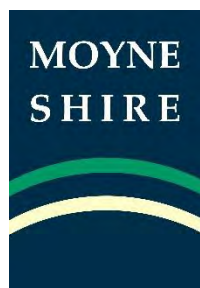




# **ANNUAL REPORT**

## **2018 - 2019**

**Moyne Shire Council**



## Acknowledgements

### **Traditional Owners**

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

## Our Vision

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

## Our Purpose

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

## Our Values

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

## About Moyne Shire

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

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

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

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

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



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# **ANNUAL REPORT**

## The Year in Review

# Message from the Mayor

I am proud to present Council's Annual Report, which highlights the achievements and challenges experienced throughout the financial year 1 July 2018 to 30 June 2019. The Annual Report details our performance against the objectives and measures of success as outlined in the *Council Plan 2017-2021*. It also provides an account of our financial performance and demonstrates the broad range of services provided to our community.

In October 2018, we welcomed new Council Chief Executive Officer Bill Millard, following former CEO David Madden's retirement in May 2018. Mr Millard joined Council from Hobsons Bay in Melbourne, and has previously worked at Glenelg Shire and Warrnambool City Councils. He brings with him significant experience in strategic planning and economic development and successfully led an organisational refresh of Council's directorates in early 2019.

Working in collaboration with a number of agencies, government departments, other councils and the community, Council has had a busy year, with many achievements. Our focus has been on maintaining our strong financial management, delivering our core services, advocating on behalf of the community and planning ahead for the Shire's continued economic growth.

With road maintenance remaining a key priority for our rate payers, we have continued to increase our road rehabilitation funding through successful grant applications to both state and federal governments, resulting in more than double the road rehabilitation works targeted for the year. We also undertook an updated assessment on the condition of all Council roads and introduced a new roads inspection program to improve ongoing works planning.

In May 2019, we opened the new Mortlake Library and Community Centre, which incorporates the town library and Visitor Information service, and provides new office and function space for the community. It has already proven to be a popular facility with both residents and visitors, and is a great example of the commitment by our community groups to initiate and drive local improvement projects.

We continue our strong advocacy work on priority issues for the Shire. This has included lobbying to state government on behalf of local businesses, pushing for improved permitting processes to enable roadside driving, and working with all levels of government for funding of the Princes Highway West upgrades.

With Moyne being a hub for renewable energy projects, Council continues to advocate on issues surrounding the management of wind farms, particularly on ensuring benefits to local communities through local grants and employment, and minimising the impacts of their operations on neighbouring residents, such as developing underground transmission lines.



We have worked with local business, industry and community to gain insight in developing Council's Economic Development Strategy. Providing a framework for the next 10 years, the Strategy guides opportunities for sustainable, long-term economic and population growth across the Shire.

Council has continued to have a strong focus on environment and sustainability, responding to ongoing recycling issues by approving a trial of a fourth kerbside bin, and conducting a community education program to improve waste separation and increase the use of the Food Organics Garden Organics (FOGO) service.

Looking ahead, Council adopted the 2019/20 Budget in June 2019, which includes \$14.9 million of capital works improvement projects across the Shire, with \$9.2 dedicated to local roads. The coming year will also see significant investment into supporting local business and tourism, upgrades to community facilities and carrying out a review into early years' services.

On behalf of Moyne Shire Council, I would like to take this opportunity to thank my fellow elected Councillors, our Council staff and community members for their contribution toward another successful year for the Shire.

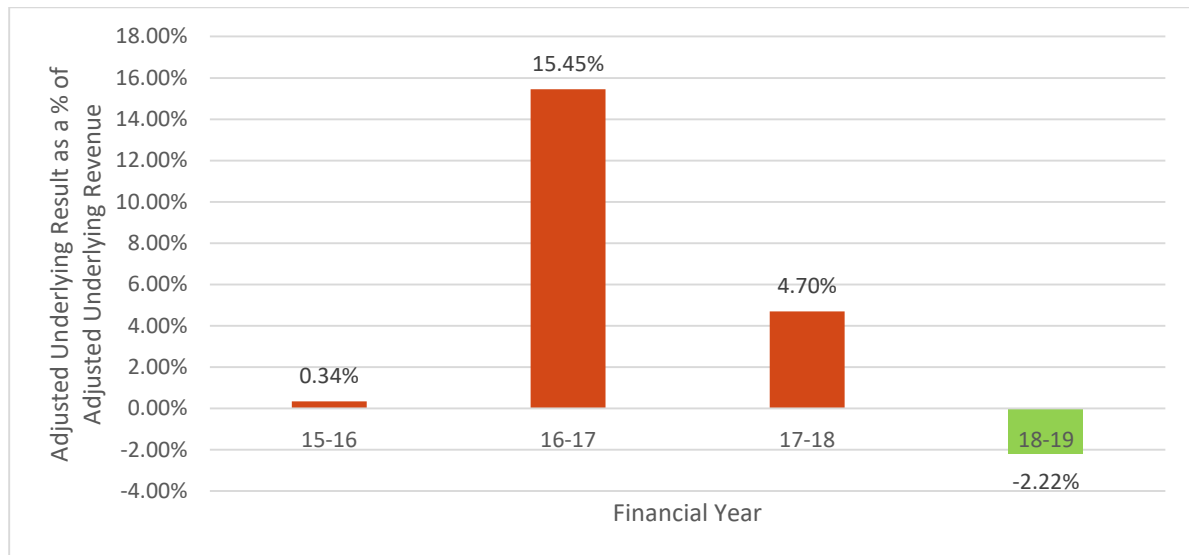
Councillor Mick Wolfe  
Mayor

# 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.

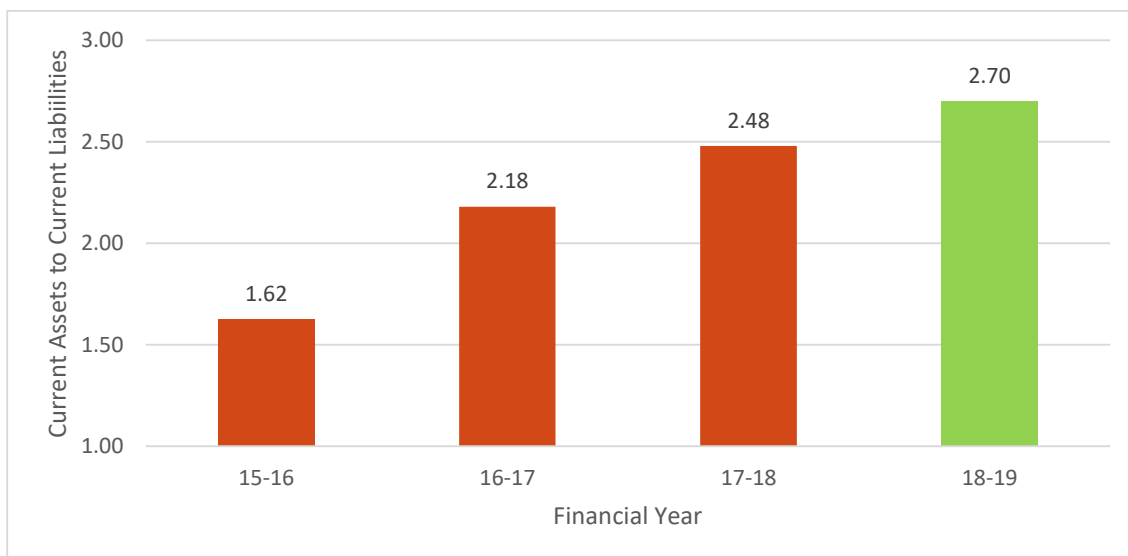
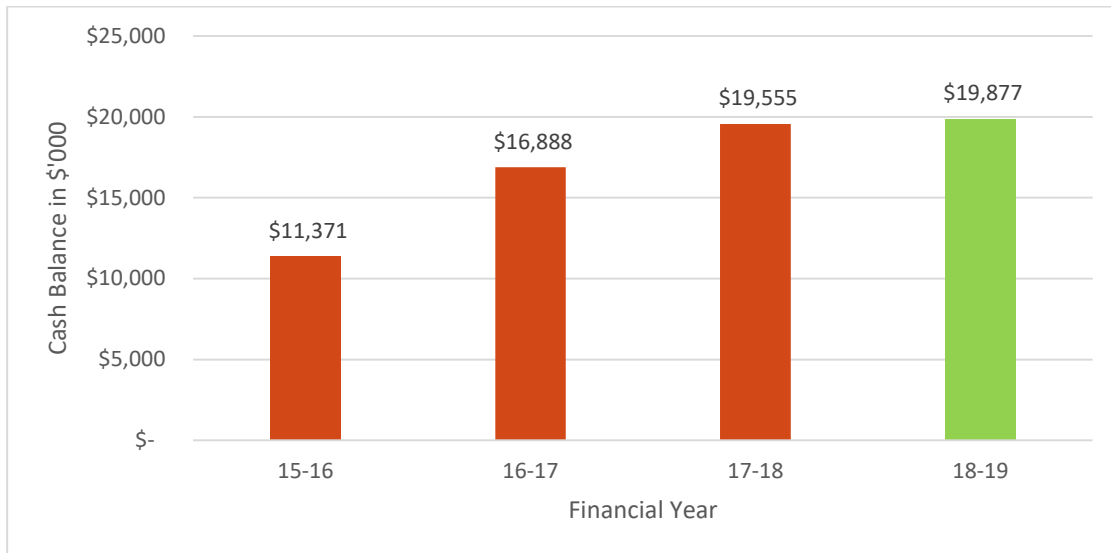
## Operating Position

Council achieved a surplus of \$6.0 million in 2018–19. The adjusted underlying surplus of Council, after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is a deficit of \$1.11 million or 2.22% when compared to adjusted underlying revenue. This included a loss on disposal of assets of \$3.2 million which was primarily due to existing value of road infrastructure replaced which resulted in non cash adjustment on disposal.



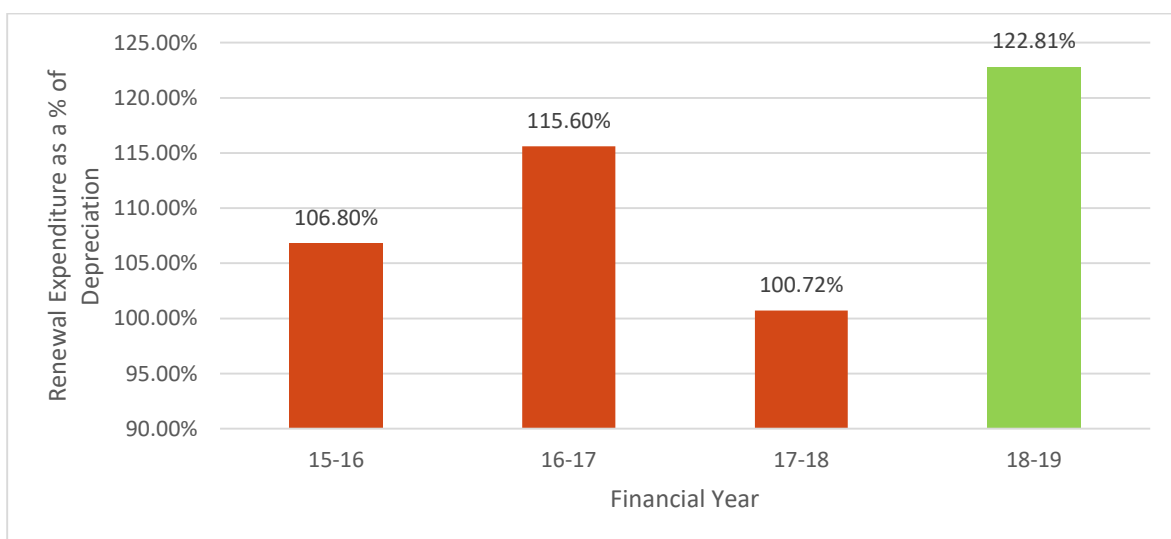
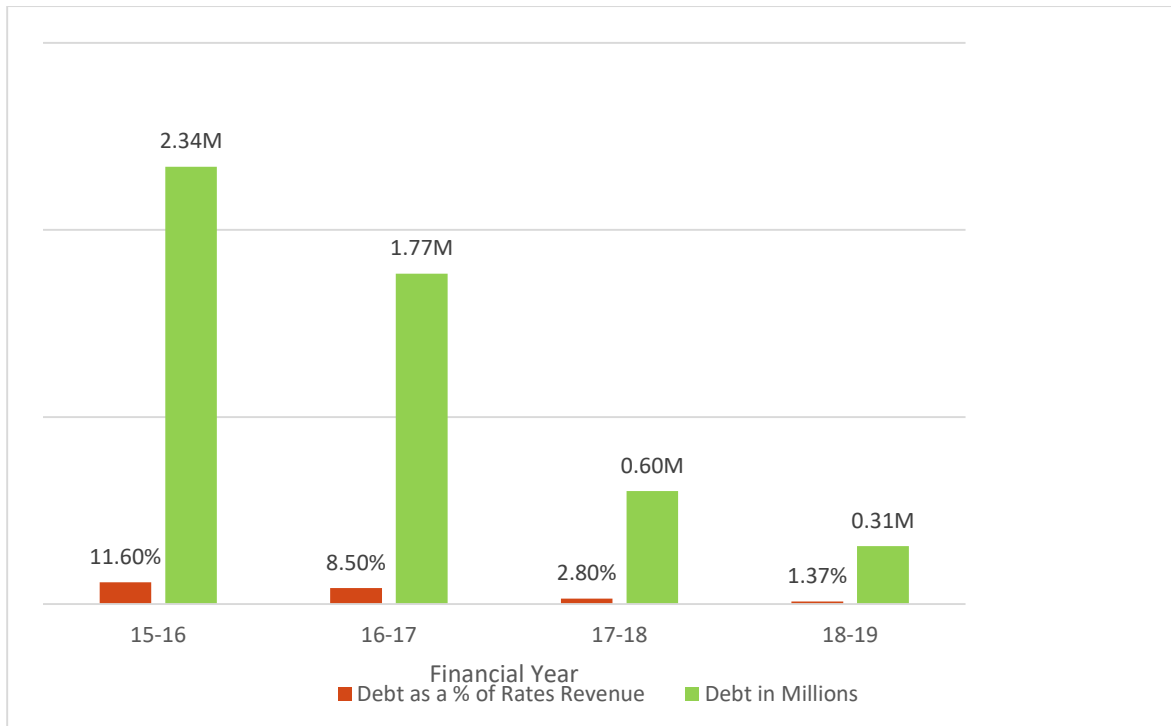
## Liquidity

Cash has increased by \$0.32 million from the prior year to \$19.89 million at 30 June 2019. 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 2.70 exceeds Council's minimum target of 1.00.



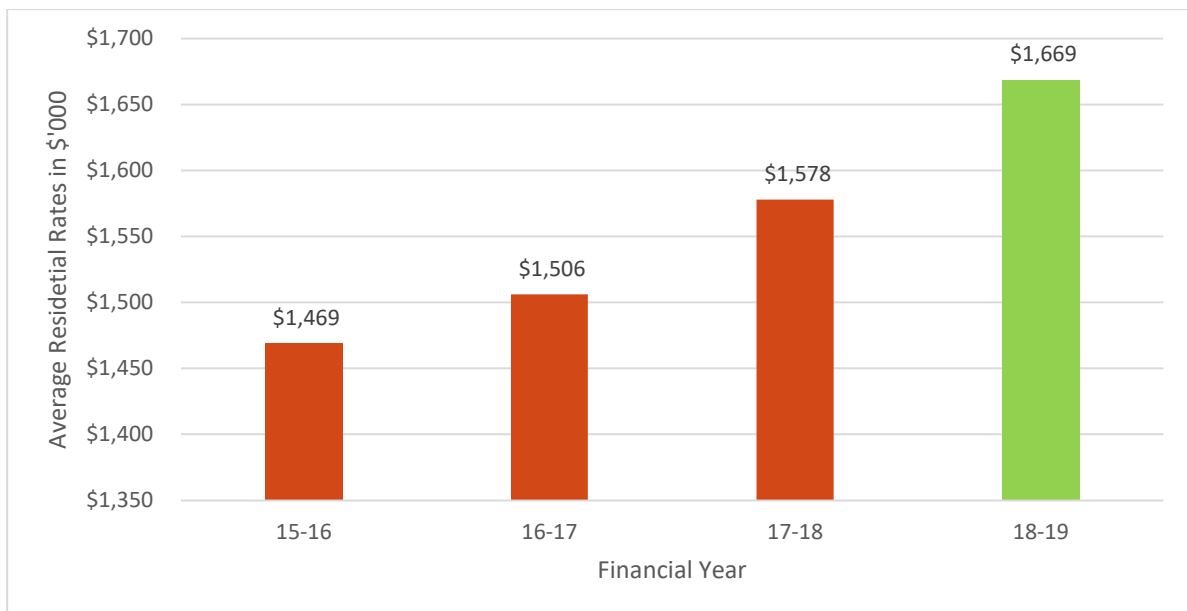
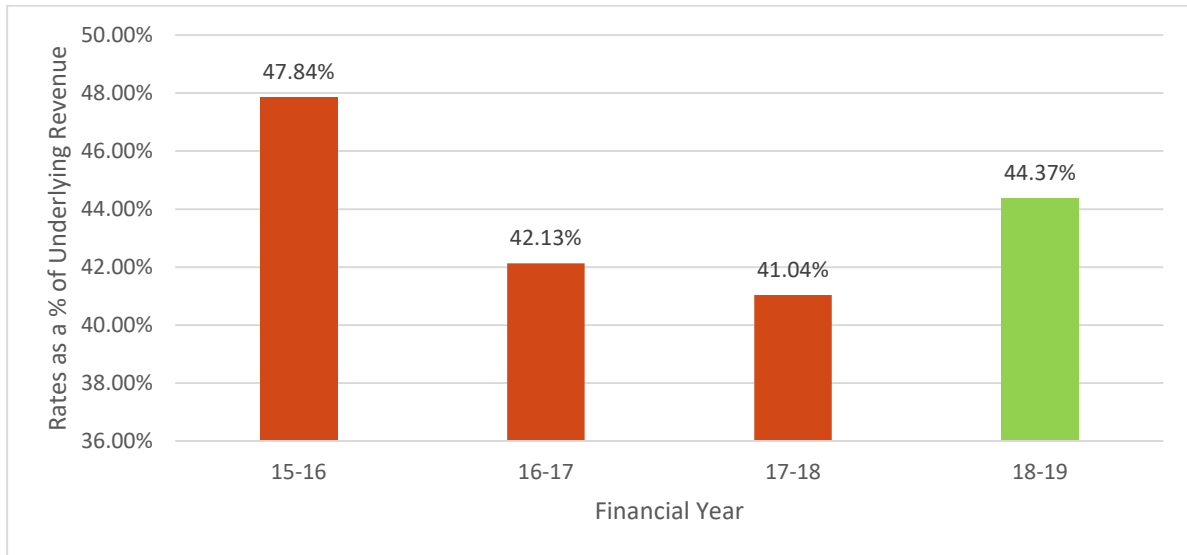
## Obligations

Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. To bridge the infrastructure gap, Council invested \$16.91 million in renewal works during the 2018-19 year. At the end of 2018-19, Council's debt ratio which is measured by comparing interest bearing loans and borrowings to rate revenue was 1.37%, which is well within the state government prudential guidelines of less than 60%. Council's asset renewal ratio which is measured by comparing asset renewal expenditure to depreciation was 122.81%. 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 44.37% for the 2018-19 year. Council has less reliance on rate revenue to fund Council's ongoing services than similar Councils in the large rural shire group due to its diverse revenue base. Council's average residential rate per assessment of \$1,669 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 2018/19 highlighted by an operating surplus of \$5.96 million, low debt levels of only 1.4% debt as a percentage of rates revenue, and an asset renewal indicator of 122.8% indicating that Council is meeting the demand to renew the \$566 million of community assets under its control.

## Major Capital Works

During 2018-19 major capital works included the following:

- Mortlake Library and Community Centre;
- Rock wall and access path, East Beach Port Fairy;
- Koroit Youth Space works;
- Reardon Theatre Improvement works;
- Younger Ross Centre upgrade;
- Hopkins Falls Toilet upgrade;
- Footpath construction including Peterborough and Nullawarre;
- Roads and Bridge construction related expenditure of over \$10 million.

## Major Changes

Recruitment of new Chief Executive Officer Mr Bill Millard

Organisational Structure Refresh aligning services and reporting functions

## Major Achievements

- Road grant funding success
  - road renewal investment
- Mortlake Library and Community Centre project
- Advocacy
  - droving
  - wind farms
  - transmission line undergrounding
- Economic Development and Strategy development.



# **ANNUAL REPORT**

## **Our Council**

# About the Shire

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

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.

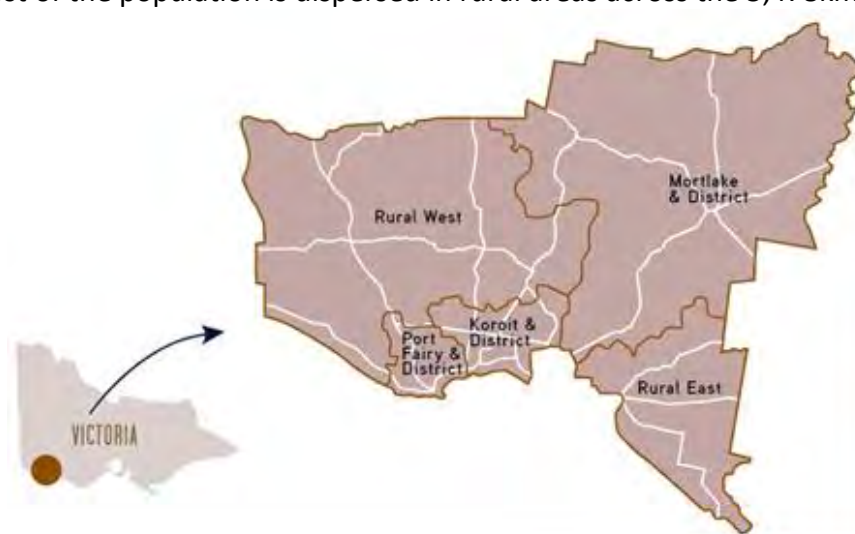
The dairying industry is the dominant industry but sheep production and cereal crops are growing in size. Manufacturing, retail and education are other important sectors.

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 5,478km<sup>2</sup> of the Shire.



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



## **Council History**

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

## **Moyne Shire Borders**

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

## **Services Offered by the Council**

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

## **Towns**

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

## **Aboriginal Heritage**

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

## **Industry and Economy**

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

## **Council Offices and Depots**

Port Fairy Office

Princes Street, Port Fairy

Mortlake Office

1 Jamieson Avenue, Mortlake

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

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

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

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

# Moyne Shire Councillors

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

An Electoral Representation review was undertaken by the Victorian Electoral Commission during 2018/19 the status quo was maintained.

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

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



# ANNUAL REPORT

## Our People

# Executive Management Team

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

## **Bill Millard, Chief Executive Officer (from October 2018)**

Mr Millard joined Moyne Shire Council in October 2018 from Hobsons Bay Council in Melbourne's inner east, 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 (ACEcD), member of the Australian Institute of Company Directors (AICD), 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 & Corporate Services, Mr Leddin is responsible for all corporate functions including finance, information technology, organisation development and the full range of aged & 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 & Risk Committee.

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

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

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

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

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

**Trevor Greenberger, Director 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.

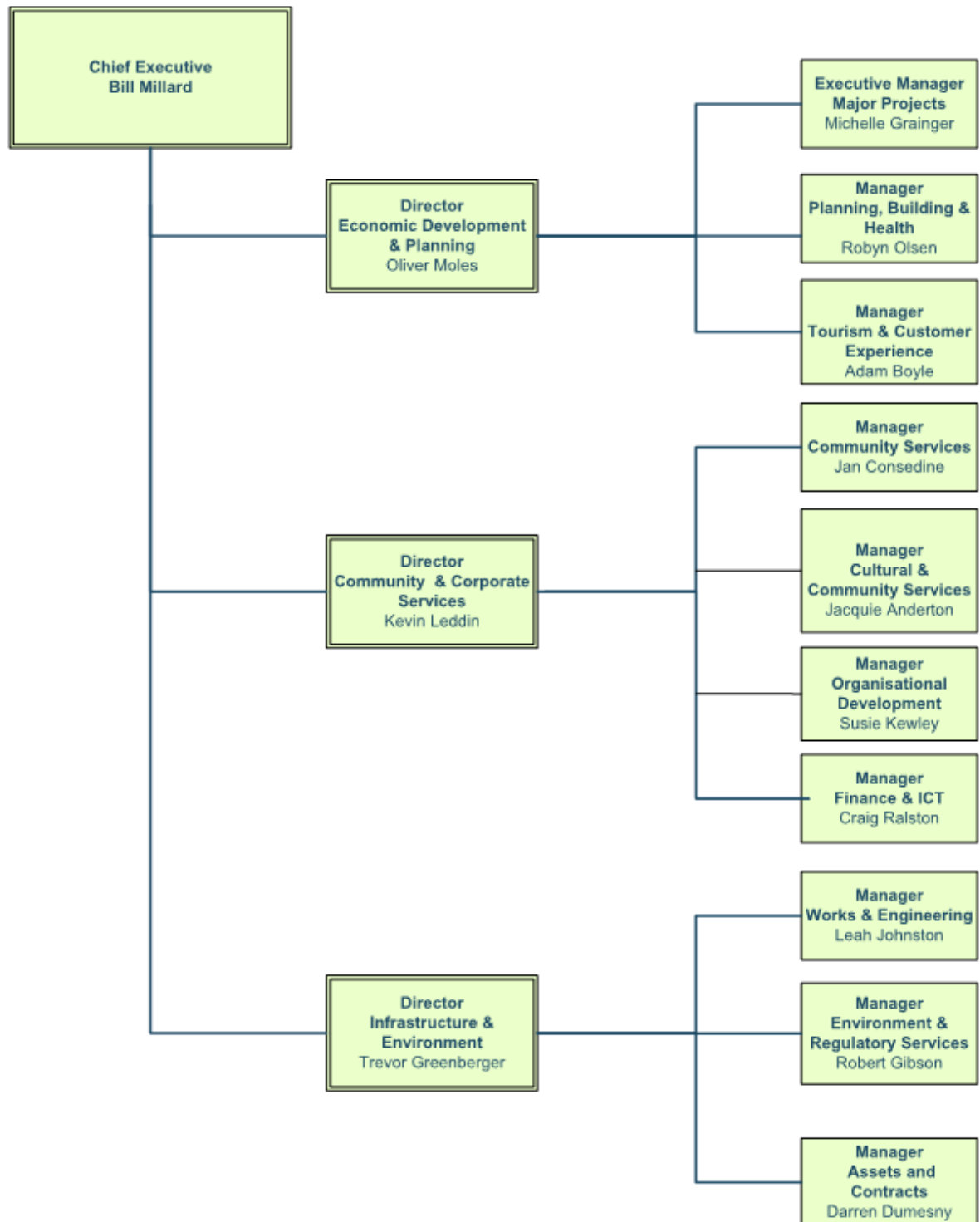
He started his career as a University of Ballarat trained physical education teacher then moved on to managing facilities in Adelaide before being leisure services manager at Southern Grampians Shire Council for six years.

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.

# Management Structure

(As of 30 June 2019)



# Organisational Structure

(As of 30 June 2019)



# 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.

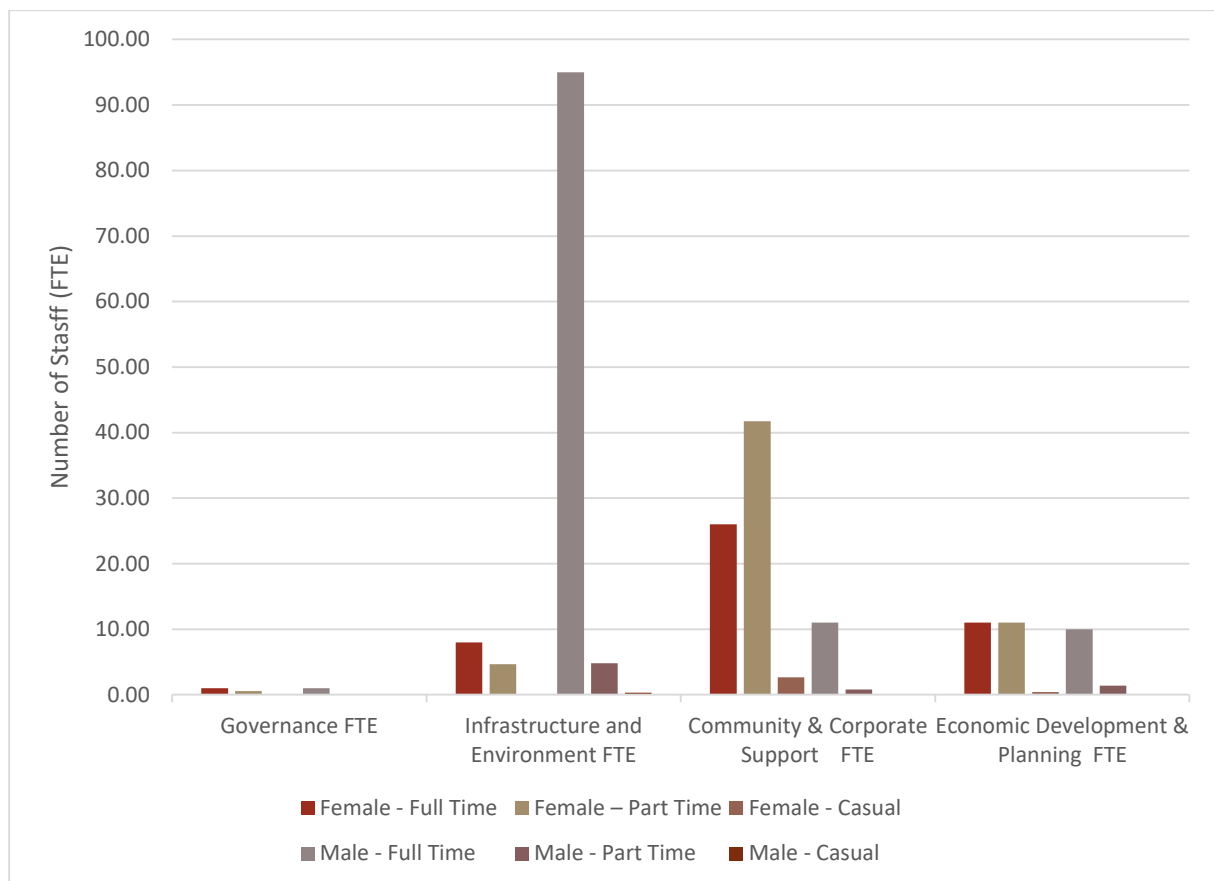
In 2018/2019 Moyne Shire Council employed the equivalent of 231.40 full-time positions (FTE).

## 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.

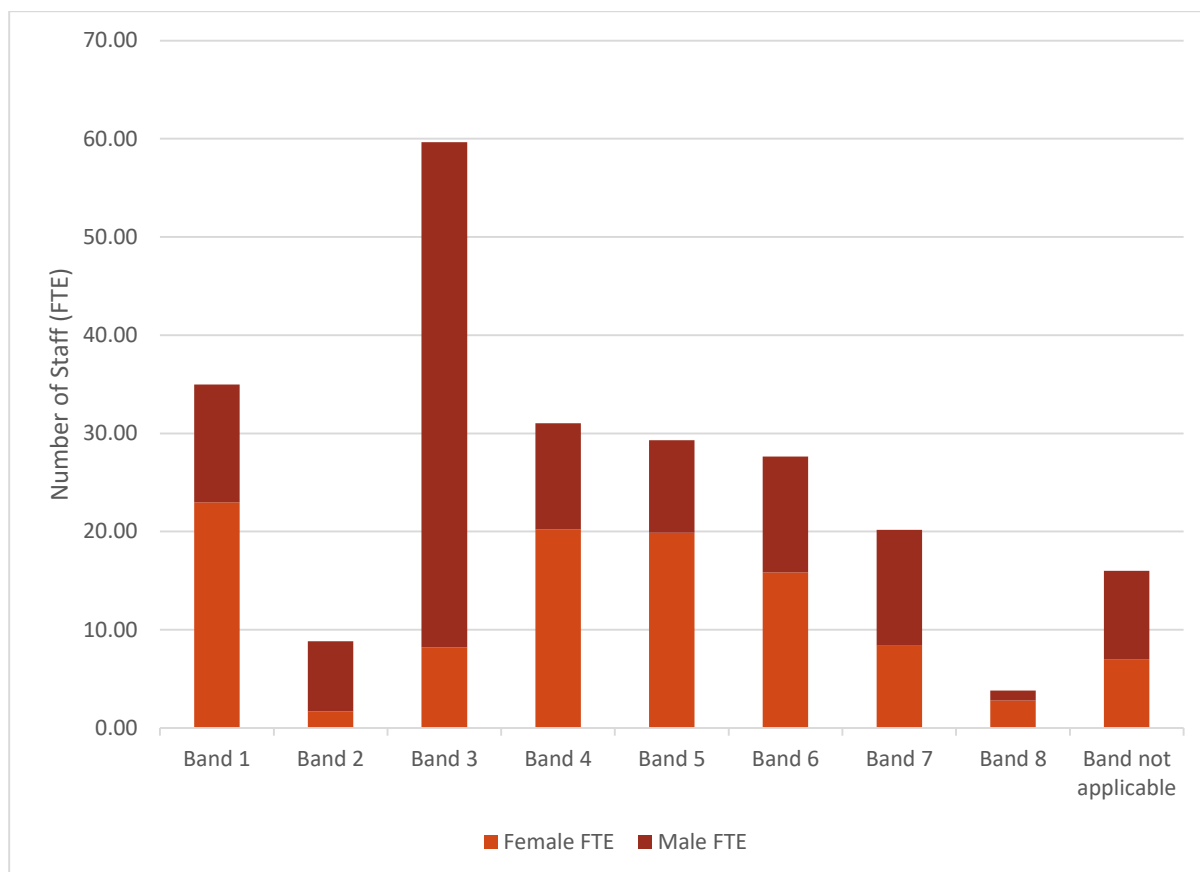
Employee type/gender	Governance FTE	Infrastructure and Environment FTE	Community & Corporate Services FTE	Economic Development and Planning FTE	Total FTE
Female - Full Time	1.00	8.00	26.00	11.00	46.00
Female – Part Time	0.53	4.66	41.76	11.00	57.95
Female - Casual	0.00	0.00	2.64	0.42	3.07
Male - Full Time	1.00	95.00	11.00	10.00	117.00
Male - Part Time	0.00	4.81	0.80	1.37	6.98
Male - Casual	0.00	0.33	0.05	0.03	0.40
<b>Total</b>	<b>2.53</b>	<b>112.80</b>	<b>82.26</b>	<b>33.81</b>	<b>231.40</b>





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

Employment Classification	Female FTE	Male FTE	Total FTE
Band 1	22.98	12.00	34.98
Band 2	1.68	7.15	8.83
Band 3	8.20	51.45	59.65
Band 4	20.22	10.80	31.02
Band 5	19.90	9.41	29.31
Band 6	15.85	11.78	27.63
Band 7	8.37	11.80	20.17
Band 8	2.81	1.00	3.81
Band not applicable	7.00	9.00	16.00
<b>Total</b>	<b>107.01</b>	<b>124.39</b>	<b>231.40</b>



### Equal employment opportunity

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

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

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

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

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

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

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

- Conducting Effective and Meaningful Performance Appraisals
- Outdoor Staff Health and Wellbeing
- Community Services Staff Health and Wellbeing
- Child Safety Standards
- Leading a Child Safe Organisation
- Equal Opportunity, Bullying and Harassment
- Contact Officer training
- First Aid (including Level 2 First Aid, CPR, Asthma Management and Anaphylaxis).
- Manage Conflict through Negotiation
- Stress Management
- Health and Safety Representative Refresher
- Asbestos Awareness
- Managing Mental Illness in the Workplace
- Chipper, Chainsaw and Pole saw Use.

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.

### **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 elearning 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.
- Review and implement changes to our recruitment and human resources practices.



# **ANNUAL REPORT**

## **Our Performance**

## **Strategic Planning and Reporting Framework**

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

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

## **What this annual report contains**

The 2018/2019 Annual Report describes Council's operations and performance for the financial year from 1 July 2018 to 30 June 2019.

## **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 2018/2019. 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

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



**Key Result Area 6  
Families**

- Continuing to provide high quality childcare and kindergarten services
- Developing and implementing the State Government's Child Safety Standards
- Continuing to provide high quality aged & 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 2018/2019 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	89%	Achieved 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	243,942 sqm	Achieved This figure is for our rehabilitated roads, including widening sections. Note that large area was achieved through increased roads to recovery funding and successful grant funding for the Woolsthorpe Hexham Road, Springflat Road, Staywood Road, Glenthompson Road and Terang Woolsthorpe Road.
Number of sealed local road requests divided by kilometres of road to be less than 10%	5%	Achieved Length of sealed local roads is 1623km and there were 87 service requests.
Number of sealed local roads below the intervention level as set by Council divided by	97%	Achieved Maintenance and renewal programs targeted at

Strategic Indicator / Measure	Result	Comments
kilometres of sealed road by x 100 to be more than 95%		priority roads as identified by road condition surveys.
Asset renewal as a percentage of depreciation to be at least 90%	120%	Achieved Focussed consideration given to renewal during the budget process.
Community satisfaction with sealed local roads to be higher than 40	39	Score has improved from last year but continues to be impacted by the condition of State Managed Roads.

### Major Initiatives

Condition assessment updated for all sealed and gravel roads.  
Successful introduction of a new roads inspection program.

### Services

The following statement provides information in relation to the services funded in the 2018/2019 budget and the persons or sections of the community who are provided the service.

#### Local Roads & Streets

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

- Maintenance of approximately 1700km of local sealed road network, including pothole patching, shoulder sheeting, culvert maintenance, vegetation removal, major patching, bridge maintenance and verge slashing.
- Maintenance of approximately 1100km of unsealed road network including pavement grading, pavement sheeting, drain cleaning, verge slashing, bridge maintenance, vegetation clearing.
- Maintenance of approximately 240 Bridges and Culverts.
- Bid for and carry out private works.
- Provision and maintenance of 4 works depots.

- Supervision and administrative functions for 77 (EFT) staff plus temporary employees as required.
- Determine and cost 10-year plant replacement program.
- Ensure full cost recovery via plant hire rates.
- Maintain major plant, minor plant and sedan/utility holding.

### **Engineering Design**

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 26% of gross sales dividend to Council's general revenue.

- Winning and screening of scoria.
- Feeding and operating crusher making scoria limestone mix and aggregates.
- Stockpiling – moving products to stockpiles away from production area.
- Loading trucks from stockpiles.
- Delivery to clients of small quantities of material.
- Pit maintenance to ensure weed free and tidy quarry.
- Quarry Management and supervision.
- Crusher maintenance.
- Plant maintenance.
- Quarry dividend to Council of \$666,000.
- Truck, Water Truck and Ute maintenance.
- Weighbridge maintenance.

### **Asset Management & 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.

### **Main Road Maintenance**

Moyne Shire ceased its contract arrangement for the management of VicRoads managed roads in February 2019.

**Building Services**

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

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

## Service performance indicators

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

	Results			
Service/Indicator/Measure	2017	2018	2019	Material Variations
Aquatic Facilities				
<b>Service Standard</b> Health inspections of aquatic facilities Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities	1.00	1.00	1.00	-
<b>Health and Safety</b> Reportable safety incidents at aquatic facilities Number of WorkSafe reportable aquatic facility safety incidents	0.00	0.00	0.00	Nil reportable incidents
<b>Service Cost</b> Cost of indoor aquatic facilities Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities	\$0.00	\$0.00	\$0.00	Council does not have any indoor aquatic facilities
<b>Service Cost</b> Cost of outdoor aquatic facilities Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities	\$13.04	\$16.17	\$15.69	
<b>Utilisation</b> Utilisation of aquatic facilities Number of visits to aquatic facilities / Municipal population	0.72	0.57	0.59	



	Results			
Service/Indicator/Measure	2017	2018	2019	Material Variations
<b>Libraries</b>				
<b>Utilisation</b> Library collection usage Number of library collection item loans / Number of library collection items	2.84	2.81	2.83	-
<b>Standard of library collection</b> <i>Number of library collection items purchased</i> <i>in the last 5 years / Number of library</i> <i>collection items x100</i>	74.50%	68.69%	69.03%	-
<b>Service cost</b> Cost of library service Direct cost of the library service / Number of visits	\$7.21	\$7.05	\$7.17	-
<b>Participation</b> Active library members Number of active library members / Municipal population x100	10.68%	9.87%	9.86%	-

	Results			
Service/Indicator/Measure	2017	2018	2019	Material Variations
<b>Roads</b>				
<b>Satisfaction of use</b> Sealed local road requests Number of sealed local road requests / Kilometres of sealed local roads x100	8.03	9.00	5.36	Council has received additional grants funding, completed large rehabilitation projects and undertaken more proactive maintenance, which has continued to less requests from the public.
<b>Condition</b> Sealed local roads below the intervention level Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads x100	97.14%	95.19%	97.68%	-
<b>Service cost</b> Cost of sealed local road reconstruction Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed	\$42.39	\$38.46	\$39.45	-
<b>Service Cost</b> Cost of sealed local road resealing Direct cost of sealed local road resealing / Square metres of sealed local roads resealed	\$2.46	\$5.73	\$4.43	Sourcing more local raw material contributed to lower transport and therefore total costs.
<b>Satisfaction</b> Satisfaction with sealed local roads Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads	36.00	34.00	39.00	Council has received additional grant funding and completed large rehabilitation projects which were well received by the community.

## 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 33 community applications were received during 2018/19 for disbursement of Community Assistance Fund.
Cost of outdoor swimming pools per visit being less than \$20	\$15.69	Achieved
Number of library collection loans divided by the number of collection items to be 3 or above	2.83	Consistent with an industry-wide trend of declining loans in some collections.
Number of active library members to be at least 10%	9.86%	Reflecting industry record keeping best-practice standards, a one-off measure to remove member cards inactive in the past 3 years was undertaken.

### Major Initiatives

Major initiatives identified in the 2018/19 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 2018/19 budget and the persons or sections of the community who are provided the service.

### **Recreation & Community Development**

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

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

### **Emergency Management**

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

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

## Key Result Area 3 - Environment

### Strategic Indicators

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

Strategic indicator / Measure	Result	Comments
Number of kerbside garbage and recycling bin collection requests divided by number of bin collection households x 1000 to be less than 40	48.39	77 missed bins for the year. The remaining 207 requests mostly related to broken or stolen bins.
At least 60% of kerbside waste diverted from landfill	61.73%	Achieved despite interruptions to the recycling system impacting this result.

### Major Initiatives

Major initiatives identified in the 2018/19 budget included:

- Council commenced a comprehensive community education program aimed at improving use of the FOGO service. This also included bin audits to measure improvements in waste separation.
- Council has also responded to a collapse in the recycled commodities market and approved commencement of a trial fourth bin to enable glass to be separated from other recyclables and facilitate continued recycling of plastic, paper and cardboard.
- Finalisation & implementation of the Port Fairy Coastal Structure Plan.
- Statutory review of the Moyne Planning Scheme.
- Determined long-term management approach for old East Beach landfill.
- Continue construction of East Beach sea walls and investigate options including realignment of the Surf Club Access Ramp and construction of the All Access ramp to beach.

## **Services**

The following statement provides information in relation to the services funded in the 2018/2019 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. 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:

- Administrating 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.

	Results			
Service/Indicator/Measure	2017	2018	2019	Material Variations
<b>Animal Management</b>				
<b>Timeliness</b> Time taken to action animal management requests Number of days between receipt and first response action for all animal management requests / Number of animal management requests	1.00	1.00	1.00	
<b>Service standard</b> Animals reclaimed Number of animals reclaimed / Number of animals collected x100	57.48%	55.71%	52.81%	
<b>Service cost</b> Cost of animal management service Direct cost of the animal management service / Number of registered animals	\$34.26	\$47.23	\$55.81	Cost increase reflects increased demand on the range of services.
<b>Health and safety</b> Animal management prosecutions Number of successful animal management prosecutions	0.00	0.00	0.00	



	Results			
Service/Indicator/Measure	2017	2018	2019	Material Variations
<b>Food Safety</b>				
<b>Timeliness</b> 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	1.00	2.00	
<b>Service standard</b> 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	93.88%	79.31%	84.89%	
<b>Service cost</b> 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	\$586.51	\$547.42	\$677.38	Variance primarily driven by a reduction in registered food premises.
<b>Health and safety</b> 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%	

	Results			
Service/Indicator/Measure	2017	2018	2019	Material Variations
<b>Statutory Planning</b>				
<b>Timeliness</b> Time taken to decide planning applications The median number of days between receipt of a planning application and a decision on the application	56.00	59.00	72.00	More complex planning applications contributed to increased time taken to decide outcomes.
<b>Service standard</b> Planning applications decided within 60 days Number of planning application decisions made within 60 days / Number of planning application decisions made x100	75.35%	78.51%	74.26%	
<b>Service cost</b> Cost of statutory planning service Direct cost of the statutory planning service / Number of planning applications received	\$2,311.64	\$2,636.90	\$3,068.80	More complex planning applications contributed to additional resource requirements.
<b>Decision making</b> Council planning decisions upheld at VCAT Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications x100	50.00%	0.00%	33.33%	Low numbers of VCAT hearings result in large fluctuations in percentage terms. Three VCAT hearings in 2018/19 versus four hearings in 2017/18.

	Results			
Service/Indicator/Measure	2017	2018	2019	Material Variations
<b>Waste Collection</b>				
<b>Satisfaction</b> Kerbside bin collection requests Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households x1000	38.05	42.15	48.39	Modest increase; six more bin collection requests than the previous year.
<b>Service standard</b> Kerbside collection bins missed Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts x10,000	1.55	1.72	1.64	
<b>Service cost</b> Cost of kerbside garbage bin collection service Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins	\$146.72	\$123.41	\$127.96	
<b>Service cost</b> Cost of kerbside recyclables collection service Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins	\$40.32	\$53.29	\$57.45	
<b>Waste diversion</b> Kerbside collection waste diverted from landfill Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins x100	60.03%	61.88%	61.77%	

## 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	3,163 sqm	Achieved Renewal of concrete footpaths in Port Fairy, Mortlake, Koroit, Macarthur and Nullawarre.
At least one new piece of public art in the Shire each year	Achieved	Public art piece at the Mortlake Community Centre Garden Wall.
At least 70% community satisfaction with community and cultural activities	68	Community & 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 2018/19 budget include:

- Completed public art design for the new Mortlake Community Facility (Library) and governance arrangements for Library and Visitor Information Centre staff to work together in the new building.
- Port Fairy Coastal Structure Plan was a State pilot project to translate local coastal hazard assessment into strategic planning policy. The Plan provides a long term future land use and development framework for Port Fairy to 2041.

## **Services**

The following statement provides information in relation to the services funded in the 2018/2019 budget and the persons or sections of the community who are provided the service.

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

This service provides support of the Shire's varied program of arts and cultural events and activities; plans and develops arts and cultural facilities and infrastructure in conjunction with community groups and develops policies and strategies to facilitate art practice through support of the Regional Arts Development Officer. This service 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.
- Provision of operations to isolated sites Macarthur and Hawkesdale.
- Building operations to Moyne Shire Branch libraries.
- Contribution to Regional Arts Development Officer RADO position.
- Support for Arts and Culture Strategy.
- Support community's artists, not-for-profit groups and organisations to utilise the arts as a way of cultivating connection and wellbeing in the community.
- Assist the community to source and achieve funding for arts projects.
- 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 for local festivals/activities.
- Cleaning and maintenance of 20 Public Toilets.
- Cleaning and maintenance of 19 BBQ's.
- Maintenance of nine (9) playgrounds.
- Clearing of street bins in 15 townships.
- Port Fairy Folk Festival, provision and placing of bins, barriers, toilet cleaning, bin clearing and street/footpath sweeping.
- Operation of Street Lights.

## **Health Services**

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

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

## Key Result Area 5 - Economy

### Strategic Indicators

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

Strategic indicator / Measure	Result	Comments
Community satisfaction rating for town planning to be more than 50	54	Achieved
At least 80% of planning permits processed within the 60-day statutory time limit	74.26%	Result comparable to similar Councils and higher than All Councils result.

### Major Initiatives

Major initiatives identified in the 2018/19 budget include:

- Caravan Park framework developed.
- Economic Development Strategy prepared and presented for community consultation.
- Developed Visitor Services Social Media Strategy.
- Undertaken reaccreditation of Port Fairy & Region Visitor Information Service.
- Delivered in partnership the China Host and the Ideas Place Programs, Small Business Victoria training program and Small Business Festival.

## **Services**

The following statement provides information in relation to the services funded in the 2018/2019 budget and the persons or sections of the community who are provided the service.

### **Statutory & Strategic Planning**

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

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

### **Corporate Business**

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

- Management of Council Business Enterprise staff and contractors.
- Project management.
- Port Fairy Aerodrome management and maintenance.
- Shire event asset bookings.
- Event application coordination and promotion.



### **Caravan Parks**

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

- Port Fairy Gardens, and Southcombe Caravan Parks accommodating approximately 30,000 persons, per annum.
- Management of site 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 the Port Fairy Visitor Information Centre (VIC) and also undertakes event promotion, souvenir sales and support for local tourism. Also provides support for festivals and events.

- Festivals & Events Fund.
- Support provided to local community Festivals & Events (\$110,000 festival funding and officer advice and support).
- Operation of the Port Fairy & 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 & marketing) maintenance  
[www.facebook.com/portfairylvic](https://www.facebook.com/portfairylvic) and <https://www.instagram.com/iamportfairy/>

**Port of Port Fairy**

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

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

## Key Result Area 6 - Families

### Strategic Indicators

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

Strategic indicator / Measure	Result	Comments
At least 70% community satisfaction rating for elderly support services	72	Achieved
Number of days between the referral of Commonwealth Home Support Program (CHSP) & Program for Younger People (PYP) services client and the commencement of the service divided by the number of new clients who have received a CHSP & PYP service to be less than 10	3 Business days	Achieved
Number of people who receive a CHSP & PYP service divided by the Municipal target for CHSP & PYP services x 100 to be at least 25%	32%	Achieved
Number of infants enrolled in the Maternal and Child Health Service (MCH) divided by the number of birth notifications received x 100	93%	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%	70.60%	Achieved

### Major Initiatives

Major initiatives identified in the 2018/19 budget include:

- Municipal Public Health and Wellbeing Action Plan implementation.
- Consolidated the transition to the Kindergarten Cluster Management System.
- Implementation of supported playgroup services.
- Review all Early Years services.

## **Services**

The following statement provides information in relation to the services funded in the 2018/19 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 & 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 & disability services including domestic assistance, personal care, respite, garden & 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.

### **Youth Services**

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

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

### Service performance indicators

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

	Results			
Service/Indicator/Measure	2017	2018	2019	Material Variations
<b>Home and Community Care (CHSP &amp; PYP)</b>				
<b>Timeliness</b> Time taken to commence the CHSP & PYP service Number of days between the referral of a new client and the commencement of CHSP & PYP service / Number of new clients who have received a CHSP & PYP service	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2017	Reporting on CHSP & PYP ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
<b>Service standard</b> Compliance with Community Care Common Standards Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards x100	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2017	Reporting on CHSP & PYP ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs

	Results			
Service/Indicator/Measure	2017	2018	2019	Material Variations
<b>Service cost</b> Cost of domestic care service Cost of the domestic care service / Hours of domestic care service provided	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2017	Reporting on CHSP & PYP ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
<b>Service cost</b> Cost of personal care service Cost of the personal care service / Hours of personal care service provided	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2017	Reporting on CHSP & PYP ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
<b>Service cost</b> Cost of respite care service [Cost of the respite care service / Hours of respite care service provided]	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2017	Reporting on CHSP & PYP ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
<b>Participation</b> Participation in CHSP & PYP service Number of people that received a CHSP & PYP service / Municipal target population for CHSP & PYP services x100	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2017	Reporting on CHSP & PYP ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs

	Results			
Service/Indicator/Measure	2017	2018	2019	Material Variations
<b>Participation</b> Participation in CHSP & PYP service by CALD people Number of CALD people who receive a CHSP & PYP service / Municipal target population in relation to CALD people for CHSP & PYP services x100	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on CHSP & PYP ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
<b>Maternal and Child Health (MCH)</b>				
<b>Satisfaction</b> Participation in first MCH home visit Number of first MCH home visits / Number of birth notifications received x100	94.97%	95.32%	93.62%	
<b>Service standard</b> Infant enrolments in the MCH service Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received x100	96.23%	100%	93.62%	
<b>Service cost</b> Cost of the MCH service Cost of the MCH service / Hours worked by MCH nurses	\$94.88	\$93.48	\$103.32	Increased cost driven by one off purchase of upgraded mobile devices to assist in providing better services to clients.



	Results			
Service/Indicator/Measure	2017	2018	2019	Material Variations
<b>Participation</b> Participation in the MCH service Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service x100	67.19%	69.61%	70.60%	
<b>Participation</b> Participation in the MCH service by Aboriginal children Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service x100	38.64%	66.04%	55.88%	Low numbers of Aboriginal children result in large fluctuation in participation rates.

## 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 2018-19 Audits: Local Government Report tabled 19 December 2018 identifies Moyne Shire as remaining at low risk in terms of Financial Sustainability.
Council's annual liquidity ration maintained above 1.0	2.70	Exceeds Council's minimum target of 1.00

### Major Initiatives

Major initiatives identified in the 2018/19 budget include:

- Implemented Employee Self Service system.
- Completed the implementation of the CI Anywhere environment.
- Successfully transitioned to the centralised annual revaluation process.

## **Services**

The following statement provides information in relation to the services funded in the 2018/2019 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 through various media, in consultation with relevant stakeholders, on behalf of Council.

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

## **Financial Services**

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

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

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

### **Information Technology Services**

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

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

### **Property and Rating**

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

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

**Administrative Service**

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

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

### Service performance indicators

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

	Results			
Service/Indicator/Measure	2017	2018	2019	Material Variations
Governance				
<b>Transparency</b> Council decisions made at meetings closed to the public Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special Committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special Committee consisting only of Councillors x100	16.17%	14.35%	7.98%	Council is committed to minimising the number of resolutions made in closed meetings. Less confidential contractual items considered by Council during 2018/19.
<b>Consultation and engagement</b> Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	58	57	57	

	Results			
Service/Indicator/Measure	2017	2018	2019	Material Variations
<b>Attendance</b> Councillor attendance at Council meeting The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election) x100	93.33%	93.75%	97.96%	
<b>Service cost</b> Cost of governance Direct cost of the governance service / Number of Councillors elected at the last Council general election	\$46,343.43	\$53,382.43	\$54,286.71	
<b>Satisfaction</b> Satisfaction with Council decision Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community	59	57	55	





# **ANNUAL REPORT**

Governance, management and  
other information

# Council Meetings

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

In 2018/2019 the Council held 14 meetings – 12 Ordinary Council meetings and 2 Special Council meetings.

Councillor	Ordinary Meetings	Special Meetings	Total
Cr Jim Doukas	12	2	14
Cr Jill Parker	12	2	14
Cr Colin Ryan	11	1	13
Cr Mick Wolfe	12	2	14
Cr Jordan Lockett	12	2	14
Cr Daniel Meade	12	2	14
Cr Ian Smith	12	2	14

## 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 2018/19.

## Special Committees of Council (Section 86)

(As of 30 June, 2019)

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

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

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

Special Committee	Councillors	Officers	Other	Purpose
CEO Performance Review Committee	7	0	0	<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>

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

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

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

Special Committee	Councillors	Officers	Other	Purpose
				<p>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 01/07/18 to 30/06/19)	86,666
Cr Jim Doukas	27,944
Cr Jill Parker	27,944
Cr Colin Ryan	27,944
Cr Ian Smith	27,944
Cr Daniel Meade	27,944
Cr Jordan Lockett	27,944



## 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 2018-19 year are set out in the following table

Councillors	CM* \$	IC \$	CT \$	Travel \$	Total \$
Cr Mick Wolfe (Mayor 01/07/18 to 30/06/19)	16,000*	943	7,404	3,078	27,425
Cr Jim Doukas	15,847	827	3,394	-	20,068
Cr Jill Parker	7,687	701	2,656	-	11,044
Cr Colin Ryan	6,704	736	-	84	7,524
Cr Ian Smith	16,485	394	214	1,726	18,819
Cr Daniel Meade	8,205	1,822	577	-	10,604
Cr Jordan Lockett	6,012	1,187	282	-	7,481

*\*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 & 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 2018/2019 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: 25 June 2019
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: 25 June 2019
5. Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans  Date of operation of current plans: Building Management Plan: 1 October 2013 Road Management Plan: 1 October 2012 Bridges Management Plan: 1 November 2012 Footpaths and Cycleways Management Plan: 1 November 2012 Drainage Management Plan: 1 November 2012 Recreation (Playgrounds) Management Plan: 1 March 2012 Recreation (Other) Management Plan 1 May 2012
6. Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy  Date of operation of current strategy: 28 June 2016

Governance and Management Items	Assessment
7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	<p>Policy</p> <p>Date of operation of current policy: June 2012</p>
8. Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	<p>Policy</p> <p>Date of operation of current policy: 27 July 2017</p>
9. Municipal emergency management plan (plan under section 20 of the Emergency Management Act for emergency prevention, response and recovery)	<p>Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986</p> <p>Date of preparation: 23 August 2016</p>
10. Procurement policy (policy under section 186A of the Local Government Act outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	<p>Prepared and approved in accordance with section 186A of the Local Government Act</p> <p>Date of approval: 23 April 2019</p>
11. Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	<p>Plan</p> <p>Date of operation of current plan: 1 November 2018</p>
12. Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	<p>Plan</p> <p>Information Communications Technology Disaster Recovery Plan 1 October 2013, Disaster Recovery Plan for Physical Records 1 October 2013.</p>
13. Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	<p>Framework</p> <p>Date of operation of current framework: June 2012</p>
14. Audit Committee (advisory Committee of Council under section 139 of the Local Government Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	<p>Established in accordance with Section 139 of the Local Government Act:</p> <p>Date of establishment: 30 September 1999</p>

Governance and Management Items	Assessment
15. Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged:  Date of engagement of current provider: 26 August 2014
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)	28 May 2019
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)	Statements presented to Council in accordance with section 138(1) of the Local Government Act:  Date statements presented: Monthly Statements: 24 July 2018 28 August 2018 25 September 2018 23 October 2018 27 November 2018 18 December 2018 22 January 2019 26 February 2019 26 March 2019 23 April 2019 28 May 2019 25 June 2019
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.)	Reports:  Date of reports: Quarterly: 31 August 2018 17 December 2018 20 March 2019 21 June 2019

Governance and Management Items	Assessment
20. Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Local Government Act)	26 March 2019
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: 23 October 2018</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 reviews: 28 February 2017 27 November 2018</p>
24. Meeting procedures (a local law governing the conduct of meetings of Council and special Committees)	<p>Meeting procedures local law made In accordance with section 91(1) of the Act</p> <p>Date local law made: 27 September 2011</p>

# Statutory Information

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

## **Information Available for Public Inspection**

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

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

### **Freedom of Information Requests**

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

Moyne Shire Council received four (4) valid Freedom of Information applications during 2018/19. Access was granted in full to one request, access was granted in part to one request, access was denied in full to one request and one 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.

### **Protected Disclosure**

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

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

Council is required to provide certain information about the number and types of protected disclosures complaints during the financial year. During the 2018-19 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. It also did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

### **Disability Action Plan**

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

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

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

### **Domestic Animal Management Plan**

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

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

Euthanasia rates for dogs are currently at less than 6%. This can be attributed to Council returning a large proportion of wandering dogs directly home to their owner, together with a commitment to re-housing impounded animals.

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

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

### **Food Act Ministerial Directions**

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

### **Road Management Act Ministerial Direction**

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



# **ANNUAL REPORT**

## Performance Statement



**MOYNE SHIRE COUNCIL**  
Performance Statement  
For the year ended 30 June 2019

## **Performance Statement**

For the year ended 30 June 2019

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 2019

### 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 25 June 2019 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:** 24 September 2019

In our opinion, the accompanying performance statement of the Moyne Shire Council for the year ended 30 June 2019 presents fairly the results of council's performance in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

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

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

We have been authorised by the council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this performance statement in its final form.



Mick Wolfe  
**Councillor**  
**Dated:** 24 September 2019



Jim Doukas  
**Councillor**  
**Dated:** 24 September 2019



Bill Millard  
**Chief Executive Officer**  
**Dated:** 24 September 2019



# Independent Auditor's Report

## To the Councillors of Moyne Shire Council

<b>Opinion</b>	<p>I have audited the accompanying performance statement of Moyne Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>description of municipality for the year ended 30 June 2019</li> <li>sustainable capacity indicators for the year ended 30 June 2019</li> <li>service performance indicators for the year ended 30 June 2019</li> <li>financial performance indicators for the year ended 30 June 2019</li> <li>other information for the year ended 30 June 2019 (basis of preparation)</li> <li>certification of the performance statement.</li> </ul> <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Performance Statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the performance statement</b>	<p>The Councillors of the council 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 determine is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<b>Auditor's responsibilities for the audit of the performance statement</b>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance</p>

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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 the 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 the performance statement represents the underlying events and results in a manner that achieves fair presentation.

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

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MELBOURNE  
25 September 2019

  
Jonathan Kyvelidis  
*as delegate for the Auditor-General of Victoria*

## Sustainable Capacity Indicators

For the year ended 30 June 2019

<i>Indicator/measure</i>	<b>Results 2016</b>	<b>Results 2017</b>	<b>Results 2018</b>	<b>Results 2019</b>	<b>Material Variations and Comments</b>
<b>Population</b>					
<i>Expenses per head of municipal population</i>	\$2,586	\$2,556	\$2,987	\$3,060	
[Total expenses / Municipal population]					
<i>Infrastructure per head of municipal population</i>	\$24,360	\$24,573	\$30,832	\$30,679	
[Value of infrastructure / Municipal population]					
<i>Population density per length of road</i>	5.91	5.94	6.09	6.15	
[Municipal population / Kilometres of local roads]					
<b>Own-source revenue</b>					
<i>Own-source revenue per head of municipal population</i>	\$1,833	\$1,849	\$2,182	\$2,051	
[Own-source revenue / Municipal population]					
<b>Recurrent grants</b>					
<i>Recurrent grants per head of municipal population</i>	\$750	\$1,160	\$932	\$932	
[Recurrent grants / Municipal population]					
<b>Disadvantage</b>					
<i>Relative Socio-Economic Disadvantage</i>	7	7	7	8	Reflects ABS census data
[Index of Relative Socio-Economic Disadvantage by decile]					

## 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 2019

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
<b>Aquatic Facilities</b> <b>Utilisation</b>  <i>Utilisation of aquatic facilities</i>  [Number of visits to aquatic facilities / Municipal population]	0.65	0.72	0.57	0.59	
<b>Animal Management</b> <b>Health and safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0.00	0.00	0.00	0.00	
<b>Food Safety</b>  <b>Health and safety</b>  <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	62.50%	100.00%	100.00%	100.00%	



Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
<b>Libraries</b> <b>Participation</b> <i>Active library members</i> [Number of active library members / Municipal population] x100	10.58%	10.68%	9.87%	9.86%	
<b>Maternal and Child Health (MCH)</b> <b>Participation</b>  <i>Participation in the MCH service</i>  [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 <b>Participation</b>  <i>Participation in the MCH service by Aboriginal children</i>  [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	68.31%	67.19%	69.61%	70.60%	
	60.66%	38.64%	66.04%	55.88%	Low numbers of aboriginal children result in large fluctuations in participation rates.

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
<b>Roads</b> <b>Satisfaction</b>  <i>Satisfaction with sealed local roads</i>  [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	33.00	36.00	34.00	39.00	Council has received additional grant funding and completed large rehabilitation projects which were well received by the community.
<b>Statutory Planning</b> <b>Decision making</b>  <i>Council planning decisions upheld at VCAT</i>  [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	50.00%	50.00%	0.00%	33.33%	Low numbers of VCAT hearings result in large fluctuations in percentage terms. Three VCAT hearings in 2018/19 versus four hearings in 2017/18.
<b>Waste Collection</b> <b>Waste diversion</b>  <i>Kerbside collection waste diverted from landfill</i>  [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	58.72%	60.03%	61.88%	61.77%	



## 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 2019

Dimension/ <i>indicator/measure</i>	Results	Results	Results	Results	Forecasts				Material Variations and Comments
	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Efficiency</b>									
<b>Revenue level</b>									
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,469.40	\$1,506.40	\$1,577.97	\$1,668.64	\$1,887.75	\$1,940.98	\$1,956.52	\$1,998.03	
<b>Expenditure level</b>									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,508.19	\$3,500.59	\$4,168.32	\$4,264.90	\$3,870.67	\$3,857.83	\$3,843.50	\$3,859.54	
<b>Workforce turnover</b>									
<i>Resignations and terminations compared to average staff</i>	8.36%	9.69%	13.06%	15.97%	10.08%	9.78%	9.74%	9.70%	Increased retirements reflects ageing workforce
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100									

Dimension/ <i>indicator/measure</i>	Results	Results	Results	Results	Forecasts				Material Variations and Comments
	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Liquidity</b> <b>Working capital</b>  <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100  <b>Unrestricted cash</b> <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	162.46%	217.54%	247.50%	270.29%	118.23%	129.80%	140.65%	142.34%	
<b>Obligations</b> <b>Asset renewal</b> <i>Asset renewal compared to depreciation</i>  [Asset renewal expense / Asset depreciation] x100	106.80%	115.59%	100.72%	122.81%	84.04%	86.14%	87.68%	93.82%	Road renewal spend augmented by successful grant applications.

Dimension/indicator/measure	Results	Results	Results	Results	Forecasts				Material Variations and Comments
	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Loans and borrowings</b>									
<i>Loans and borrowings compared to rates</i>	11.60%	8.50%	2.80%	1.37%	0.00%	0.00%	0.00%	0.00%	Almost all borrowings now repaid. Council will be debt free by 30/6/2020.
[Interest bearing loans and borrowings / Rate revenue] x100									
<i>Loans and borrowings repayments compared to rates</i>	3.53%	0.60%	5.64%	1.41%	1.37%	0.00%	0.00%	0.00%	Almost all borrowings now repaid. Council will be debt free by 30/6/2020.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									
<b>Indebtedness</b>									
<i>Non-current liabilities compared to own source revenue</i>	6.99%	5.90%	7.94%	9.15%	7.93%	7.73%	7.67%	7.53%	Variance primarily driven by an increase in the provision for rehabilitation costs of the Killarney waste transfer station at the end of its life.
[Non-current liabilities / Own source revenue] x100									
<b>Operating position</b>									
<b>Adjusted underlying result</b>									
<i>Adjusted underlying surplus (or deficit)</i>	0.34%	15.45%	4.68%	-2.22%	1.39%	2.76%	3.01%	3.22%	Existing value of road infrastructure replaced gave rise to non-cash adjustment on disposal, resulting in adjusted underlying deficit.
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100									

Dimension/ <i>indicator/measure</i>	Results	Results	Results	Results	Forecasts				Material Variations and Comments
	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Stability</b>									
<b>Rates concentration</b>									
<i>Rates compared to adjusted underlying revenue</i>	47.84%	42.13%	41.05%	44.37%	48.09%	48.92%	49.37%	50.10%	
[Rate revenue / Adjusted underlying revenue] x100									
<b>Rates effort</b>									
<i>Rates compared to property values</i>	0.34%	0.34%	0.35%	0.33%	0.31%	0.31%	0.31%	0.32%	
[Rate revenue / Capital improved value of rateable properties in the municipality] 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)

"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.



# **ANNUAL REPORT**

## Financial Report





**MOYNE SHIRE COUNCIL**  
**ANNUAL FINANCIAL REPORT**  
*For the Year Ended 30 June 2019*

# 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*, Australian Accounting Standards and other mandatory professional reporting requirements.



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

**Date :** 24/09/2019  
**Port Fairy**

In our opinion the accompanying financial statements present fairly the financial transactions of Moyne Shire Council for the year ended 30 June 2019 and the financial position of the Council as at that date.

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

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.



**Mick Wolfe**  
**Mayor**

**Date :** 24/09/2019  
**Mortlake**



**Jim Doukas**  
**Councillor**

**Date :** 24/09/2019  
**Mortlake**

**Bill Millard**  
**Chief Executive Officer**



**Date :** 24/09/2019  
**Mortlake**

# Independent Auditor's Report

## To the Councillors of Moyne Shire Council

<b>Opinion</b>	<p>I have audited the financial report of Moyne Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2019</li> <li>• comprehensive income statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cash flows for the year then ended</li> <li>• statement of capital works for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• certification of the financial statements.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**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  
25 September 2019

  
Jonathan Kyvelidis  
as delegate for the Auditor-General of Victoria

## Comprehensive Income Statement For the Year Ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
<b>Income</b>			
Rates and charges	3.1	22,432	21,535
Statutory fees and fines	3.2	544	487
User fees	3.3	11,074	14,031
Grants - operating	3.4	13,890	11,969
Grants - capital	3.4	8,400	8,456
Contributions - monetary	3.5	313	523
Contributions - non-monetary	3.5	406	720
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	3.6	(3,168)	(410)
Share of net profits/(losses) of associates and joint ventures	6.2	-	15
Other income	3.7	580	466
<b>Total income</b>		54,471	57,792
<b>Expenses</b>			
Employee costs	4.1	(18,002)	(17,857)
Materials and services	4.2	(16,328)	(18,441)
Depreciation and amortisation	4.3	(13,772)	(12,881)
Bad and doubtful debts	4.4	(25)	(14)
Borrowing costs	4.5	(21)	(51)
Other expenses	4.6	(366)	(353)
<b>Total expenses</b>		(48,514)	(49,597)
<b>Surplus/(deficit) for the year</b>		5,957	8,195
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment/(decrement)	9.1	(3,000)	109,826
<b>Total comprehensive result</b>		2,957	118,021

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

## Balance Sheet As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1	7,877	8,555
Trade and other receivables	5.1	4,542	4,191
Other financial assets	5.1	12,000	11,000
Inventories	5.2	388	313
Other assets	5.2	760	691
<b>Total current assets</b>		25,567	24,750
<b>Non-current assets</b>			
Trade and other receivables	5.1	14	80
Investments in associates, joint arrangements and subsidiaries	6.2	282	282
Property, infrastructure, plant and equipment	6.1	566,130	564,196
<b>Total non-current assets</b>		566,426	564,558
<b>Total assets</b>		591,993	589,308
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3	3,484	3,728
Trust funds and deposits	5.3	595	1,035
Provisions	5.5	5,072	4,942
Interest-bearing liabilities	5.4	308	295
<b>Total current liabilities</b>		9,459	10,000
<b>Non-current liabilities</b>			
Provisions	5.5	3,170	2,593
Interest-bearing liabilities	5.4	-	308
<b>Total non-current liabilities</b>		3,170	2,901
<b>Total liabilities</b>		12,629	12,901
<b>Net assets</b>		579,364	576,407
<b>Equity</b>			
Accumulated surplus		234,086	229,390
Reserves	9.1	345,278	347,017
<b>Total equity</b>		579,364	576,407

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

## Statement of Changes in Equity For the Year Ended 30 June 2019

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2019</b>					
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)
<b>Balance at end of the financial year</b>		<b>579,364</b>	<b>234,086</b>	<b>338,056</b>	<b>7,222</b>

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2018</b>					
Balance at beginning of the financial year		458,386	222,011	231,230	5,145
Surplus for the year		8,195	8,195	-	-
Net asset revaluation increment/(decrement)	9.1	109,826	-	109,826	-
Transfers to other reserves	9.1	-	(1,512)	-	1,512
Transfers from other reserves	9.1	-	696	-	(696)
<b>Balance at end of the financial year</b>		<b>576,407</b>	<b>229,390</b>	<b>341,056</b>	<b>5,961</b>

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 2019

		2019 Inflows/ (Outflows) \$'000	2018 Inflows/ (Outflows) \$'000
	Note		
<b>Cash flows from operating activities</b>			
Rates and charges		22,373	21,453
Statutory fees and fines		492	505
User fees		11,970	13,705
Grants - operating		13,990	12,264
Grants - capital		7,525	9,739
Contributions - monetary		313	523
Interest received		621	428
Net GST refund/(payment)		2,461	2,126
Employee costs		(17,783)	(17,798)
Materials and services		(19,904)	(21,195)
<b>Net cash provided by/(used in) operating activities</b>	9.2	22,058	21,750
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	6.1	(22,059)	(18,271)
Proceeds from sale of property, infrastructure, plant and equipment		553	375
Payments for investments		(1,000)	(5,000)
Payment of loans and advances		86	26
<b>Net cash provided by/(used in) investing activities</b>		(22,420)	(22,870)
<b>Cash flows from financing activities</b>			
Finance costs		(21)	(51)
Repayment of borrowings		(295)	(1,163)
<b>Net cash provided by/(used in) financing activities</b>		(316)	(1,214)
Net increase/(decrease) in cash and cash equivalents		(678)	(2,334)
Cash and cash equivalents at the beginning of the financial year		8,555	10,889
<b>Cash and cash equivalents at the end of the financial year</b>	5.1(a)	7,877	8,555

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 2019

	Note	2019 \$'000	2018 \$'000
<b>Property</b>			
Land		-	167
<b>Total land</b>		-	167
Buildings		2,291	4,027
<b>Total buildings</b>		2,291	4,027
<b>Total property</b>		2,291	4,194
 <b>Plant and equipment</b>			
Plant, machinery and equipment		1,928	1,165
Fixtures, fittings and furniture		20	12
Computers and telecommunications		171	56
<b>Total plant and equipment</b>		2,119	1,233
 <b>Infrastructure</b>			
Roads		13,587	10,667
Bridges		1,699	1,142
Footpaths and cycleways		780	424
Drainage		189	169
Recreational, leisure and community facilities		1,227	447
Waste management		90	11
Parks, open space and streetscapes		41	-
<b>Total infrastructure</b>		17,613	12,860
 <b>Total capital works expenditure</b>		22,023	18,287
 <b>Represented by:</b>			
New asset expenditure		1,152	1,458
Asset renewal expenditure		16,914	12,974
Asset expansion expenditure		105	956
Asset upgrade expenditure		3,852	2,899
<b>Total capital works expenditure</b>		22,023	18,287

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)

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

## Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$500,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 26 June 2018. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

### 1.1 Income and Expenditure

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance 2019 %	Ref
<b>Income</b>					
Rates and charges	22,385	22,432	47	0.2%	
Statutory fees and fines	446	544	98	22.0%	1
User fees	9,050	11,074	2,024	22.4%	2
Grants - operating	11,342	13,890	2,548	22.5%	3
Grants - capital	2,701	8,400	5,699	211.0%	4
Contributions - monetary	110	313	203	184.5%	5
Contributions - non monetary	-	406	406	-	6
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	(3,168)	(3,168)	-	7
Other income	410	580	170	41.5%	
<b>Total income</b>	<b>46,444</b>	<b>54,471</b>	<b>8,027</b>	<b>17.3%</b>	
<b>Expenses</b>					
Employee costs	(17,500)	(18,002)	(502)	2.9%	8
Materials and services	(14,813)	(16,719)	(1,906)	12.9%	9
Depreciation and amortisation	(13,135)	(13,772)	(637)	4.8%	10
Borrowing costs	(21)	(21)	-	0.0%	
<b>Total Expenses</b>	<b>(45,469)</b>	<b>(48,514)</b>	<b>(3,045)</b>	<b>6.7%</b>	
<b>Surplus/(deficit) for the year</b>	<b>975</b>	<b>5,957</b>	<b>4,982</b>	<b>511.0%</b>	

#### (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory Fees & Fines	Primarily due to increase in planning permit application fees.
2	User Fees	Significant factors include additional external works income of \$0.8 million, Quarry sales exceeding budget by \$0.6 million and Caravan Park Income exceeded budget expectations by \$0.3 million.
3	Grants - operating	Primarily due to unbudgeted fire recovery grants of \$0.9 million. Also includes increase in Financial Assistance Grant of \$0.9 million.
4	Grants - capital	Unbudgeted flood grants of \$1.9 million and road funded projects of \$2.9 million.
5	Contributions - monetary	Primarily due to community group contributions towards infrastructure projects.
6	Contributions - non monetary	Contributed infrastructure assets transferred to Council resulting from new developments.
7	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Plant and equipment and infrastructure asset disposals and sale proceeds recognised in 2018-19.
8	Employee costs	Primarily due to unbudgeted bushfire recovery positions.
9	Materials and services	Significant items include unbudgeted bushfire recovery costs of \$0.4 million, additional external contract works performed by Council (\$0.2 million), and additional local road maintenance works of \$0.4 million.
10	Depreciation and amortisation	Result of road revaluation undertaken in 2017/18.

Note 1 Performance against budget (cont'd)

1.2 Capital Works

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance 2019 %	Ref
<b>Property</b>					
Land	195	-	(195)	-100.0%	1
<b>Total Land</b>	195	-	(195)	-100.0%	
Buildings	2,171	2,291	120	5.5%	
<b>Total Buildings</b>	2,171	2,291	120	5.5%	
<b>Total Property</b>	2,366	2,291	(75)	-3.2%	
<b>Plant and Equipment</b>					
Plant, machinery and equipment	1,554	1,928	374	24.1%	2
Fixtures, fittings and furniture	20	20	-	0.0%	
Computers and telecommunications	235	171	(64)	-27.2%	3
<b>Total Plant and Equipment</b>	1,809	2,119	310	17.1%	
<b>Infrastructure</b>					
Roads	8,020	13,587	5,567	69.4%	4
Bridges	560	1,699	1,139	203.4%	5
Footpaths and cycleways	787	780	(7)	-0.9%	
Drainage	382	189	(193)	-50.5%	6
Recreational, leisure and community facilities	339	1,227	888	261.9%	7
Waste management	90	90	-	0.0%	
Parks, open space and streetscapes	29	41	12	41.4%	
<b>Total Infrastructure</b>	10,207	17,613	7,406	72.6%	
<b>Total Capital Works Expenditure</b>	14,382	22,023	7,641	53.1%	
<b>Represented by:</b>					
New asset expenditure	972	1,152	180	18.5%	
Asset renewal expenditure	11,939	16,914	4,975	41.7%	
Asset expansion expenditure	80	105	25	31.3%	
Asset upgrade expenditure	1,391	3,852	2,461	176.9%	
<b>Total Capital Works Expenditure</b>	14,382	22,023	7,641	53.1%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Stage 6 Rockwall repairs at East Beach carried forward, other small works reclassified.
2	Plant	Purchase of some major plant items carried forward from 2017/18 due to availability issues.
3	Computers and telecommunication	Server storage upgrade carried forward to 2019/20.
4	Roads	A major intersection upgrade and streetscape works were carried forward from 2017/18. Additional flood recovery, roads to market and blackspot funding was secured to allow extra works to be programmed.
5	Bridges	Continued flood recovery funding allowed additional bridge repairs/replacement.
6	Drainage	A major drainage project was carried forward to 2019/20 due to contractor availability.
7	Recreation, leisure and community facilities	Major projects carried forward from 2017/18 including cannon restoration (\$156k), rockwall establishment (\$455k), beach access ramp (\$194k).
8	Parks, open space and streetscapes	Unplanned works required at a playground.

**Note 2.1 Analysis of Council results by program**

Council delivers its functions and activities through the following programs.

**2.1 (a) Community and Corporate Support**

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 and the suite of recreation and cultural activities including sports grounds and community development.

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

**Physical Services**

Physical Services consists of a range of services under three management areas including Works and Engineering, Assets and Contracts and Recreation and Culture. The directorate delivers various objectives of the Moyne Shire Council Plan 2017-2021 including Planning and Delivery of Infrastructure projects, facility maintenance, provision of community services such as libraries, recreation facilities and youth services and supporting events, festivals and the arts.

**Sustainable Development**

This directorate covers a wide range of services involving land use and development, strategic planning, economic development, festivals and events, tourism, operation of caravan parks, local laws, animal control, environmental health, school crossings, environmental and coastal matters, waste management, emergency management, and operation of the Port of Port Fairy.

**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.

**2.1 (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
<b>2019</b>					
Community and Corporate Support	29,600	9,504	20,096	5,721	22,983
Physical Services	14,395	26,897	(12,502)	13,345	568,784
Sustainable Development	10,470	10,829	(359)	3,223	226
Governance and Leadership	6	1,284	(1,278)	-	-
	54,471	48,514	5,957	22,289	591,993
	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2018</b>					
Community and Corporate Support	27,513	9,481	18,032	4,762	22,817
Physical Services	20,620	29,138	(8,518)	13,118	566,326
Sustainable Development	9,652	9,750	(98)	2,546	165
Governance and Leadership	7	1,228	(1,221)	-	-
	57,792	49,597	8,195	20,426	589,308

	2019 \$'000	2018 \$'000
<b>Note 3 Funding for the delivery of our services</b>		
<b>3.1 Rates and charges</b>		

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

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

The valuation base used to calculate general rates for 2018/2019 was \$6.852 billion (2017-2018 \$6.113 billion). The 2018/2019 rate in the CIV dollar was 0.0021763 (2017-2018, 0.0023634).

Residential	4,983	4,776
Commercial/Industrial	717	785
Farm/Rural	11,679	11,287
Supplementary rates and rate adjustments	16	(2)
Waste management charge	3,268	3,085
Interest on rates and charges	125	113
Revenue in lieu of rates	1,644	1,491
<b>Total rates and charges</b>	<b>22,432</b>	<b>21,535</b>

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

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

### 3.2 Statutory fees and fines

Dog and Cat Charges	138	136
Health Licences and Fees	93	83
Regulation Fees and Permits	37	29
Town Planning Fees & Certificates	276	239
<b>Total statutory fees and fines</b>	<b>544</b>	<b>487</b>

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

### 3.3 User fees

Aged & Disability Services Fees	404	416
Building Fees	69	64
Childcare / Preschool Fees	1,315	1,152
Port Fees and Charges	194	128
Private Works	1,494	5,824
Property Rentals	64	56
Quarry Fees and Charges	2,332	1,842
Refuse Operations	254	280
Caravan Park/Lodge Fees	3,645	3,372
Reimbursements	411	420
Corporate Fees and Charges	22	21
Other	870	456
<b>Total user fees</b>	<b>11,074</b>	<b>14,031</b>

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

	2019 \$'000	2018 \$'000
<b>Note 3 Funding for the delivery of our services (cont'd)</b>		
<b>3.4 Funding from other levels of government</b>		
Grants were received in respect of the following :		
<b>Summary of grants</b>		
Commonwealth funded grants	11,705	12,746
State funded grants	10,585	7,679
<b>Total grants received</b>	<b>22,290</b>	<b>20,425</b>
<b>(a) Operating Grants</b>		
<b><i>Recurrent - Commonwealth Government</i></b>		
Financial Assistance Grant - unallocated	4,832	4,279
Financial Assistance Grant - local roads	4,267	4,117
Aged Care	752	709
<b><i>Recurrent - State Government</i></b>		
Aged Care	306	407
Port of Port Fairy	462	447
Community Services	173	269
Environment	74	124
Family & Children	1,680	1,180
Regulatory Services	30	43
Emergency Management	996	59
Other	318	335
<b>Total recurrent operating grants</b>	<b>13,890</b>	<b>11,969</b>
<b>Total operating grants</b>	<b>13,890</b>	<b>11,969</b>
<b>(b) Capital Grants</b>		
<b><i>Recurrent - Commonwealth Government</i></b>		
Roads to Recovery	1,854	3,641
<b>Total recurrent capital grants</b>	<b>1,854</b>	<b>3,641</b>
<b><i>Non-Recurrent - State Government</i></b>		
Environment	431	8
Parks and Amenities	7	-
Port of Port Fairy	180	1,094
Recreation	255	-
Family & Children	11	-
Roads and Streets	4,441	1,390
Waste Management	60	-
Asset Management	806	1,561
Bridge Maintenance & Construction	355	762
<b>Total non-recurrent capital grants</b>	<b>6,546</b>	<b>4,815</b>
<b>Total capital grants</b>	<b>8,400</b>	<b>8,456</b>



	2019 \$'000	2018 \$'000
<b>Note 3 Funding for the delivery of our services (cont'd)</b>		
<b>(c) Unspent grants received on condition that they be spent in a specific manner</b>		
Balance at start of year	2,593	1,382
Received during the financial year and remained unspent at balance date	1,324	1,985
Received in prior years and spent during the financial year	(1,197)	(774)
Balance at year end	<u>2,720</u>	<u>2,593</u>

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

### 3.5 Contributions

Monetary	313	523
Non-monetary	406	720
<b>Total contributions</b>	<u>719</u>	<u>1,243</u>

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

Infrastructure	406	720
<b>Total non-monetary contributions</b>	<u>406</u>	<u>720</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	553	375
Written down value of assets disposed	(3,721)	(785)
<b>Total net gain/(loss) on the disposal of property, infrastructure, plant and equipment</b>	<u>(3,168)</u>	<u>(410)</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	580	466
<b>Total other income</b>	<u>580</u>	<u>466</u>

Interest is recognised as it is earned.

	2019 \$'000	2018 \$'000
<b>Note 4 The cost of delivering services</b>		
<b>4.1 Employee costs</b>		
Wages and salaries	14,191	14,138
Annual leave and long service leave	1,837	1,807
Superannuation	1,430	1,425
WorkCover	390	343
Fringe benefits tax	154	144
<b>Total employee costs</b>	<b>18,002</b>	<b>17,857</b>
<b>(a) Superannuation</b>		
Council made contributions to the following funds:		
<b>Defined benefit fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	112	141
	<u>112</u>	<u>141</u>
Employer contributions payable at reporting date	-	-
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,070	1,050
Employer contributions - other funds	440	377
	<u>1,510</u>	<u>1,427</u>
Employer contributions payable at reporting date	-	-
Refer to note 9.3 for further information relating to Council's superannuation obligations.		
<b>4.2 Materials and services</b>		
Family & Children's Services	155	88
Aged Care	263	234
Port of Port Fairy	273	238
Quarry & External Works	1,010	3,220
Regulatory Services	116	133
Finance/IT, Governance & Administrative Services	426	450
Environmental Management	474	384
Waste Management	2,045	1,777
Caravan Parks & Tourism	498	492
Parks, Recreation & Township Maintenance	835	646
Asset Management, Design & Engineering	822	925
Roads & Streets	1,944	2,587
Economic Development & Planning	526	389
Vehicle Operating Costs	2,133	1,918
Utilities	915	934
Office Administration	606	587
Insurance	375	368
Computer & Software Maintenance	661	611
Donations/Contributions	1,451	1,267
Other	800	1,193
<b>Total materials and services</b>	<b>16,328</b>	<b>18,441</b>

	2019 \$'000	2018 \$'000
<b>Note 4 The cost of delivering services (cont'd)</b>		
<b>4.3 Depreciation</b>		
Property	1,530	1,266
Plant and equipment	1,525	1,514
Infrastructure	10,717	10,101
<b>Total depreciation</b>	<b>13,772</b>	<b>12,881</b>
<i>Refer to note 6.1 for a more detailed breakdown of depreciation charges and accounting policy.</i>		
<b>4.4 Bad and doubtful debts</b>		
Childcare debtors	7	8
Animal debtors	14	-
Other debtors	4	6
<b>Total bad and doubtful debts</b>	<b>25</b>	<b>14</b>
<b>Movement in provisions for doubtful debts</b>		
Balance at the beginning of the year	20	32
New Provisions recognised during the year	11	20
Amounts already provided for and written off as uncollectible	(11)	(30)
Amounts provided for but recovered during the year	(1)	(2)
Balance at end of year	19	20
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.		
<b>4.5 Borrowing costs</b>		
Interest - Borrowings	21	51
<b>Total borrowing costs</b>	<b>21</b>	<b>51</b>
Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.		
<b>4.6 Other expenses</b>		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	42	32
Auditors' remuneration - Internal	70	72
Councillors' allowances	254	249
<b>Total other expenses</b>	<b>366</b>	<b>353</b>

	2019 \$'000	2018 \$'000
<b>Note 5 Our financial position</b>		
<b>5.1 Financial assets</b>		
<b>(a) Cash and cash equivalents</b>		
Cash on hand	-	1
Cash at bank	5,877	5,554
Term Deposits	2,000	3,000
<b>Total cash and cash equivalents</b>	<b>7,877</b>	<b>8,555</b>
<b>(b) Other financial assets</b>		
Term deposits - current	12,000	11,000
<b>Total other financial assets</b>	<b>12,000</b>	<b>11,000</b>
<b>Total financial assets</b>	<b>19,877</b>	<b>19,555</b>
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	19,768	19,446
<b>Intended allocations</b>		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	4,026	5,293
Total funds subject to intended allocations	4,026	5,293

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.

	2019 \$'000	2018 \$'000
<b>Note 5 Our financial position (cont'd)</b>		
<b>(c) Trade and other receivables</b>		
<b>Current</b>		
<i>Statutory receivables</i>		
Rates debtors	1,191	1,132
<i>Non statutory receivables</i>		
Home care debtors	88	98
Childcare debtors	54	59
Quarry debtors	217	120
Building and planning debtors	54	17
Loans and advances to community organisations	6	26
Government debtors	65	239
Other debtors	2,360	1,845
Provision for doubtful debts - other debtors	(19)	(20)
Net GST receivable	526	675
	<u>4,542</u>	<u>4,191</u>
<b>Non-current</b>		
<i>Non statutory receivables</i>		
Loans and advances to community organisations	14	80
	<u>14</u>	<u>80</u>
<b>Total trade and other receivables</b>	<u>4,556</u>	<u>4,271</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)	1,760	1,401
Past due by up to 30 days	230	578
Past due between 31 and 180 days	586	258
Past due between 181 and 365 days	207	177
Past due by more than 1 year	56	50
Total trade & other receivables	<u>2,839</u>	<u>2,464</u>

**(e) Ageing of individually impaired Receivables**

At balance date, other debtors representing financial assets with a nominal value of \$18,580 (2018: \$19,539) were impaired. The amount of the provision raised against these debtors was \$18,580 (2018: \$19,539). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Past due between 31 and 180 days	2	6
Past due between 181 and 365 days	8	6
Past due by more than 1 year	9	8
Total trade & other receivables	<u>19</u>	<u>20</u>

	2019 \$'000	2018 \$'000
<b>Note 5 Our financial position (cont'd)</b>		
<b>5.2 Non-financial assets</b>		
<b>(a) Inventories</b>		
Inventories held for distribution	373	305
Inventories held for sale	15	8
<b>Total inventories</b>	<b>388</b>	<b>313</b>
Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.		
<b>(b) Other assets</b>		
Prepayments	717	607
Accrued income	43	84
<b>Total other assets</b>	<b>760</b>	<b>691</b>
<b>5.3 Payables</b>		
<b>(a) Trade and other payables</b>		
Trade payables	2,931	3,093
Accrued expenses	553	635
<b>Total trade and other payables</b>	<b>3,484</b>	<b>3,728</b>
<b>(b) Trust funds and deposits</b>		
Refundable deposits	89	231
Fire services levy	454	747
Retention amounts	13	23
Trust funds - drainage	7	7
Trust funds - other	32	27
<b>Total trust funds and deposits</b>	<b>595</b>	<b>1,035</b>

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

*Purpose and nature of items*

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

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

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

<b>Note 5 Our financial position (cont'd)</b>	<b>2019</b>	<b>2018</b>
<b>5.4 Interest-bearing liabilities</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Borrowings - secured	308	295
	<b>308</b>	<b>295</b>
<b>Non-current</b>		
Borrowings - secured	-	308
	-	308
<b>Total</b>	<b>308</b>	<b>603</b>

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

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

Not later than one year	308	295
Later than one year and not later than five years	-	308
	<b>308</b>	<b>603</b>

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

Note 5 Our financial position (cont'd)

5.5 Provisions

	Annual leave	Long service leave	Landfill restoration	Total
	\$ '000	\$ '000	\$ '000	\$ '000
<b>2019</b>				
Balance at beginning of the financial year	1,593	3,631	2,311	7,535
Additional provisions	1,509	396	-	1,905
Amounts used	(1,443)	(462)	-	(1,905)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	37	182	488	707
Balance at the end of the financial year	1,696	3,747	2,799	8,242
<b>2018</b>				
Balance at beginning of the financial year	1,583	3,581	868	6,032
Additional provisions	1,502	328	1,593	3,423
Amounts used	(1,512)	(361)	-	(1,873)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	20	83	(150)	(47)
Balance at the end of the financial year	1,593	3,631	2,311	7,535
			<b>2019</b>	<b>2018</b>
			<b>\$'000</b>	<b>\$'000</b>
<b>(a) Employee provisions</b>				
<b>Current provisions expected to be wholly settled within 12 months</b>				
Annual leave			505	520
Long service leave			462	361
			967	881
<b>Current provisions expected to be wholly settled after 12 months</b>				
Annual leave			1,191	1,073
Long service leave			2,914	2,988
			4,105	4,061
Total current employee provisions			5,072	4,942
<b>Non-current</b>				
Long service leave			371	282
Total non-current employee provisions			371	282
Aggregate carrying amount of employee provisions:				
Current			5,072	4,942
Non-current			371	282
Total aggregate carrying amount of employee provisions			5,443	5,224

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	1.06%	2.18%
- wage inflation rate	4.31%	3.88%
- long service leave settlement period	12 years	12 years



Note 5 Our financial position (cont'd)

5.5 Provisions (cont'd)

	2019	2018
	\$'000	\$'000
(b) Landfill restoration		
Non-current	2,799	2,311
<b>Total</b>	<b>2,799</b>	<b>2,311</b>

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

Key assumptions:

- average discount rate	1.19%	2.43%
- inflation rate	2.00%	2.00%
- estimated cost to rehabilitate	\$2.80 mill	\$2.30 mill

5.6 Financing arrangements

Bank loans (Note 5.4) are secured over the general rates of the Council and the interest rates are fixed.

Bank loans	308	603
Credit card facility	100	100
<b>Total facilities</b>	<b>408</b>	<b>703</b>
Used facilities	308	603
Unused facilities	100	100
	<b>408</b>	<b>703</b>

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.

2019	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Cleaning contracts for council buildings	175	-	-	-	175
Swimming Pools	144	147	-	-	291
Caravan Park	82	-	-	-	82
<b>Total</b>	<b>401</b>	<b>147</b>	<b>-</b>	<b>-</b>	<b>548</b>

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

**Operating lease commitments**

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

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2018 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	At Fair Value 30 June 2019 \$'000
Property	100,524	1,263	100	-	(1,530)	(833)	130	99,654
Plant and equipment	7,925	2,119	-	-	(1,525)	(218)	-	8,301
Infrastructure	454,693	16,853	305	(3,000)	(10,717)	(2,670)	847	456,311
Work in progress	1,054	1,788	-	-	-	-	(978)	1,864
	564,196	22,023	405	(3,000)	(13,772)	(3,721)	(1)	566,130

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Closing WIP \$'000
Property	225	1,027	(149)	1,103
Plant and equipment	-	-	-	-
Infrastructure	829	761	(829)	761
Total	1,054	1,788	(978)	1,864

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 2018	46,605	588	850	48,043	86,611	464	87,075	224	135,342
Accumulated depreciation at 1 July 2018	-	-	-	-	(34,265)	(329)	(34,594)	-	(34,594)
	46,605	588	850	48,043	52,346	135	52,481	224	100,748
<b>Movements in fair value</b>									
Additions	-	-	-	-	1,263	-	1,263	1,028	2,291
Contributions	-	-	100	100	-	-	-	-	100
Revaluation	-	-	-	-	-	-	-	-	-
Disposal	(82)	-	-	(82)	(1,087)	-	(1,087)	-	(1,169)
Transfers	-	-	-	-	130	-	130	(149)	(19)
	(82)	-	100	18	306	-	306	879	1,203
<b>Movements in accumulated depreciation</b>									
Depreciation	-	-	-	-	(1,510)	(20)	(1,530)	-	(1,530)
Revaluation	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	336	-	336	-	336
	-	-	-	-	(1,174)	(20)	(1,194)	-	(1,194)
At fair value 30 June 2019	46,523	588	950	48,061	86,917	464	87,381	1,103	136,545
Accumulated depreciation at 30 June 2019	-	-	-	-	(35,439)	(349)	(35,788)	-	(35,788)
	46,523	588	950	48,061	51,478	115	51,593	1,103	100,757

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 2018	17,562	910	2,430	20,902
Accumulated depreciation at 1 July 2018	(9,935)	(793)	(2,249)	(12,977)
	7,627	117	181	7,925
<b>Movements in fair value</b>				
Additions	1,928	20	171	2,119
Disposal	(1,770)	-	-	(1,770)
	158	20	171	349
<b>Movements in accumulated depreciation</b>				
Depreciation	(1,390)	(32)	(103)	(1,525)
Accumulated depreciation of disposals	1,552	-	-	1,552
	162	(32)	(103)	27
At fair value 30 June 2019	17,720	930	2,601	21,251
Accumulated depreciation at 30 June 2019	(9,773)	(825)	(2,352)	(12,950)
	7,947	105	249	8,301

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 2018	551,655	66,576	10,171	13,632	2,518	4,541	2,206	5,248	829	657,376
Accumulated depreciation at 1 July 2018	(161,286)	(27,975)	(1,910)	(5,460)	(1,282)	(1,195)	(768)	(1,978)	-	(201,854)
	390,369	38,601	8,261	8,172	1,236	3,346	1,438	3,270	829	455,522
<b>Movements in fair value</b>										
Additions	13,069	1,603	780	42	48	90	58	1,162	761	17,613
Contributions	159	-	37	109	-	-	-	-	-	305
Revaluation	(18,987)	-	-	-	-	-	-	-	-	(18,987)
Disposal	(3,918)	(973)	-	-	-	-	(17)	-	-	(4,908)
Transfers	383	435	-	-	-	-	-	29	(829)	18
	(9,294)	1,065	817	151	48	90	41	1,191	(68)	(5,959)
<b>Movements in accumulated depreciation</b>										
Depreciation	(8,753)	(741)	(284)	(136)	(200)	(193)	(140)	(270)	-	(10,717)
Revaluation	15,987	-	-	-	-	-	-	-	-	15,987
Accumulated depreciation of disposals	1,813	418	-	-	-	-	8	-	-	2,239
	9,047	(323)	(284)	(136)	(200)	(193)	(132)	(270)	-	7,509
At fair value 30 June 2019	542,361	67,641	10,988	13,783	2,566	4,631	2,247	6,439	761	651,417
Accumulated depreciation at 30 June 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

**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 englobio (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 2019 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	-	115	-	Jun-18
Buildings - Specialised	-	-	51,479	Jun-18
Total	-	703	98,002	

**Valuation of infrastructure**

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

Valuation of roads has been determined in accordance with a valuation undertaken by Ashay Prabhu, MIE (Aust) CPEng, NPER: Membership 1102199 of Assetic Pty Ltd at 30th June 2019.

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

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Roads	-	-	390,122	Jun-19
Bridges	-	-	39,345	Jun-14
Footpaths and cycleways	-	-	8,794	Jun-15
Drainage	-	-	8,187	Jun-14
Recreational, leisure and community facilities	-	-	1,083	Historical Cost
Waste management	-	-	3,243	Historical Cost
Playgrounds	-	-	1,347	Jun-15
Other infrastructure	-	-	4,191	Historical Cost
Total	-	-	456,312	

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.

	2019	2018
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	949	850
Other Council Land	46,523	46,604
<b>Total specialised land</b>	<b>47,472</b>	<b>47,454</b>



Note 6 Assets we manage (cont'd)	2019	2018
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	267
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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 2018 (18.8% as at 30 June 2017).

<b>Fair value of Council's investment in Corangamite Regional Library Corporation</b>		
	282	282

**Council's share of accumulated surplus/(deficit)**

Council's share of accumulated surplus/(deficit) at start of year	208	193
Reported surplus/(deficit) for year		15
Transfers (to)/from reserves	-	-
Distributions for the year	-	-
Council's share of accumulated surplus/(deficit) at end of year	208	208

**Council's share of reserves**

Council's share of reserves at start of year	74	74
Transfers (to)/from reserves	-	-
Council's share of reserves at end of year	74	74

**Movement in carrying value of specific investment**

Carrying value of investment at start of year	282	267
Share of surplus/(deficit) for year	-	15
Share of reserves	-	-
Carrying value of investment at end of year	282	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.

	2019 No.	2018 No.
<b>Note 7 People and relationships</b>		
<b>7.1 Council and key management remuneration</b>		
<b>(a) Related Parties</b>		
<i>Parent entity</i>		
Moyne Shire Council is the parent entity.		
<i>Subsidiaries and Associates</i>		
Interests in subsidiaries and associates are detailed in note 6.2		
<b>(b) Key Management Personnel (KMP)</b>		
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:		
<b>Councillors</b>		
Councillor Michael Wolfe (Mayor 1/7/18 to 30/6/19)		
Councillor Jim Doukas		
Councillor Colin Ryan		
Councillor Jill Parker		
Councillor Ian Smith		
Councillor Daniel Meade		
Councillor Jordan Lockett		
<b>Other KMP</b>		
Chief Executive Officer		
Director - Community & Corporate Support		
Director - Physical Services		
Director - Sustainable Development		
<b>Total Number of Councillors</b>	7	7
<b>Total of Chief Executive Officer and other Key Management Personnel</b>	4	4
<b>Total Key Management Personnel</b>	11	11
<b>(c) Remuneration of Key Management Personnel</b>		
Total remuneration of key management personnel was as follows:		
Short-term benefits	929	900
Long-term benefits	76	68
Termination benefits	-	79
<b>Total</b>	1,005	1,047
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$20,000 - \$29,999	6	5
\$50,000 - \$59,999	-	1
\$60,000 - \$69,999	-	1
\$80,000 - \$89,999	1	-
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	4	2
\$250,000 - \$259,999	-	1
	11	11

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 \$148,000

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

Income Range:

\$148,000 - \$149,999

\$150,000 - \$159,999

\$160,000 - \$169,999

2019  
No.

2018  
No.

1

-

1

2

1

-

3

2

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

459

303

Remuneration disclosed is total remuneration package (TRP) inclusive of base salary, superannuation & vehicle benefits. Accrued annual and long service leave is excluded.

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**

As at 30 June 2019 Council has incurred \$0.326 million in response to flood and fire events. Council has lodged claims through the Natural Disaster Financial Assistance fund for the recovery of these amounts in the 2019-20 financial year.

**Operating lease receivables**

The Council has entered into property leases on various Council properties. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 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:

	2019	2018
	\$'000	\$'000
Not later than one year	120	34
Later than one year and not later than five years	480	12
Later than five years	1,800	1
	<u>2,400</u>	<u>47</u>

**(b) Contingent liabilities**

**Superannuation**

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

*Future superannuation contributions*

In addition to the disclosed contributions, Moyne Shire has paid nil unfunded liability payments to Vision Super during the 2018/19 and 2017/18 financial years. There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2019. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2019 is nil.

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

**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.

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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 2019 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.

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

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

*Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)*

This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

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

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

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will see the initial recognition of \$0.22 million in lease related assets and an equivalent liability.

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

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

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

Note 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 2.08%.

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.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

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

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

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

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

*Revaluation*

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

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

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

*Impairment of assets*

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

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

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
<b>9.1 Reserves</b>			
<b>(a) Asset revaluation reserves</b>			
<b>2019</b>			
<b>Property</b>			
Land & land improvements	35,043	-	35,043
Buildings	22,793	-	22,793
	57,836	-	57,836
<b>Infrastructure</b>			
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
<b>Total asset revaluation reserves</b>	<b>341,056</b>	<b>(3,000)</b>	<b>338,056</b>
<b>2018</b>			
<b>Property</b>			
Land & land improvements	34,332	711	35,043
Buildings	22,642	151	22,793
	56,974	862	57,836
<b>Infrastructure</b>			
Roads	131,643	108,964	240,607
Bridges	29,095	-	29,095
Footpaths and cycleways	808	-	808
Drainage	2,914	-	2,914
Plant and Equipment	430	-	430
Other infrastructure	9,366	-	9,366
	174,256	108,964	283,220
<b>Total asset revaluation reserves</b>	<b>231,230</b>	<b>109,826</b>	<b>341,056</b>

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)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
<b>(b) Other reserves</b>				
<b>2019</b>				
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
<b>Total Other reserves</b>	<b>5,961</b>	<b>1,300</b>	<b>(39)</b>	<b>7,222</b>
<b>2018</b>				
Business enterprise reserve	1,673	292	(653)	1,312
Southcombe park sporting complex	8	-	-	8
Heritage loan reserve	109	-	-	109
Subdivision reserve	327	19	(43)	303
Quarry reserve	962	595	-	1,557
Waste facilities reserve	2,066	606	-	2,672
<b>Total Other reserves</b>	<b>5,145</b>	<b>1,512</b>	<b>(696)</b>	<b>5,961</b>

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)

	2019 \$'000	2018 \$'000
<b>9.2 Reconciliation of cash flows from operating activities to surplus (deficit)</b>		
Surplus for the year	5,957	8,195
Depreciation/amortisation	13,772	12,881
Finance costs	21	51
Profit/(loss) on disposal of property, infrastructure, plant and equipment	3,168	410
Contributions - Non-monetary assets	(406)	(720)
Landfill provision	488	301
Share of net (profits)/losses of associates & joint ventures accounted for by the equity method	-	(15)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(370)	364
Increase/(decrease) in trade and other payables	(648)	634
(Increase)/decrease in other assets	(144)	(410)
Increase/(decrease) in provisions	220	59
Net cash provided by/(used in) operating activities	22,058	21,750

**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.

**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 2019, 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.

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. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018).

As at 30 June 2018, an interim actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 106.0%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

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 2018 was 106.0%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 interim 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.

**Defined benefit 2018 interim actuarial investigation surplus amounts**

The Fund's interim actuarial investigation as at 30 June 2018 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$131.9 million  
A total service liability surplus of \$218.3 million.  
A discounted accrued benefits surplus of \$249.1 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2018. Council was notified of the 30 June 2018 VBI during August 2018.

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2019. It is anticipated that this actuarial investigation will be completed by October 2019.