplanned works at 3 playgrounds required (\$61k), a water well and pump installed at Awabi Court carried forward from 2018/19 (105k).
12	Other	\$45k street furniture reclassified, \$20k Lifeboat Slipway repair deferred to 2020/21.

Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2 (a) Community and Corporate Services

Community Services has responsibility for the delivery of a range of early years services including kindergartens, child care, and maternal & child health, as well as operating aged care services. In addition, a suite of recreation and cultural activities is managed, including sports grounds, community development, libraries, recreation facilities, youth services and support for events, festivals & the arts.

Corporate Services encompasses internal support roles including all finance functions, IT, property & rating, human resources & payroll, risk and records management.

Infrastructure & Environment

Infrastructure & Environment consists of a range of services under the main management areas of Works and Engineering and Assets & Contracts. Additional responsibilities include Environment & Regulatory Services, which encompasses local laws, animal control, environmental health, school crossings, environmental & coastal matters, waste management, emergency management and operation of the Port of Port Fairy. The directorate delivers various objectives of the Moyne Shire Council Plan 2017-2021 including planning and delivery of infrastructure projects and facility maintenance.

Economic Development & Planning

This directorate covers a wide range of services involving land use and development, strategic planning, economic development, festivals and events, tourism and operation of caravan parks.

Governance and Leadership

The Governance & Leadership directorate provides administration of executive services, Councillor support and monitoring of Council activities to ensure legislative compliance. It provides a wide range of services including support services to the Mayor & Councillors, administration of Council meetings & workshops and collaboration with other agencies in regional projects. It also provides community advocacy and undertakes strategic planning activities such as the Council Plan review.

2 (b) Summary of revenues, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2020					
Community and Corporate Services	30,403	11,890	18,513	6,172	25,892
Infrastructure & Environment	17,739	30,084	(12,345)	14,291	570,711
Economic Development & Planning	4,287	6,283	(1,996)	411	293
Governance and Leadership	61	1,279	(1,218)	-	-
	52,490	49,536	2,954	20,874	596,896
	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Community and Corporate Services	30,191	12,767	17,424	5,777	22,983
Infrastructure & Environment	19,865	28,571	(8,706)	16,095	568,873
Economic Development & Planning	4,409	5,892	(1,483)	417	137
Governance and Leadership	6	1,284	(1,278)	-	-
	54,471	48,514	5,957	22,289	591,993

	2020 \$'000	2019 \$'000
Note 3 Funding for the delivery of our services		
3.1 Rates and charges		

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is 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 2019/2020 was \$7.507 billion (2018-2019 \$6.852 billion). The 2019/2020 rate in the CIV dollar was 0.0020500 (2018-2019, 0.0021763).

Residential	5,255	4,983
Commercial/Industrial	739	717
Farm/Rural	12,062	11,679
Supplementary rates and rate adjustments	18	16
Waste management charge	3,402	3,268
Interest on rates and charges	120	125
Revenue in lieu of rates	1,507	1,644
Total rates and charges	23,103	22,432

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2019, and the valuation first applied in the rating year commencing 1 July 2019.

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

3.2 Statutory fees and fines

Dog and Cat Charges	136	138
Health Licences and Fees	123	93
Regulation Fees and Permits	20	37
Town Planning Fees & Certificates	250	276
Total statutory fees and fines	529	544

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.

3.3 User fees

Aged & Disability Services Fees	602	614
Building Fees	74	69
Childcare / Preschool Fees	1,205	1,315
Port Fees and Charges	222	194
Private Works	667	1,494
Property Rentals	70	64
Quarry Fees and Charges	2,116	2,332
Refuse Operations	295	254
Caravan Park/Lodge Fees	3,457	3,645
Reimbursements	300	411
Corporate Fees and Charges	23	22
Other	252	660
Total user fees	9,283	11,074

User fees by timing of revenue recognition

User fees recognised over time	-	-
User fees recognised at a point in time	9,283	11,074
Total user fees	9,283	11,074

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

	2020 \$'000	2019 \$'000
Note 3 Funding for the delivery of our services (cont'd)		
3.4 Funding from other levels of government		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	12,264	11,705
State funded grants	8,610	10,585
Total grants received	20,874	22,290
(a) Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grant - unallocated	4,597	4,832
Financial Assistance Grant - local roads	4,166	4,267
Aged Care	783	752
<i>Recurrent - State Government</i>		
Aged Care	257	306
Port of Port Fairy	456	462
Community Services	520	173
Environment	110	74
Family & Children	1,699	1,680
Regulatory Services	19	30
Emergency Management	420	996
Other	426	318
Total recurrent operating grants	13,453	13,890
Total operating grants	13,453	13,890
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to Recovery	2,718	1,854
Total recurrent capital grants	2,718	1,854
<i>Non-Recurrent - State Government</i>		
Environment	1,333	431
Parks and Amenities	8	7
Port of Port Fairy	-	180
Recreation	195	255
Family & Children	-	11
Roads and Streets	2,253	4,441
Waste Management	113	60
Asset Management	101	806
Bridge Maintenance & Construction	700	355
Total non-recurrent capital grants	4,703	6,546
Total capital grants	7,421	8,400

	2020 \$'000	2019 \$'000
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Note 3 Funding for the delivery of our services (cont'd)

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

Balance at start of year	2,720	2,593
Received during the financial year and remained unspent at balance date	1,438	1,324
Received in prior years and spent during the financial year	(1,683)	(1,197)
Balance at year end	<u>2,475</u>	<u>2,720</u>

Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement.

3.5 Contributions

Monetary	768	313
Non-monetary	80	406
Total contributions	<u>848</u>	<u>719</u>

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

Infrastructure	80	406
Total non-monetary contributions	<u>80</u>	<u>406</u>

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

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

Proceeds of sale	441	553
Written down value of assets disposed	(2,946)	(3,721)
Total net gain/(loss) on the disposal of property, infrastructure, plant and equipment	<u>(2,505)</u>	<u>(3,168)</u>

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

3.7 Other income

Interest	332	580
Total other income	<u>332</u>	<u>580</u>

Interest is recognised as it is earned.

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

	2020 \$'000	2019 \$'000
Note 4 The cost of delivering services		
4.1 Employee costs		
Wages and salaries	14,727	14,191
Annual leave and long service leave	1,897	1,837
Superannuation	1,520	1,430
WorkCover	453	390
Fringe benefits tax	143	154
Total employee costs	18,740	18,002
(a) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	123	112
	<u>123</u>	<u>112</u>
Employer contributions payable at reporting date	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,025	1,070
Employer contributions - other funds	547	440
	<u>1,572</u>	<u>1,510</u>
Employer contributions payable at reporting date	-	-
Refer to note 9.3 for further information relating to Council's superannuation obligations.		
4.2 Materials and services		
Family & Children's Services	158	155
Aged Care	245	263
Port of Port Fairy	183	273
Quarry & External Works	629	1,010
Regulatory Services	126	116
Finance/IT, Governance & Administrative Services	313	426
Environmental Management	440	474
Waste Management	2,179	2,045
Caravan Parks & Tourism	590	498
Parks, Recreation & Township Maintenance	823	835
Asset Management, Design & Engineering	1,548	822
Roads & Streets	1,442	1,944
Economic Development & Planning	701	526
Vehicle Operating Costs	1,925	2,133
Utilities	890	915
Office Administration	566	606
Insurance	411	375
Computer & Software Maintenance	608	661
Donations/Contributions	1,450	1,451
Other	542	800
Total materials and services	15,769	16,328

	2020 \$'000	2019 \$'000
Note 4 The cost of delivering services (cont'd)		
4.3 Depreciation		
Property	1,550	1,530
Plant and equipment	1,669	1,525
Infrastructure	10,209	10,717
Total depreciation	13,428	13,772
<i>Refer to note 5.8 and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.</i>		
4.5 Amortisation - Right of use assets		
ICT Equipment	68	-
Total Amortisation - Right of use assets	68	-
4.6 Bad and doubtful debts		
Childcare debtors	6	7
Animal debtors	13	14
Other debtors	98	4
Total bad and doubtful debts	117	25
Movement in provisions for doubtful debts		
Balance at the beginning of the year	19	20
New Provisions recognised during the year	14	11
Amounts already provided for and written off as uncollectible	(5)	(11)
Amounts provided for but recovered during the year	(2)	(1)
Balance at end of year	26	19
Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.		
4.7 Borrowing costs		
Interest - Borrowings	8	21
Total borrowing costs	8	21
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.		
4.8 Finance Costs - Leases		
Interest - Lease Liabilities	7	-
Total finance costs	7	-
4.9 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	57	42
Auditors' remuneration - Internal	75	70
Councillors' allowances	260	254
Assets written-off / impaired (footpath revaluation decrement)	1,007	-
Total other expenses	1,399	366

	2020 \$'000	2019 \$'000
Note 5 Our financial position		
5.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	4	-
Cash at bank	5,961	5,877
Term Deposits	2,000	2,000
Total cash and cash equivalents	7,965	7,877
(b) Other financial assets		
Term deposits - current	15,000	12,000
Total other financial assets	15,000	12,000
Total financial assets	22,965	19,877
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary or future use. These include:		
- Heritage loan reserve (Note 9.1)	109	109
Total restricted funds	109	109
Total unrestricted cash and cash equivalents	22,856	19,768
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	4,172	4,026
Total funds subject to intended allocations	4,172	4,026

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.

	2020 \$'000	2019 \$'000
Note 5 Our financial position (cont'd)		
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	1,062	1,191
<i>Non statutory receivables</i>		
Home care debtors	44	88
Childcare debtors	8	54
Quarry debtors	117	217
Building and planning debtors	45	54
Loans and advances to community organisations	6	6
Government debtors	70	65
Other debtors	1,365	2,360
Provision for doubtful debts - other debtors	(26)	(19)
Net GST receivable	776	526
	<u>3,467</u>	<u>4,542</u>
Non-current		
<i>Non statutory receivables</i>		
Loans and advances to community organisations	8	14
	<u>8</u>	<u>14</u>
Total trade and other receivables	<u>3,475</u>	<u>4,556</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.

(d) Ageing of Receivables

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

Current (not yet due)	1,097	1,760
Past due by up to 30 days	75	230
Past due between 31 and 180 days	195	586
Past due between 181 and 365 days	208	207
Past due by more than 1 year	62	56
Total trade & other receivables	<u>1,637</u>	<u>2,839</u>

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$26,403 (2019: \$18,580) were impaired. The amount of the provision raised against these debtors was \$26,403 (2019: \$18,580). 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:

Current (not yet due)	5	-
Past due by up to 30 days	2	-
Past due between 31 and 180 days	5	2
Past due between 181 and 365 days	4	8
Past due by more than 1 year	10	9
Total trade & other receivables	<u>26</u>	<u>19</u>

	2020 \$'000	2019 \$'000
Note 5 Our financial position (cont'd)		
5.2 Non-financial assets		
(a) Inventories		
Inventories held for distribution	359	373
Inventories held for sale	11	15
Total inventories	370	388
Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.		
(b) Other assets		
Prepayments	517	717
Accrued income	43	43
Total other assets	560	760
5.3 Payables		
(a) Trade and other payables		
Trade payables	4,444	2,931
Accrued expenses	120	553
Total trade and other payables	4,564	3,484
(b) Trust funds and deposits		
Refundable deposits	98	89
Fire services levy	644	454
Retention amounts	13	13
Trust funds - drainage	7	7
Trust funds - other	39	32
Total trust funds and deposits	801	595

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.

Note 5 Our financial position (cont'd)	2020	2019
5.4 Interest-bearing liabilities	\$'000	\$'000
Current		
Borrowings - secured	-	308
	-	308
Total	-	308
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	-	308
	-	308

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 5 Our financial position (cont'd)

5.5 Provisions

	Employee	Landfill restoration	Other	Total
	\$ '000	\$ '000	\$ '000	\$ '000
2020				
Balance at beginning of the financial year	5,443	2,799	-	8,242
Additional provisions	1,896	-	-	1,896
Amounts used	(1,771)	-	-	(1,771)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	237	233	-	470
Balance at the end of the financial year	5,805	3,032	-	8,837
2019				
Balance at beginning of the financial year	5,224	2,311	-	7,535
Additional provisions	1,905	-	-	1,905
Amounts used	(1,905)	-	-	(1,905)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	219	488	-	707
Balance at the end of the financial year	5,443	2,799	-	8,242

2020
\$'000

2019
\$'000

(a) Employee provisions

Current provisions expected to be wholly settled within 12 months

Annual leave	642	505
Long service leave	388	462
	<u>1,030</u>	<u>967</u>

Current provisions expected to be wholly settled after 12 months

Annual leave	1,363	1,191
Long service leave	3,005	2,914
	<u>4,368</u>	<u>4,105</u>
Total current employee provisions	<u>5,398</u>	<u>5,072</u>

Non-current

Long service leave	407	371
Total non-current employee provisions	<u>407</u>	<u>371</u>

Aggregate carrying amount of employee provisions:

Current	5,398	5,072
Non-current	407	371
Total aggregate carrying amount of employee provisions	<u>5,805</u>	<u>5,443</u>

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	0.42%	1.06%
- wage inflation rate	4.25%	4.31%
- long service leave settlement period	12 years	12 years

Note 5 Our financial position (cont'd)

5.5 Provisions (cont'd)

	2020	2019
	\$'000	\$'000
(b) Landfill restoration		
Non-current	3,032	2,799
Total	3,032	2,799

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	0.66%	1.19%
- inflation rate	2.00%	2.00%
- estimated years to commence rehabilitation	13 years	14 years

5.6 Financing arrangements

Bank loans	-	308
Credit card facility	100	100
Total facilities	100	408
Used facilities	-	308
Unused facilities	100	100
	100	408

5.7 Commitments

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

	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
2020					
Operating					
Cleaning contracts for council buildings	185	-	-	-	185
Swimming Pools	147	-	-	-	147
Total	332	-	-	-	332

	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
2019					
Operating					
Cleaning contracts for council buildings	175	0	0	-	175
Swimming Pools	144	147	0	-	291
Caravan Park	82	0	0	-	82
Total	401	147	-	-	548

Note 5 Our financial position (cont'd)

5.8 Leases

Policy applicable before 1 July 2019

As a lessee, council classifies leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to council.

Operating lease payments, including any contingent rentals, were recognised as an expense in the comprehensive income statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset was not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease were recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Policy applicable after 1 July 2019

Council has applied *AASB 16 Leases* using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information. The council applied the approach consistently to all leases in which it is a lessee.

On transition to *AASB 16 Leases*, Council elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. The council has applied this practical expedient to all of its contracts and therefore applied *AASB 16 Leases* only to contracts that were previously identified as leases.

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

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

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

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

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

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

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

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

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

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

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

Note 5 Our financial position (cont'd)

5.8 Leases (cont'd)

Right-of-Use Assets

	ICT Equipment \$'000
Balance at 1 July 2019	251
Amortisation charge	(68)
Balance at 30 June 2020	183

Lease Liabilities

	2020 \$'000
Maturity analysis - contractual undiscounted cash	
Less than one year	67
One to five years	119
Total undiscounted lease liabilities as at 30 June:	186

Lease liabilities included in the Balance Sheet at 30 June:

Current	67
Non-current	119
Total lease liabilities	186

i. Leases classified as operating leases under AASB 117 Leases

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at Council's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Council applied this approach to all applicable leases.

Council used the following practical expedients when applying AASB 16 Leases to leases previously classified as operating leases under AASB 117 Leases .

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of AASB 137 Provisions, Contingent Liabilities and Contingent Assets onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

ii. Leases previously classified as finance leases

For leases that were classified as finance leases under AASB 117 Leases , the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are determined at the carrying amount of the lease asset and lease liability under AASB 117 Leases immediately before that date.

Council is not required to make any adjustments on transition to AASB 16 Leases for leases in which it acts as a lessor, except for a sub-lease. Council accounted for its leases in accordance with AASB 16 Leases from the date of initial application.

Impact on financial statements

On transition to AASB 16 Leases , Council recognised an additional \$251,000 of right-of-use assets and \$251,000 of lease liabilities.. When measuring lease liabilities, Council discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 3.0%.

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2019	Additions	Contributions	Revaluation	Depreciation	Disposal	Transfers	At Fair Value 30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	99,654	1,260	-	-	(1,550)	(22)	925	100,267
Plant and equipment	8,301	2,417	-	-	(1,669)	(312)	-	8,737
Infrastructure	456,311	14,542	80	(817)	(10,209)	(2,612)	759	458,054
Work in progress	1,864	1,841	-	-	-	-	(1,728)	1,977
	566,130	20,060	80	(817)	(13,428)	(2,946)	(44)	569,035

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000
Property	1,103	868	(967)	1,004
Infrastructure	761	973	(761)	973
Total	1,864	1,841	(1,728)	1,977

Note 6 Assets we manage (cont'd)

6.1 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 2019	46,523	588	950	48,061	86,917	464	87,381	1,103	136,545
Accumulated depreciation at 1 July 2019	-	-	-	-	(35,439)	(349)	(35,788)	-	(35,788)
	46,523	588	950	48,061	51,478	115	51,593	1,103	100,757
Movements in fair value									
Additions	-	-	-	-	1,260	-	1,260	868	2,128
Disposal	-	-	-	-	(110)	-	(110)	-	(110)
Transfers	-	-	-	-	925	-	925	(967)	(42)
	-	-	-	-	2,075	-	2,075	(99)	1,976
Movements in accumulated depreciation									
Depreciation	-	-	-	-	(1,540)	(10)	(1,550)	-	(1,550)
Accumulated depreciation of disposals	-	-	-	-	88		88	-	88
	-	-	-	-	(1,452)	(10)	(1,462)	-	(1,462)
At fair value 30 June 2020	46,523	588	950	48,061	88,992	464	89,456	1,004	138,521
Accumulated depreciation at 30 June 2020	-	-	-	-	(36,891)	(359)	(37,250)	-	(37,250)
	46,523	588	950	48,061	52,101	105	52,206	1,004	101,271

Note 6 Assets we manage (cont'd)

6.1 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 2019	17,720	930	2,601	21,251
Accumulated depreciation at 1 July 2019	(9,773)	(825)	(2,352)	(12,950)
	7,947	105	249	8,301
Movements in fair value				
Additions	2,193	19	205	2,417
Disposal	(1,376)	-	(10)	(1,386)
	817	19	195	1,031
Movements in accumulated depreciation				
Depreciation	(1,497)	(34)	(139)	(1,670)
Accumulated depreciation of disposals	1,065	-	10	1,075
	(432)	(34)	(129)	(595)
At fair value 30 June 2020	18,537	949	2,796	22,282
Accumulated depreciation at 30 June 2020	(10,205)	(859)	(2,481)	(13,545)
	8,332	90	315	8,737

Note 6 Assets we manage (cont'd)

6.1 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 2019	542,361	67,641	10,988	13,783	2,566	4,631	2,247	6,439	761	651,417
Accumulated depreciation at 1 July 2019	(152,239)	(28,298)	(2,194)	(5,596)	(1,482)	(1,388)	(900)	(2,248)	-	(194,345)
	390,122	39,343	8,794	8,187	1,084	3,243	1,347	4,191	761	457,072
Movements in fair value										
Additions	12,302	463	679	208	101	287	191	309	973	15,513
Contributions	-	-	-	-	-	-	80	-	-	80
Revaluation	-	(40)	(1,902)	2,005	-	-	273	-	-	336
Disposal	(3,607)	(162)	(251)	(3)	-	-	(24)	-	-	(4,047)
Transfers	384	96	190	70	-	-	-	21	(761)	-
	9,079	357	(1,284)	2,280	101	287	520	330	212	11,882
Movements in accumulated depreciation										
Depreciation	(8,196)	(751)	(300)	(138)	(178)	(199)	(140)	(307)	-	(10,209)
Revaluation	-	(21)	87	(1,052)	-	-	(167)	-	-	(1,153)
Accumulated depreciation of disposals	1,229	88	95	1	-	-	22	-	-	1,435
	(6,967)	(684)	(118)	(1,189)	(178)	(199)	(285)	(307)	-	(9,927)
At fair value 30 June 2020	551,440	67,998	9,704	16,063	2,667	4,918	2,767	6,769	973	663,299
Accumulated depreciation at 30 June 2020	(159,206)	(28,982)	(2,312)	(6,785)	(1,660)	(1,587)	(1,185)	(2,555)	-	(204,272)
	392,234	39,016	7,392	9,278	1,007	3,331	1,582	4,214	973	459,027

Note 6 Assets we manage (cont'd)

Note 6.1 (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.

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	15-180 years	5
road seals	20 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

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.

Note 6 Assets we manage (cont'd)

Note 6.1 (d) Property, infrastructure, plant and equipment (cont'd)

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 engloba (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 2020 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Land - Non Specialised	-	588	-	Jun-18
Land - Specialised	-	-	46,523	Jun-18
Buildings - Non Specialised	-	105	-	Jun-18
Buildings - Specialised	-	-	52,101	Jun-18
Total	-	693	98,624	

Valuation of infrastructure

Valuation of bridges, footpaths, playgrounds and drainage has been determined in accordance with a valuation undertaken by the Council's engineering unit at 30th June 2020.

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 2019.

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 2020 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Roads	-	-	392,234	Jun-19
Bridges	-	-	39,016	Jun-20
Footpaths and cycleways	-	-	7,392	Jun-20
Drainage	-	-	9,278	Jun-20
Recreational, leisure and community facilities	-	-	1,007	Historical Cost
Waste management	-	-	3,331	Historical Cost
Playgrounds	-	-	1,582	Jun-20
Other infrastructure	-	-	4,214	Historical Cost
Total	-	-	458,054	

Note 6 Assets we manage (cont'd)

Note 6.1 (d) Property, infrastructure, plant and equipment (cont'd)

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.

	2020	2019
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	950	950
Other Council Land	46,523	46,523
Total specialised land	47,473	47,473

Note 6 Assets we manage (cont'd)	2020	2019
6.2 Investments in associates, joint arrangements and subsidiaries	\$'000	\$'000

(a) Investments in associates

Investments in associates accounted for by the equity method are:

Corangamite Regional Library Corporation	282	282
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Background

The Corangamite Regional Library Corporation was formed under section 196 of the *Local Government Act 1989* 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 2020 (18.8% as at 30 June 2019).

Fair value of Council's investment in Corangamite Regional Library Corporation		
	308	282

Council's share of accumulated surplus/(deficit)

Council's share of accumulated surplus/(deficit) at start of year	208	208
Reported surplus/(deficit) for year	26	-
Council's share of accumulated surplus/(deficit) at end of year	234	208

Council's share of reserves

Council's share of reserves at start of year	74	74
Council's share of reserves at end of year	74	74

Movement in carrying value of specific investment

Carrying value of investment at start of year	282	282
Share of surplus/(deficit) for year	26	0
Carrying value of investment at end of year	308	282

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.

	2020 No.	2019 No.
Note 7 People and relationships		
7.1 Council and key management remuneration		
(a) Related Parties		
<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 6.2		
(b) Key Management Personnel (KMP)		
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:		
Councillors		
Councillor Daniel Meade (Mayor 27/11/19 to 30/6/20)		
Councillor Michael Wolfe (Mayor 1/7/19 to 26/11/19)		
Councillor Jim Doukas		
Councillor Colin Ryan		
Councillor Jill Parker		
Councillor Ian Smith		
Councillor Jordan Lockett		
Other KMP		
Chief Executive Officer		
Director - Community & Corporate Services		
Director - Infrastructure & Environment		
Director - Economic Development & Planning		
Total Number of Councillors	7	7
Total of Chief Executive Officer and other Key Management Personnel	4	4
Total Key Management Personnel	11	11
(c) Remuneration of Key Management Personnel	2020	2019
	\$	\$
Total remuneration of key management personnel was as follows:		
Short-term benefits	955	929
Post employment ebenefts	78	76
Total	1,033	1,005
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:	2020 No.	2019 No.
\$20,000 - \$29,999	6	6
\$80,000 - \$89,999	1	1
\$120,000 - \$129,999	1	-
\$180,000 - \$189,999	2	4
\$270,000 - \$279,999	1	-
	11	11

Remuneration of key management personnel in 2019/20 has been impacted by having the Chief Executive Officer's role filled for the full twelve months, which was not the case in 2018/19. Conversely, the role of Director - Economic Development & Planning was vacant for part of 2019/20, however it was filled for the full twelve months of the 2018/19 year.

Note 7 People and relationships (cont'd)

(d) Senior Officer Remuneration

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 \$151,000

The number of Senior Officers are shown below in their relevant income bands:

Income Range:

\$151,000 - \$159,999

\$160,000 - \$169,999

2020
No.

2019
No.

1

-

1

1

2

1

Total Remuneration for the reporting year for Senior Officers included above, amounted to:

314

160

7.2 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 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent assets

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 21 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:

	2020	2019
	\$'000	\$'000
Not later than one year	116	120
Later than one year and not later than five years	588	480
Later than five years	1,682	1,800
	<u>2,386</u>	<u>2,400</u>

(b) Contingent liabilities

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

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 2018/19 and 2019/20 financial years*. There were *no* contributions outstanding and *no* loans issued from or to the above schemes as at 30 June 2020. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 is nil.

Liability Mutual Insurance

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

(c) Guarantees for loans to other entities

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 8 Managing uncertainties (cont'd)

8.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2020 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.

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in *AASB 13 Fair Value Measurement*. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with *AASB 116 Property, Plant and Equipment* or *AASB 138 Intangible Assets*, as appropriate, except as specified AASB 1059;
- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

Based on the Council's current assessment, there is expected to be no impact on the transactions and balances recognised in the financial statements as the Council is not a grantor in a service concession arrangement.

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)

The Standard principally amends *AASB 101 Presentation of Financial Statements* and *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the local government sector are expected to be minimal.

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG Sector)

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

Note 8 Managing uncertainties (cont'd)

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

(c) Credit risk

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

- council 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 8.1(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 8 Managing uncertainties (cont'd)

8.3 Financial instruments (cont'd)

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 0.5% and -0.5% in market interest rates (AUD) from year-end rates of 1.15%.

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 8 Managing uncertainties (cont'd)

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. 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.

8.5 Events occurring after balance date

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

Note 9 Other matters

9.1 Reserves

(a) Asset revaluation reserves

2020

Property

Land & land improvements

Buildings

Infrastructure

Roads

Bridges

Footpaths and cycleways

Drainage

Plant and Equipment

Other infrastructure

Total asset revaluation reserves

2019

Property

Land & land improvements

Buildings

Infrastructure

Roads

Bridges

Footpaths and cycleways

Drainage

Plant and Equipment

Other infrastructure

Total asset revaluation reserves

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
2020			
Property			
Land & land improvements	35,043	-	35,043
Buildings	22,793	-	22,793
	57,836	-	57,836
Infrastructure			
Roads	237,607	-	237,607
Bridges	29,095	(61)	29,034
Footpaths and cycleways	808	(808)	-
Drainage	2,914	953	3,867
Plant and Equipment	430	-	430
Other infrastructure	9,366	106	9,472
	280,220	190	280,410
Total asset revaluation reserves	338,056	190	338,246
2019			
Property			
Land & land improvements	35,043	-	35,043
Buildings	22,793	-	22,793
	57,836	-	57,836
Infrastructure			
Roads	240,607	(3,000)	237,607
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
	283,220	(3,000)	280,220
Total asset revaluation reserves	341,056	(3,000)	338,056

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

Note 9 Other matters (cont'd)

9.1 Reserves (cont'd)

(b) Other reserves

2020

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
Business enterprise reserve	1,568	-	(306)	1,262
Southcombe park sporting complex	8	-	-	8
Heritage loan reserve	109	-	-	109
Subdivision reserve	264	-	(27)	237
Quarry reserve	2,126	404	-	2,530
Waste facilities reserve	3,147	189	-	3,336
Total Other reserves	7,222	593	(333)	7,482

2019

Business enterprise reserve	1,312	256	-	1,568
Southcombe park sporting complex	8	-	-	8
Heritage loan reserve	109	-	-	109
Subdivision reserve	303	-	(39)	264
Quarry reserve	1,557	569	-	2,126
Waste facilities reserve	2,672	475	-	3,147
Total Other reserves	5,961	1,300	(39)	7,222

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 Southcombe 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 9 Other matters (cont'd)

	2020 \$'000	2019 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus (deficit)		
Surplus for the year	2,954	5,957
Depreciation/amortisation	13,496	13,772
Finance costs	15	21
Profit/(loss) on disposal of property, infrastructure, plant and equipment	2,505	3,168
Contributions - Non-monetary assets	(80)	(406)
Landfill provision	233	488
Share of net (profits)/losses of associates & joint ventures accounted for by the equity method	(26)	-
Other	51	-
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	1,075	(370)
Increase/(decrease) in trade and other payables	1,286	(648)
(Increase)/decrease in other assets	218	(144)
Increase/(decrease) in provisions	362	220
Net cash provided by/(used in) operating activities	22,089	22,058

9.3 Superannuation

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

Accumulation

The Fund's accumulation 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 2020, 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 Moyne Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding Arrangements

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

A triennial actuarial review is currently underway for the Defined Benefit category as at 30 June 2020 and is expected to be completed by 31 December 2020.

As at 30 June 2019, an interim actuarial investigation was completed 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 107.1%. The financial assumptions used to calculate the VBI's were:

Net investment returns 6.0% pa
Salary information 3.5% pa
Price inflation (CPI) 2.0% pa.

Vision Super has advised that the estimated VBI at 30 June 2019 was 107.1%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2018 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 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate will increase in line with any increases in the SG 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.

Note 9 Other matters (cont'd)
9.3 Superannuation (cont'd)

Funding calls

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

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

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

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

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

The 2018 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Moyne Shire Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2019 and a full actuarial investigation was conducted as at 30 June 2017.

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

	2019	2017
	\$m	\$m
- A VBI Surplus	151.3	69.8
- A total service liability surplus	233.4	193.5
- A discounted accrued benefits surplus	256.7	228.8

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 2019.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2019.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2019.

Council was notified of the 30 June 2019 VBI during August 2019 (2018: August 2018).

The 2020 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2020. It is anticipated that this actuarial investigation will be completed by 31 December 2020. The financial assumptions for the purpose of this investigation are:

	2020 Triennial Investigation	2017 Triennial Investigation
Net Investment Return	5.6% pa	6.5% pa
Salary Inflation	2.5% pa for the first 2 years and 2.75% thereafter	3.5% pa
Price Inflation	2.0% pa	2.5% pa

Moyne Shire Council has not made unfunded liability payments to Vision Super during the 2019/20 year or 2018/19 years.

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2020.

The contribution paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 was \$123k.

10 Change in accounting policy

Council has adopted *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities*, from 1 July 2019. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

Due to the transition methods chosen by Council in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards except in relation to contracts that were not complete at 1 July 2019. The transition impact of these are detailed below.

a) AASB 15 Revenue from Contracts with Customers - Impact of Adoption

AASB 15 Revenue from Contracts with Customers applies to revenue transactions where Council provides services or goods under contractual arrangements.

Council adopted *AASB 15 Revenue from Contracts with Customers* using the modified (cumulative catch up) method. Revenue for 2019 as reported under *AASB 118 Revenue* is not adjusted, because the new standard is only applied from the date of initial application.

AASB 15 Revenue from Contracts with Customers requires revenue from contracts with customers to be recognised as Council satisfies the performance obligations under the contract.

b) AASB 16 Leases

AASB 16 Leases requires right of use assets and related liabilities for all lease agreements to be recognised on the balance sheet. The Statement of Comprehensive Income is to separately recognise the amortisation of the right of use asset, and the finance costs relating to the lease. Council has elected to adopt the modified (cumulative catch up) method under the standard and as such has not adjusted 2019 disclosures. The transition impact of these are detailed below.

c) AASB 1058 Income of Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities applies to income received where no contract is in place. This includes statutory charges (such as rates) as well as most grant agreements.

Council adopted *AASB 1058 Income of Not-for-Profit Entities* using the modified (cumulative catch up) method. Income for 2019 is not adjusted, because the new standard is only applied from the date of initial application.

AASB 1058 Income of Not-for-Profit Entities requires income to be recognised as Council satisfies the performance obligations under the contract.