

MURRINDINDI SHIRE COUNCIL ANNUAL REPORT 2019/20



Murrindindi
Shire Council



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ABOUT THIS ANNUAL REPORT

In the Murrindindi Shire Council Annual Report 2019/20 we identify our achievements and challenges from 1 July 2019 to 30 June 2020. We report our progress against goals set out in the Murrindindi Shire Council Plan 2017-2021 and in relation to the Annual Budget 2019/20.

The Report also contains audited financial reports and performance statements, as required by the Local Government Act 2020. The Report is written for a variety of audiences, including government agencies, the community, ratepayers and businesses.

Need copies or have questions or comments?

Copies of this report are available at Council offices or online at murrindindi.vic.gov.au.

If you would like additional copies of our Annual Report 2019/20 or if you have any questions or feedback about this Report, please get in touch with us.

Contact Us

Visit us

Alexandra: 49 Grant Street, Alexandra

Yea: 15 The Semi Circle

Kinglake: 19 Whittlesea-Kinglake Road

Mobile Library and Customer Service: visit our website for locations and times

Contact us

Phone: 5772 0333

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Murrindindi Shire Council

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#discoverdindi

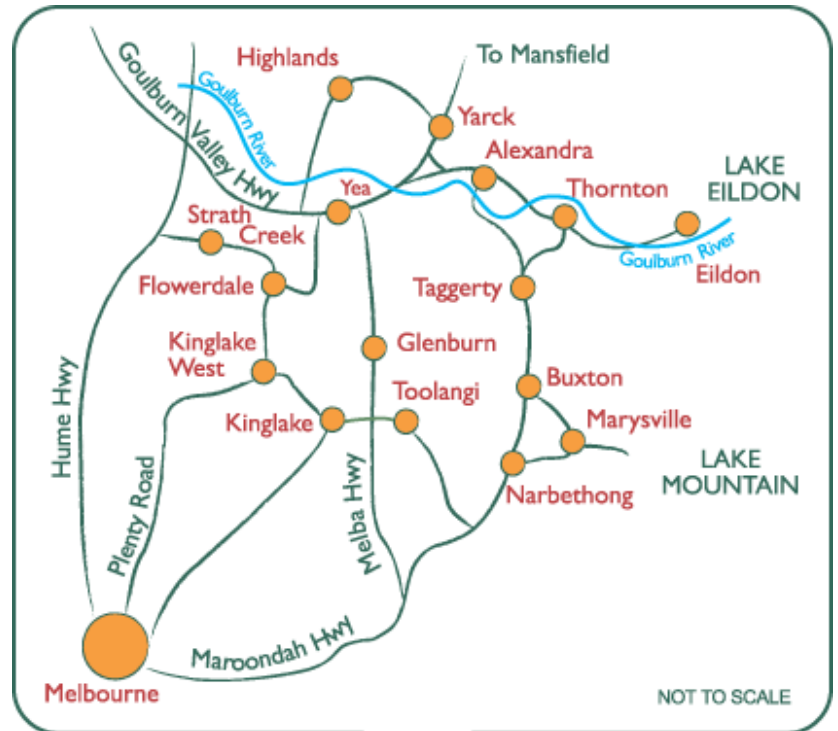
MURRINDINDI SNAPSHOT

Our History

The Taungurung and Wurundjeri People are the traditional owners of the land known as Murrindindi Shire.

European settlement followed Hume and Hovell's overland exploration in December 1824. Many local towns were established during the 1850s and 1860s after the discovery of gold.

The Murrindindi Shire Council was declared on 18 November 1994 by the amalgamation of the former municipalities of Alexandra and Yea, and the addition of parts of the former municipalities of Healesville, Broadford, Eltham, Whittlesea and Euroa.



Council Services Offered

- Economic Development
- Tourism Services
- Events Management
- Waste Management
- Environmental Services
- Land Use, Development and Subdivisions
- Building Control
- Community Safety
- Youth and Recreational Development
- Public Health
- Libraries
- Transport and Building Infrastructure Provision and Maintenance
- Children and Family Services
- Community Development
- Customer Services

Industries

- Agriculture, Aquaculture, Horticulture and Viticulture
- Forestry
- Tourism, Hospitality and Conferencing
- Light Manufacturing and Engineering
- Retail and Trade services
- Education
- Public Services

Our Shire

Location: 150 km or 90 minutes north east of Melbourne
Area: 3879 square kilometres (48% Crown Land)
Population: 14,570 (2020 Australian Bureau of Statistics estimate)
Councillors: 7
Rateable Properties: 10,014 (2020)
Sealed Roads (Council maintained): 493 kilometres (2020)
Unsealed Roads (Council maintained): 719 kilometres (2020)

Townships and Localities

Acheron, Alexandra, Buxton, Cathkin, Castella, Caveat, Devil's River, Dropmore, Eildon, Fawcett, Flowerdale, Ghin Ghin, Glenburn, Gobur, Granton, Highlands, Homewood, Kanumbra, Kerrisdale, Killingworth, Kinglake, Kinglake Central, Kinglake West, Koriella, Limestone, Maintongoon, Marysville, Molesworth, Murrindindi, Narbethong, Pheasant Creek, Rubicon, Strath Creek, Taggerty, Taylor Bay, Terip Terip, Thornton, Toolangi, Whanregarwen, Woodbourne, Yarck, Yea.

VISION

The Murrindindi 2030 Vision was developed in partnership with our community in 2014. It is an aspirational statement of what our community wants Murrindindi Shire to be like in 2030.

“In 2030 we are sustainable, vibrant and resilient. We focus on growing our business opportunities. Our communities are safe and connected, enjoying a healthy and productive lifestyle within our wonderful natural environment.”

COUNCIL VALUES

Upon being elected in 2016, the seven Murrindindi Shire Councillors established a new Code of Conduct and committed to carrying out their roles in accordance with the following values:

Collaboration

We will ...

- operate as a cohesive team
- work together with the community through accessible and inclusive engagement
- strive to build effective working relationships

Stewardship

We will...

- endeavour to make careful and responsible decisions
- strive to make decisions that do not limit the opportunities or aspirations of those who follow in the future

Equity & Fairness

We will,..

- be fair, even-handed and impartial in our decision making and our dealings with others
- consider the merits of each case while upholding legislated requirements and ensuring consistency and justice in our decision making
- strive to ensure all have access to similar opportunities and experiences

Respect

We will...

- respect the views, contributions, feelings, wishes and rights of others
- actively seek to understand others' experiences, ideas and perspectives
- embrace and appreciate diversity of origin, viewpoint, experience and lifestyle
- recognise the achievements of others

Accountability & Honesty

We will...

- make our decisions openly and publicly whenever possible
- take responsibility for our actions and decisions
- honour our commitments
- act with integrity and honesty in all our dealings
- openly report our performance and acknowledge our mistakes



INTRODUCTION TO THE 2019/20 ANNUAL REPORT FROM MAYOR AND CEO

We are pleased to present to the community this Annual Report for 2019/20. This is the third report on the Council Plan 2017-2021. The Council Plan has guided the work of this Council since its election in 2016.

It is fair to say the year under review has been a tumultuous one - for our community, for Council and for the country. While our Shire was spared the ravages of the fires we witnessed across the country over summer, it raised for many of us in Murrindindi Shire difficult memories of our own experience during the 2009 bushfires, eleven years ago. As a Council, we were pleased to be able to help some of the worst affected shires, including by providing staff to support our colleagues at councils in East Gippsland, Towong and Wangaratta Shires.

Our Shire was then hit by three separate storm fronts in quick succession in early 2020, resulting a major clean-up operation by Council across the whole Shire, with inspection of over 4000 trees and over 3000 jobs either to remove weakened, and therefore dangerous, limbs or to remove trees completely to ensure the community's safety.

We barely had time to catch our breath before a State of Emergency was declared in Victoria in March, in response to the COVID-19 pandemic, which remained in place for the rest of the financial year. Restrictions were put in place, then eased and then tightened again for many across the State. It has been a time of uncertainty for us all and a time of considerable stress and pressure for many in our community - individuals, families and businesses.

While the challenges have been significant, there have been some bright spots too. People in our community have reached out to support others in need. And we saw a number of creative community solutions to stay connected while also staying safely apart. Council also worked hard to adapt to the changed environment during the pandemic. In April, we put in place a package of immediate measures to help ease the financial strain on our community. We

- delayed the due date for any outstanding rate payments and pet registrations to 30 June 2020
- stopped interest from accumulating on unpaid rates since 16 March, when the State of Emergency in Victoria was announced
- eased or removed rental payments by businesses and community/sporting groups leasing council properties

- stopped passing on to customers the 0.75% fee charged by merchants for credit card payments made to Council
- refunded registration fees for accommodation, food/hospitality, hair and beauty salons and caravan parks

We also expanded our Financial Hardship Policy to allow flexible payment arrangements for businesses and community organisations experiencing difficulty making required payments to Council. And we shifted the focus of our Business and Tourism Events Grants and Contributions program, so that all funds remaining for the financial year could be dedicated to supporting businesses to manage the impacts of the pandemic.

We also adapted a range of our services to meet our shared new reality under lockdown. Our office staff, including customer service staff, began working from home as we closed our offices. Our outdoor teams focused on ensuring we met our new heightened obligations to clean facilities during the pandemic and to put in place signage and barriers around facilities the community was not able to access.

Our libraries had to close for a period and turned to creating online programs instead of live ones at our facilities. Our libraries also created the new 'Book Butler' service, delivering thousands of books across our Shire.

We created DindiLink, a program to help connect people in our Shire with local services and information, including for mental health support.

We received funding for 41 new staff, from the Victorian Government's Working for Victoria program. They were deployed across a range of Council functions, including operations, administration, IT, human resources and communications and tourism.

We began using a range of online meeting and collaboration tools to find out more from our community about what was needed to help with community and business recovery. We held online workshops with business owners, community event organisers and a community consultation about the pandemic.

We also moved to online platforms to continue important ongoing conversations with our community that we couldn't hold in person. We consulted community members interested in a range of planning and development matters, including the Eildon Precinct Masterplan and the Kinglake Memorial Reserve Plan via online platforms.

In April, we launched Dindi Directory, our one-stop online business and services directory to help businesses promote themselves – and to make it easier for our community to support our local businesses. We followed this with the launch of The Dindi Store, an e-commerce platform which helps local retailers, producers, artists and service providers sell products and services directly to customers. We also launched Dindi Live, a series of online events featuring local artists and performers as well as guest performances from talent outside our region.

As Council Meetings couldn't take place as usual during restrictions, we started streaming those meetings (including our 'Open Forum' public participation segment) live. This initiative will continue post-pandemic, as it allows people who might not be able to travel to a meeting to participate.

There has of course also been much work done which does not relate to the pandemic – the normal business of Council.

With the support of IAG and its local brand WGI Insurance, we made great strides with our Community Planning initiative, with a focus on our three trial towns of Yea, Marysville and Toolangi-Castella. Communities from each of the three towns have met a number of times for the purposes of planning, prioritisation and action – including via online platforms during the pandemic.

We launched 'Moving Murrindindi', a service which connects volunteer drivers with senior, less-mobile or financially-disadvantaged members of our community who need a low-cost transport option to get to medical appointments, social outings or other transport hubs. We completed a smooth transition for aged and disability services clients when Council transitioned out of providing aged and disability care. The transition to new service providers, which took effect on 1 January 2020, followed extensive consultation with the community, community groups and the aged and disability care sector. We also appointed a new Access and Inclusion officer to help those in our community who need assistance connecting with the right services, with a real focus on positive ageing and accessibility.

We adopted a new Communication Strategy, a Social Media Strategy and a Tourism and Events Strategy - the latter will guide development of, and investment in, our local tourism and events sector over the next five years. We joined Tourism North East to take a new approach to promoting our Shire and to align our tourism marketing and promotion with that of the Victorian High Country, to help increase awareness of our Shire as an attractive tourism destination.

We launched a new Discover Dindi 'Official Visitor Guide' promoting all the great things to see and do in our Shire. Together with a range of partners, we held the inaugural Lake Eildon Boating and Fishing Show in October, show-casing the growing houseboat industry and range of water-based recreational opportunities on offer in Murrindindi Shire.

With the support of local businesses, we hosted over 100 tourism industry delegates at the Victoria Tourism Industry Council's Visitor Information Services Summit in August.

In the period under review, Council adopted a revised Community Local Law with a focus on reducing red tape and the number of permits required by our community to go about their lives, while still maintaining important provisions to ensure peace, order and safety in our Shire. And to ensure the Local Law is observed for the



benefit of our community, we also redoubled our efforts to improve compliance, with a focus on making our Shire more liveable and fairer for everyone. To this end, we have adopted a new Compliance and Enforcement Policy. This will help us take action on the concerns we frequently hear from our community about safety and amenity issues, including parking, illicit roadside signage, firewood collection and planning.

Council also delivered or advanced a range of important capital works infrastructure projects in towns and localities across our Shire, worth over \$8.3 million. We

- completed phase one of the Kinglake Streetscape Renewal, involving upgrade and sealing of Aitken Crescent, and completed the final concept design for the remainder of the project
- finished our renewal of the Kinglake Memorial Netball Courts, which now feature a new playing surface for the two courts
- commenced works on the Road Safety Upgrade Project at High Street, Yea, including completion of paths in the centre median strip
- refurbished the change rooms used by the Yea Football and Cricket Clubs at the Yea Recreation Reserve to provide female-friendly amenities and an upgrade to the disabled toilet
- completed the renovation of the external façade of the Yea Shire hall, including repairs to the façade and clock tower and repainting the building
- commenced road safety projects on Rubicon Road in Rubicon, Back Eildon Road between Thornton and Eildon and King Parrot Creek Road, Kerrisdale

Back in 2017, together with our community, we developed four themes for this Council Plan to help make our Shire an even better place to live and work. These are ‘Our Promise’, ‘Our People’, ‘Our Prosperity’ and ‘Our Place’.

These four organising principles have been useful in guiding our work in the period under review and for the term of this Council, both to enhance the quality of life for our community and to focus Council’s services where they are most needed.

In this final term for the current Council, we would like to acknowledge all Councillors for their contribution and commitment to their roles - in their wards, in their individual portfolios and as part of the Council itself.

We would also like to express our thanks to Council officers who have worked so hard to deliver the services valued by the community throughout the year, and for adapting so quickly and professionally to meet a new and unexpected set of circumstances during the pandemic.

And finally, we would like to express our gratitude to our community members for their participation, engagement, support and trust – and for their feedback and suggestions for how we can do even better.

Cr. Leigh Dunscombe
Mayor

Mr Craig Lloyd
CEO

COUNCILLORS



Cr Leigh Dunscombe
Mayor
Kinglake Ward
First elected: October 2016
Portfolio: Corporate and Customer Services
Ward townships Kinglake, Toolangi

Since being sworn in as a Councillor on 9 November 2016, Cr Dunscombe represented Murrindindi Shire Council on the following advisory committees and external organisations

- Audit Advisory Committee
- Chief Executive Officer Performance Review Sub-Committee
- Goulburn Valley Waste & Resource Recovery Local Government Forum
- Kinglake Memorial Reserve Committee of Management
- Municipal Association of Victoria (MAV)
- Rural Councils Victoria (RCV)
- Toolangi Forest Discovery Centre Committee of Management
- Yea Cemetery Trust



Cr Margaret Rae
Deputy Mayor
Redgate Ward
First elected: October 2012; re-elected in October 2016.
Portfolios: Land Use Planning, Positive Ageing and Inclusion
Ward township Alexandra

Since being sworn in as a Councillor on 9 November 2016, Cr Rae represented Murrindindi Shire Council on the following advisory committees and external organisations

- Alexandra Racecourse & Recreation Reserve Committee of Management (DELWP)
- Alexandra Showgrounds & Recreation Reserve Committee of Management (DELWP)
- Audit Advisory Committee
- Central Ranges Local Learning & Employment Network
- Chief Executive Officer Performance Review Sub-Committee
- Hume Regional Local Government Network
- Mount Pleasant Reserve Committee of Management
- Municipal Association of Victoria (MAV)
- Peri Urban Group of Rural Councils
- Yea Cemetery Trust



Cr Sandice McAulay
Cathedral Ward
First elected: October 2016
Portfolios: Corporate Services; Early Learning and Community Planning
Ward townships: Taggerty, Buxton, Marysville, Narbethong

Since being sworn in as a Councillor on 9 November 2016, Cr McAulay represented Murrindindi Shire Council on the following advisory committees and external organisations:

- Audit Advisory Committee
- Buxton Recreation Reserve Committee of Management
- Chief Executive Officer Performance Review Sub-Committee
- Gallipoli Park Precinct Committee of Management
- Municipal Emergency Management Planning Committee
- Steavensons Falls Scenic Reserve Committee of Management
- Yea Cemetery Trust



Cr Rebecca (Bec) Bowles

Cheviot Ward

First elected: October 2016

Portfolios: Environment, Library Services and Information Technology

Ward townships Yea, Strath Creek, Flowerdale

Since being sworn in as a Councillor on 9 November 2016, Cr Bowles represented Murrindindi Shire Council on the following advisory committees and external organisations

- Chief Executive Officer Performance Review Sub-Committee
- Murrindindi Environment Advisory Committee
- Goulburn Broken Greenhouse Alliance
- Goulburn Valley Waste & Resource Recovery Local Government Forum
- Municipal Association of Victoria (MAV)
- Peri Urban Group of Rural Councils
- Strath Creek Reserves and Hall Committee of Management
- Yea Pioneer Reserve Committee of Management
- Yea Saleyards Committee of Management
- Yea Showgrounds and Recreation Reserve Committee of Management
- Yea Wetlands Committee of Management
- Yea Cemetery Trust



Cr Jackie Ashe

Eildon Ward

First elected: October 2016

Portfolios: Communication, Tourism and Events

Ward townships Thornton, Eildon

Since being sworn in as a Councillor on 9 November 2016, Cr Ashe represented Murrindindi Shire Council on the following advisory committees and external organisations

- Central Ranges Local Learning & Employment Network
- Chief Executive Officer Performance Review Sub-Committee
- Eildon Alliance Boat Ramp Committee of Management
- Eildon Community Resource Centre Committee of Management
- Goulburn Valley Waste & Resource Recovery Local Government Forum
- Goulburn River Valley Tourism Board
- Yea Cemetery Trust



Cr Eric Lording

King Parrot Ward

First elected: September 2015; Re-elected October 2016

Portfolio: Infrastructure and Waste

Ward townships Flowerdale, Glenburn, Kinglake West, Pheasant Creek

Since being sworn in as a Councillor on 9 November 2016, Cr Lording represented Murrindindi Shire Council on the following advisory committees and external organisations

- Central Ranges Local Learning & Employment Network (CRLLEN)
- Chief Executive Officer Performance Review Sub-Committee
- Flowerdale Community Hall Reserve Committee Inc.
- Flowerdale Community House Inc.
- Goulburn Valley Waste & Resource Recovery Local Government Forum
- Glenburn Community Centre Committee of Management
- Yea Cemetery Trust
- Yea Saleyards Committee of Management



Cr Charlotte (Charlie) Bisset

Koriella Ward

First elected: October 2016

Portfolios: Recreation and Youth

Ward townships Yarck, Cathkin, Molesworth, Limestone, Highlands, Gobur

Since being sworn in as a Councillor on 9 November 2016, Cr Bissett represented Murrindindi Shire Council on the following advisory committees and external organisations

- Audit Advisory Committee
- Chief Executive Officer Performance Review Sub-Committee
- Municipal Association of Victoria
- Murrindindi Scenic Reserve Committee of Management
- Rubicon Outdoor Centre School Council
- Steavensons Falls Scenic Reserve Committee of Management
- Yea Cemetery Trust
- Yea Saleyards Committee of Management

OUR ORGANISATION



Craig Lloyd

Chief Executive Officer

Craig commenced the role of Chief Executive Officer at Murrindindi Shire Council on 8 January 2018.

Craig has extensive senior executive experience in the public sector, including roles with state and local government, emergency services and not-for profit organisations. Craig was formally the Director of Presentation and Assets at the City of Greater Bendigo, before taking on his role at Murrindindi Shire Council.

Mr Lloyd holds a Masters of Business Administration, Masters of Project Management and a Post Graduate Certificate in Community Development.

Vito Albicini

Director Assets & Development 2019 - present

Vito Albicini has worked in local government for 25 years, with experience working at both metro and rural councils. Vito has more than 30 years' experience in civil engineering. He has a strong commitment to provide exceptional customer service and deliver great outcomes for the community.

Vito leads the Assets and Development Division which includes Community Assets, Development Services and Environmental Sustainability.



Stuart McConnell
Director Assets & Development 2017 - 2019

Stuart McConnell started with Council in January 2017 in the role of General Manager Infrastructure and Development Services. Stuart brings a range of executive experience from the Department of Environment, Land, Water and Planning, and the Environment Protection Authority. He has a strong commitment to delivery of outcomes for the community, working in partnership, customer service and community engagement. Stuart leads the Assets and Development Division which includes Community Assets, Development Services, Capital Works and Environmental Sustainability.



Shivaun Brown
Director Community Engagement

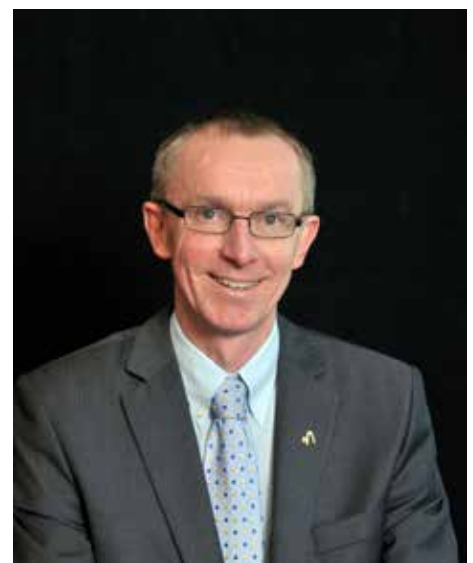
Shivaun commenced with Council in October 2015 as the Manager Development Services. Having owned and operated two businesses of her own, coupled with a strong background in Economic Development and Tourism in the local government sector, she brought a customer-focused approach to regulatory services.

Shivaun stepped into the role of Director Community Engagement in November 2018, overseeing delivery of Community Wellbeing, Customer Experience, Tourism and Events, and Business Development.

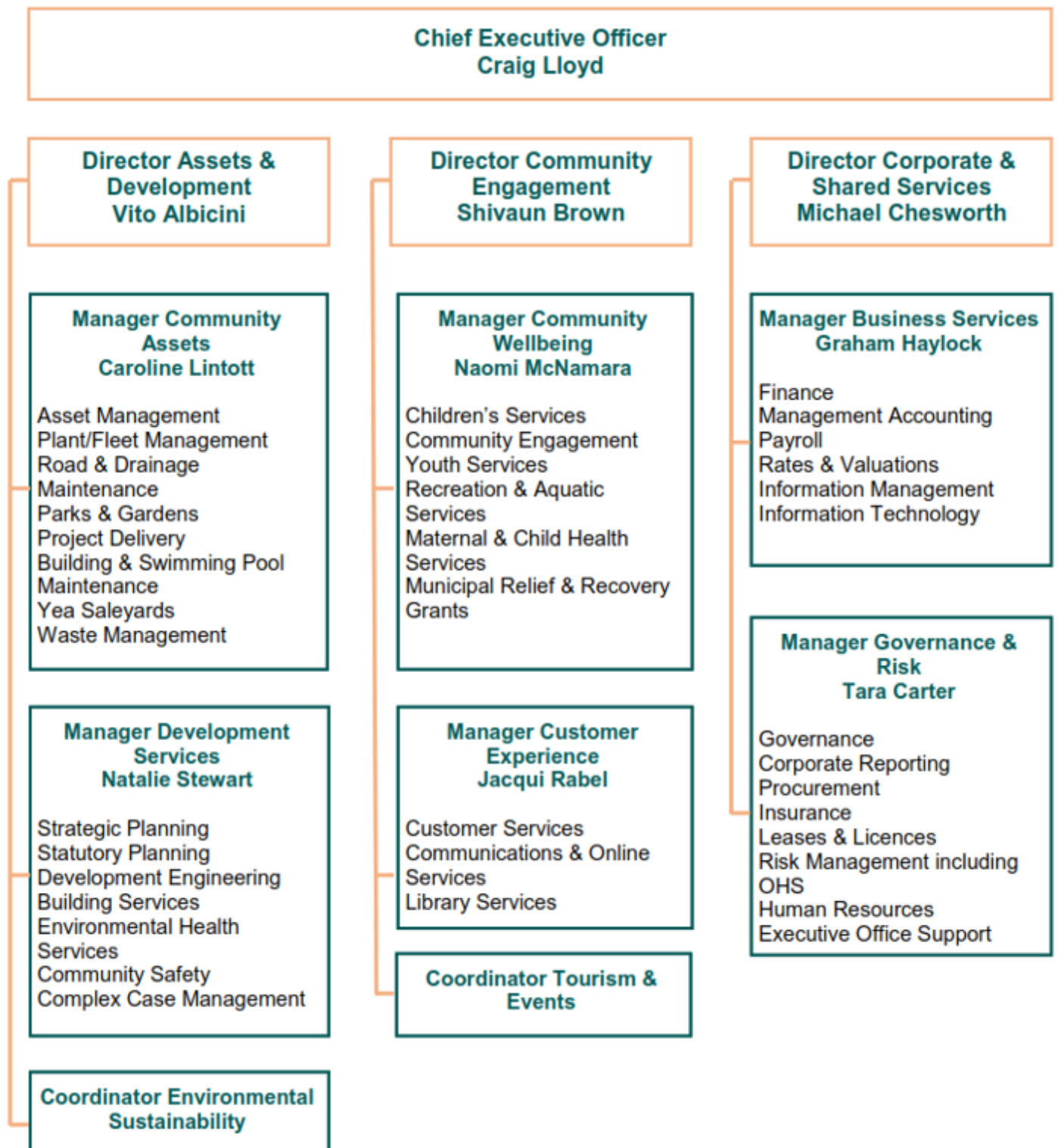
Michael Chesworth
Director Corporate and Shared Services

Michael has been with Murrindindi Shire Council since 1997 when he was first appointed as Manager of Organisational Development. Since then he has held several senior executive roles and was heavily involved in the recovery and reconstruction efforts following the 2009 bushfires that devastated the municipality.

Michael has significant local government experience and has performed an Acting CEO role on several occasions for the Council. His current role oversees the Corporate Services Division, which includes Business Services (corporate finance, information technology and management) and Governance and Risk (corporate governance, risk management and human resources).



ORGANISATION STRUCTURE (AT 30 JUNE 2020)





HIGHLIGHTS 2019/20

OUR COVID-19 RESPONSE

- We launched the DindiLink program to support people impacted by COVID-19 and ensure they are able to access emergency relief and support during restrictions.
- We held an online community forum to better understand the impact of COVID-19 on individuals and community to support the development of a COVID-19 Community Transition Plan.
- We supported people of all ages through our varied library programs and pivoted our service to help people through lockdown due to the COVID-19 pandemic, including through our 'Book Butler' library home delivery service, and our 'Print and Post' service to help people get printed versions of important documents.
- We launched an online business directory 'Dindi Directory' and e-commerce platform 'The Dindi Store' to support businesses through the COVID-19 pandemic and provide an easy way for the community to shop local.
- We held an online community forum to better understand the impact of COVID-19 on individuals and community to support the development of a COVID-19 Community Transition Plan.
- We held an online business forum to better understand the impact of COVID-19 on businesses and to support the development of a COVID-19 Business Recovery Plan.
- We enhanced our approach to social media, including by introducing daily videos from our CEO during COVID-19, resulting in almost a quarter of our Shire's population following our page.
- We successfully transitioned 113 Council staff members to work from home in response to COVID-19, ensuring that we could continue to deliver services to the community.
- We successfully recruited and on-boarded 41 temporary full time positions under the State's Working for Victoria scheme to assist those rendered unemployed by the pandemic and to support Council's service delivery.
- We adopted a budget to support recovery measures.

OUR PEOPLE

- We supported a range of arts and cultural activities through our Community Grants and Contributions program. This included 18 projects and events, 10 Fee Reductions, 11 Sponsorships and 11 Quick Response grants.
- We successfully transitioned Aged and Disability services to new community providers and appointed an Access and Inclusion officer to continue to support individuals to access the services they need.
- We created opportunities for local musicians to showcase their songs online to our community and beyond through the Dindi Live and Dindi Sessions programs.
- We completed the Community Planning trial in the townships of Marysville, Yea and Toolangi/Castella, and endorsed plans for each of the townships.
- We helped people connect to services through the Moving Murrindindi program in partnership with Community Accessibility. We engaged 25 volunteers and completing 145 trips.
- We held an online events forum for community groups and event organisers to better discuss ideas and outline how Council can support them to plan and implement events into the future.
- We brought together seniors across the Shire for a High Tea celebration during Seniors Week in Alexandra, Christmas in July in Narbethong and a Planned Activity Group break up celebration in Yea.



OUR PLACE

- We completed the construction of the Yea Recreation Reserve female friendly change rooms project and the Kinglake Memorial Reserve Netball court re-development.
- We completed the upgrade of the Spring Valley Recreation Reserve change rooms.
- We adopted the Alexandra Youth Precinct Master Plan, commenced initial planning works and successfully advocated for a funding contribution via the State Government.
- We progressed the Eildon Reserve Precinct Improvement Plan and Kinglake Memorial Reserve Master Plan projects, including community consultation to develop the draft plans.
- We commenced construction works on the Yea Streetscape Safety Upgrade Project.
- We commenced construction on Stage 1 of the Kinglake Streetscape – Aitken Crescent works.
- We carried out weed control on 150 roads across the Shire, totalling 1422 km of roadsides.
- We adopted and commenced work on a Waste Education Strategy.
- We collaborated with Upper Goulburn Landcare Network on National Tree Day, Ribbons of Remnant Roadside and the Queensland Fruit Fly monitoring program.
- We began offering E-waste collection services at our Resource Recovery Centres in Alexandra, Kinglake and Yea, including by creating new e-waste facilities in Alexandra and Kinglake.
- We developed, adopted and began implementing the new Community Local Law 2020.

OUR PROSPERITY

- We delivered nine grant information sessions, 34 one-to-one grant sessions and assisted 10 businesses to submit grant applications.
- We employed a Business Partnerships Officer to support greater uptake of Council's Grants and Contributions program.
- We adopted and commenced work on our Tourism and Events Strategy and Great Victorian Rail Trail Strategic Development Plan.
- We delivered a series of 7 business workshops through the Doing Business Better Program, to support different industry sectors.
- We supported 44 businesses directly to access further support and skilled resources.
- We worked with regional partners and businesses to deliver the inaugural Lake Eildon Boating and Fishing Show and the Victorian Tourism Industry Council Visitor Information Services Summit.
- We produced an Official Visitor Guide and continued to build our social media presence using the 'Discover Dindi' brand.

OUR PROMISE

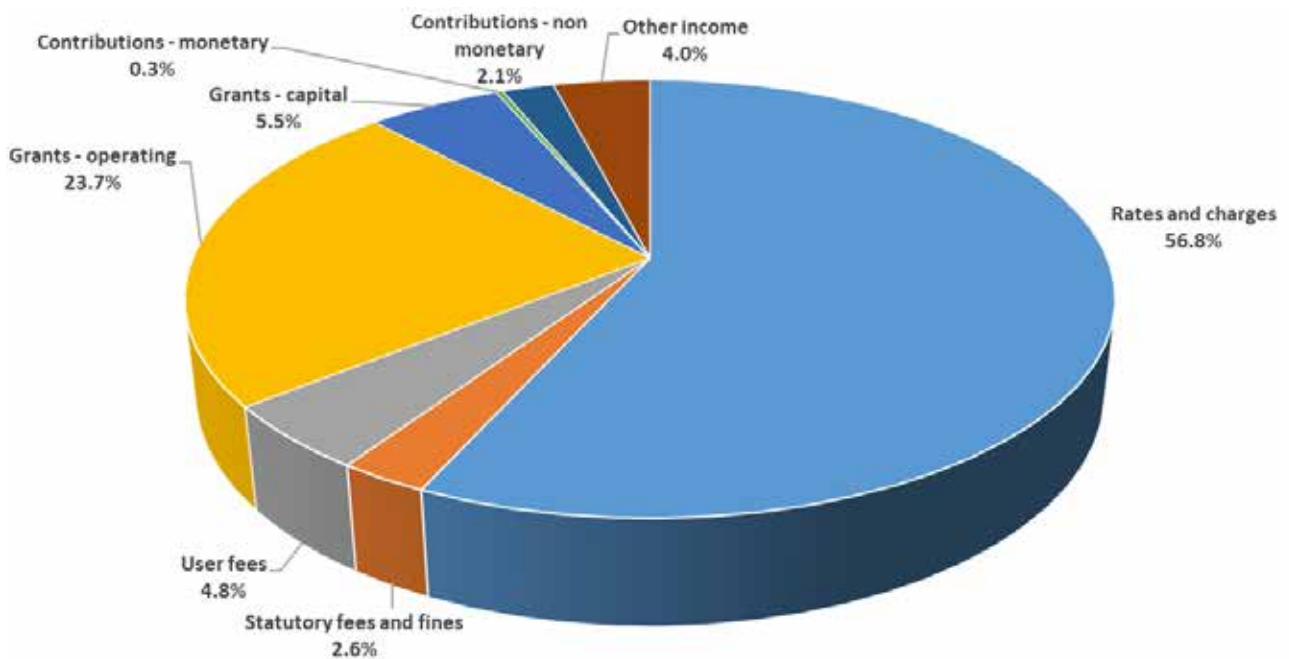
- We advocated to State and Federal Government for
 - improved road safety of the Maroondah Hwy and the Black Spur
 - increased access to mental health services for the communities of the Kinglake Ranges
 - raising awareness of the 'Libraries Change Lives' initiative
 - improved financial support for community waste education
 - further support for the Eildon Houseboat Industry
 - support for the Lake Eildon Boat Show
 - greater financial assistance for small rural councils
 - support for our community and business at the start of the COVID-19 pandemic
- We received the Local Government Professionals Award for Customer Service 2019 for our 'Customer First' Project.
- We continued to improve our customer satisfaction score, with 78.1% of our customers surveyed awarding us a rating of 5 out of 5.
- We developed and began implementing our Communications Strategy and Social Media Strategy, a Murrindindi Shire Council Style Guide and adopted a new Communication Policy.



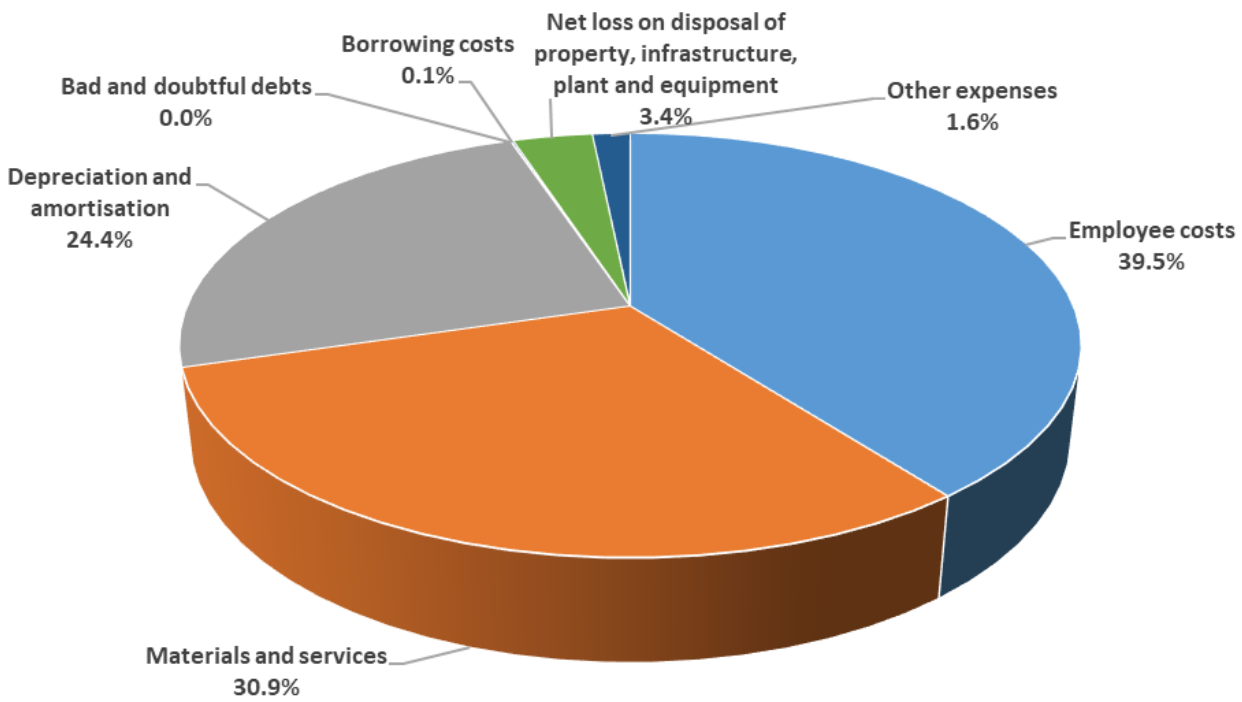


FINANCIAL OVERVIEW 2019/20

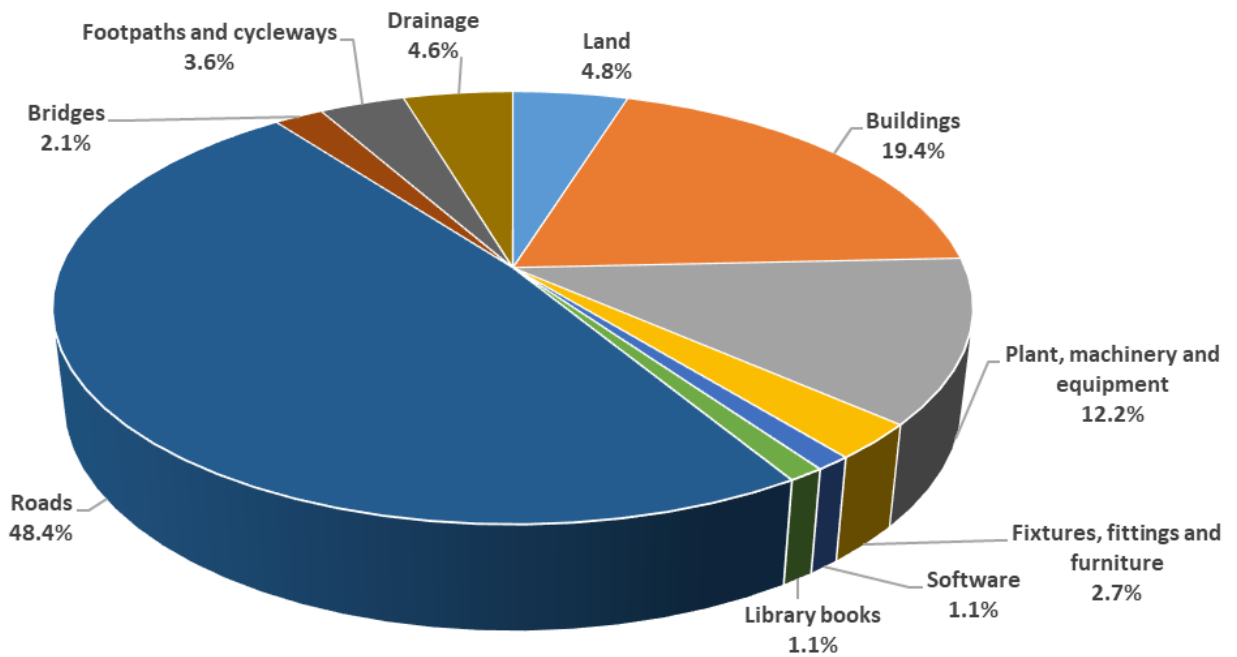
Income Breakdown



Operating Expense Breakdown



Capital Expenditure Breakdown





OUR PEOPLE

Strategic Objective 1:

TOGETHER WE WILL CELEBRATE AND ENCOURAGE DIVERSE, CARING AND CONNECTED COMMUNITIES.

WHAT WE AIM TO ACHIEVE: (Strategies)	WHAT WE DID IN 2019/20:
<p>1. Encourage activities and events that celebrate our vibrant, diverse and creative people and communities</p>	<ul style="list-style-type: none"> • We shared information on community-led activities through online event calendars and social media. • We continued to support a range of arts and cultural activities through our Community Grants and Contributions program including 18 projects and events, 10 fee reductions, 11 Sponsorships and 11 Quick Response grants. • We partnered with Creative Arts Victoria to deliver a range of creative arts programs for young people to promote self-expression and increase awareness of support services that aid positive mental health. • We celebrated Children’s Week with a range of activities that promoted creativity, literacy and connection. • We ran an active year of programs at each of our libraries, catering to a wide variety of community needs and interests. • We modified our library activities and events to adapt to restrictions during the COVID-19 pandemic, including by creating a range of engaging online content to replace in-person library programs. • We also created opportunities for local musical artists to showcase their songs online to our community and beyond through Dindi Live and The Dindi Sessions.

WHAT WE AIM TO ACHIEVE: (Strategies)	WHAT WE DID IN 2019/20:
<p>2. Work with our community and groups to connect, collaborate and plan for our future</p>	<ul style="list-style-type: none"> • We completed the Community Planning trial in the townships of Marysville, Yea and Toolangi/Castella. The Community Planning initiative successfully engaged a large number of community members across the three townships. Finalised plans were endorsed by Council in May. • We submitted grant applications to the State Government for the Yea Recreation Reserve Lighting Project, Alexandra Youth Precinct Project, Eildon Reserve Project and the Eildon Trail Project. • We helped people connect with services through the Moving Murrindindi program in partnership with Community Accessibility. We have engaged over 25 volunteers and completed 145 trips since the program launched in September. • We held an online community forum for groups to better understand the impact of COVID-19 and how Council can support them to plan and implement events into the future. • We held an online community forum to better understand the impact of COVID-19 on individuals and community to support the development of a COVID-19 Community Transition Plan.
<p>3. Work with our partner agencies to ensure people of all ages can access the health and community services they need</p>	<ul style="list-style-type: none"> • We worked with Lower Hume Primary Care Partnership (PCP) to advocate for the continuation of funding for the PCP program so it can continue to support improved health and wellbeing outcomes in the community. • With the Better Health Murrindindi Network and the Goulburn Mental Health Partnership, we progressed advocacy activities and projects to support flexible, equitable services for Murrindindi Shire. • We successfully transitioned Aged and Disability services to new community providers and developed the Access and Inclusion officer role to continue to support individuals to access the services they need. • We launched the DindiLink program to support people impacted by COVID-19 to ensure they are able to access emergency relief and support during restrictions. • We coordinated the Pandemic Committee and Relief Committee to work with key partners to support the community during the COVID-19 Pandemic.
<p>4. Create a positive environment that supports our young people to grow, participate and be happy</p>	<ul style="list-style-type: none"> • We planned and launched the Youth Leadership Program. • We supported the youth-led FReeZA Committee which met regularly to design the youth space for the Kinglake Country Fair (the Fair was eventually cancelled due to the COVID-19 pandemic). • We delivered a range of youth programs including <ul style="list-style-type: none"> ◦ Everyday Leadership Workshops for 245 students at Alexandra Secondary College and Yea High School ◦ Resilient Relationships and the Kindness Project with 110 students • We continued to plan the regional Youth Mental Health Forum with the Goulburn Regional Assembly, focusing on voice and lived experience of young people.
<p>5. Promote opportunities for people of all ages to connect with and be involved in their community</p>	<ul style="list-style-type: none"> • We supported community and neighbourhood houses with a Quick Response Grant to support the provision of emergency food relief to community. • Our Access and Inclusion Committee planned and delivered key priority projects, including an International Day of People with a Disability celebration, and worked with our Community Assets Team to progress projects that will improve accessibility across Murrindindi Shire. • We brought together seniors across the Shire for a High Tea celebration in Seniors Week in Alexandra, Christmas in July in Narbethong and Planned Activity Group break up celebration in Yea. • We supported people of all ages through our varied library programs and pivoted our service to help people through lockdown due to the COVID-19 pandemic, including through our 'Book Butler' library item home delivery service, and our 'Print and Post' service.

STRATEGIC INDICATORS - OUR PEOPLE

The strategic indicators measure our success in achieving our strategic objective and strategies under 'Our People'.

Increased community events supported by Council

Measure	Source	Result	Comment
Number of community events funded under Council's Community Grants Program	Community Grants Program	2017/18 - 5	The number of events supported this year have significantly increased from the previous year. This is in part a result of increased promotion and expansion of Council's Grants and Contributions Program.
		2018/19 - 2	
		2019/20 - 15	

Community satisfaction with elderly support services

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance of elderly support services	2019 Local Government Community Satisfaction Survey	2017/18 - 61	This measure was not included in the 2020 Local Government Community Satisfaction Survey due to Council ceasing to directly provide elderly support services to the community.
		2018/19 - 65	
		2019/20 – Not applicable	

Community satisfaction with family support services

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance of family support services	2020 Local Government Community Satisfaction Survey	2017/18 - 59	The slight decrease in community satisfaction with family support services may be due to Council's withdrawal from the delivery of aged and disability services.
		2018/19 - 63	
		2019/20 - 60	

Increased active library members and participation in library and other Council programs

Measure	Source	Result	Comment
Number of active library members (have used library card in last 12 months)	Yarra Plenty Regional Library Service Library Management System reports	2017/18 Members - 2,920	Slight reduction in membership is likely due to reduced usage of library cards during pandemic-related closures and reduced service model in the last quarter of year.
		2018/19 Members - 3,197	
		2019/20 Members – 2,544	

Increased participation by young people in Council activities and services

Measure	Source	Result	Comment
Number of young people attending Council-run events and forums	Internal records	2017/18 - 4,960	While Council facilitated a number of events involving our young people, attendance was down slightly this year as a result of the cancellation of a couple of large-scale events due to COVID-19.
		2018/19 - 2,039	
		2019/20 – 1,708	

Council's involvement in collaborative networks, plans and projects

Measure	Source	Result	Comment
Number of collaborative networks, plans and projects Council was involved in relating to the 'Our People' Strategic Objective	Internal records	2017/18 Networks - 20 Plans - 5 Projects - 5	<ul style="list-style-type: none"> • Examples of collaboration included • Friends of the Library in Alexandra, Yea and Kinglake • Municipal Public Health and Wellbeing Plan • Moving Murrindindi Project • Community Planning project in Marysville, Toolangi and Yea • Murrindindi Children's Network • Kinglake Early Years Network • Ellimatta Youth Incorporated • Aged and Disability service Providers Workforce Development Project • Youth Development workshops and library program collaboration in schools • Goulburn Integrated Mental Health Project Steering Group • Murrindindi Pandemic Committee
		2018/19 Networks - 21 Plans - 5 Projects - 6	
		2019/20 Networks - 28 Plans - 5 Projects – 12	



REPORT OF OPERATIONS - OUR PEOPLE

This report of operations provides the results of the prescribed performance indicators that relate to the strategies under 'Our People'. These indicators are also published on the Victorian Government's 'Know Your Council' website.

Service Performance Indicators Service / indicator / measure	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Aquatic Facilities					
Service standard					
Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1.00	1.00	0.00	2.00	Regular inspections of aquatic sites are undertaken throughout the aquatic season, including an annual audit conducted by Life Saving Victoria to ensure water quality is maintained to correct standards.
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	1.30	1.42	1.53	0.97	The 19/20 season was impacted by higher percentage of pool closure days due to storm damage, EPA smoke warnings and mechanical faults. These issues account for the decline in participation.
Service cost Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	New in 2020	New in 2020	New in 2020	\$20.27	The cost of aquatic facilities was higher on a per visit basis due to reduced participation numbers resulting from cool weather and mechanical faults with pool equipment that increased the number of pool closure days. Note: From 2020, this measure replaced two previous measures: 'Cost of indoor aquatic facilities' and 'Cost of outdoor aquatic facilities', see retired measures.

Service Performance Indicators Service / indicator / measure	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Maternal and Child Health (MCH)					
<p>Service standard Infant enrolments in the MCH service</p> <p>[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</p>	100.84%	100.83%	102.04%	100.93%	No material variations for 2019-2020
<p>Service cost Cost of the MCH service</p> <p>[Cost of the MCH service / Hours worked by MCH nurses]</p>	\$109.11	\$104.78	\$73.63	\$71.02	The cost of Maternal and Child Health Service has remained relatively stable over the past two years of reporting.
<p>Participation Participation in the MCH service</p> <p>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</p>	98.36%	100.00%	86.75%	82.11%	Client participation rate has varied, largely due to the impact of COVID-19. Telehealth consultations have been occurring across all non-critical KAS consultations.
<p>Participation Participation in the MCH service by Aboriginal children</p> <p>[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</p>	100.00%	100.00%	89.19%	89.47%	The Service has excelled in maintaining engagement with Aboriginal children and their families.
<p>Satisfaction Participation in 4-week Key Age and Stage visit</p> <p>[Number of 4-week key age and stage visits / Number of birth notifications received] x100</p>	New in 2020	New in 2020	New in 2020	95.37%	The Service has achieved strong participation in 4 week Key Age and Stage Visits, these visits continued throughout the COVID-19 restriction period.

Service Performance Indicators Service / indicator / measure	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Libraries					
<p>Utilisation Physical library collection usage</p> <p>[Number of physical library collection item loans / Number of physical library collection items]</p>	2.18	2.16	2.20	2.06	<p>While our libraries continued to lend items via the home delivery 'Book Butler' service, loan numbers dropped with four branches closed at first and then with three reopening for limited hours and limited browsing time for patrons.</p> <p>Note: From 2019-20, this indicator measures the performance of physical library items as a subset of the wider library collection.</p>
<p>Resource standard Recently purchased library collection</p> <p>[Number of library collection items purchased in the last 5 years / Number of library collection items] x100</p>	52.11%	54.45%	51.77%	55.52%	<p>The percentage of items fewer than 5 years old has increased as we have 'weeded' older items in the collection, assisted by deployment of a new system which has provided greater intelligence about our collection's usage by our community.</p>
<p>Participation Active library borrowers in municipality</p> <p>[Number of active library borrowers in the last three years / The sum of the population for the last three years] x100</p>	40.25%	20.61%	22.08%	20.04%	<p>Physical visits to the libraries are down overall due to pandemic-related closures, and this has resulted in less borrowing and therefore fewer active users.</p> <p>A slight reduction in cost per head of population but in line with previous years' costs.</p>
<p>Service cost Cost of library service per population</p> <p>[Direct cost of the library service / Population]</p>	New in 2020	New in 2020	New in 2020	\$33.13	<p>Note: This measure is replacing the previous 'Cost of library service' indicator which measured based on number of visits, see retired measures.</p>



OUR PLACE

STRATEGIC OBJECTIVE 2:

WE WILL MAINTAIN AND ENHANCE PLACES TO BE ATTRACTIVE AND LIVEABLE, IN BALANCE WITH OUR NATURAL ENVIRONMENT.

WHAT WE AIM TO ACHIEVE: (Strategies)	WHAT WE DID IN 2019/20:
<p>1. Support recreation opportunities for our residents and visitors that encourage participation and community connections</p>	<ul style="list-style-type: none"> • We progressed the Eildon Reserve Precinct Improvement Plan and Kinglake Memorial Reserve Master Plan projects, including community consultation to develop Draft plans ready for further consultation in July 2020. • We adopted the Alexandra Youth Precinct Master Plan and the initial planning phase for the works has commenced. • We completed the upgrade of the Spring Valley Recreation Reserve change rooms. • We completed construction of the Yea Recreation Reserve female-friendly change room project and the Kinglake Memorial Reserve Netball court re-development. • We submitted an application for Victorian Government funding to support the Yea Recreation Reserve Oval lighting upgrade and Alexandra Youth Precinct projects.

WHAT WE AIM TO ACHIEVE: (Strategies)	WHAT WE DID IN 2019/20:
<p>2. Improving links and making Murrindindi Shire easier to navigate and its services and destinations easy to find</p>	<ul style="list-style-type: none"> • We completed the 2019/20 Pathway program. • We commenced construction works on the Yea Streetscape Safety Upgrade Project. • We submitted further grant applications for a number of infrastructure projects. • We commenced construction works on the following roads, however wet weather delayed completion <ul style="list-style-type: none"> ◦ Rubicon Road ◦ Back Eildon Road ◦ King Parrot Creek Road
<p>3. Through good land use planning enhance the liveability, prosperity and the rural character of our Shire</p>	<ul style="list-style-type: none"> • We commenced construction of Stage 1 of the Kinglake Streetscape (construction of Aitken Crescent), although works were not completed as anticipated due to wet weather. • We commenced the concept plan for the Kinglake/Pheasant Creek Streetscape.
<p>4. Strengthen the environmental sustainability of our communities, protect our natural environment and reduce resource consumption</p>	<ul style="list-style-type: none"> • 150 roads were treated for weed control across the Shire. This equates to 1422kms of roads, if counting both left and right hand sides of roads. • We delivered the Chilean Needle Grass program in collaboration with Regional Roads Victoria in Molesworth to Homewood and patches along the Great Victorian Rail Trail. • We adopted our Environment Policy. • We installed 49kw of Solar PV across Council buildings, retrofitted 659 energy efficient LED lights over 21 Council sites as part of the Local Government Energy Saver Program. • We reviewed Council-owned bushland areas and compiled a draft environmental management report. • We conducted noxious and environmental weed control in a number of Council bushland reserves. • We mapped 74km of the Great Victorian Rail Trail for noxious and environmental weeds, large old trees and rabbit warrens. • We collaborated with Landcare in delivering programs for National Tree Day, Ribbons of Remnant Roadsides, the Great Victorian Rail Trail and the Queensland Fruit Fly monitoring program. • We delivered a community information session regarding peri-urban rabbit management in Kinglake. • We adopted a Waste Education Strategy. • We established new e-waste facilities at the Alexandra and Kinglake Resource Recovery Centres and electronic waste (e-waste) collection services commenced at our Alexandra, Yea and Kinglake Resource Recovery sites.
<p>5. Recognise and embrace the history, culture and identity of our towns and communities</p>	<ul style="list-style-type: none"> • We completed the historical restoration works at the Yea Shire Hall. • We supported the '10 Years On – Foggy Mountain Primary School Song Writing Program' culminating in a community concert celebrating resilience and the voices of children across the Kinglake Ranges.

**WHAT WE AIM TO
ACHIEVE:
(Strategies)**

WHAT WE DID IN 2019/20:

6. Enhance community safety, resilience and liveability through improved planning, community engagement, and a fair and transparent approach to compliance

- We reviewed and adopted a new Community Local Law 2020 to promote the peace, order and good government of the municipality.
- We completed the annual update of the Municipal Emergency Management Plan (MEMP) which brought together agencies in the municipality to record how we prepare for, respond to and recover from emergencies.
- Our Municipal Fire Management Plan (MFMP) was updated by a multi-agency committee consisting of DELWP, Parks Victoria, Council and CFA.
- Our Neighbourhood Safer Places – Places of Last Resort (NSPs) were successfully audited by the CFA and are now ready for the coming fire season. There are 8 NSPs across the municipality and their locations are listed on the Council website.
- The Draft Domestic Wastewater Management Plan was approved by Council to proceed to the public consultation phase.



STRATEGIC INDICATORS - OUR PLACE

The strategic indicators measure our success in achieving our strategic objective and strategies under 'Our Place'.

Reduce Council's resource use

Measure	Source	Result	Comment
Percentage change in Council's annual electricity consumption compared with previous year	Council's greenhouse gas emissions reporting system	2017/18 1% increase	Council's energy consumption has dropped by 5.8% this year when compared to the energy usage in 2018/19.
		2018/19 2.7% decrease	
		2019/20 5.8% decrease	This reduction is due to the energy efficiency upgrades as part of the Local Government Energy Savers Grant. (49Kw of Solar, 600LED lights, HVAC upgrades) and due to office closures from the COVID-19 shutdown. Note: 14% of the data above is based on estimated projections due to only 86% of electricity bills being received at the time of preparing this report.

Measure	Source	Result	Comment
Percentage change in Council's annual potable water consumption compared with previous year	Council's greenhouse gas emissions reporting system	2017/18 18% decrease	Council's potable water consumption increased by 5.2% when compared to water usage last year. This is due to an unusual spike at two of Council's leased sites. Council is currently investigating the cause to ensure we continue meeting our targets to reduce water usage year-on-year.
		2018/19 4.2% decrease	
		2019/20 5.2% increase	

Measure	Source	Result	Comment
Percentage change in Council's annual paper consumption compared with previous year	Council's Paper Reporting System	2017/18 5% increase	Council's paper consumption has reduced by 27.8% this year when compared to paper consumption by the organisation last year. This is mainly due to staff working from home and transitioning to largely paperless office processes.
		2018/19 - 11% decrease	
		2019/20 27.8% decrease when compared to the 2019/18 financial year.	

Reduce Waste Going to Landfill

Measure	Source	Result	Comment
Proportion of waste diverted from landfill	Waste and recyclable tonnage measured via Council's landfill weighbridge and Council's recyclable reprocessing contractor's weighbridge	2017/18 - 35%	Recycling at the kerbside decreased by 0.5% relative to garbage generation. This is more indicative of increasing volumes of garbage generation, as recycling increased 1.8% by weight, while garbage increased 4.1%. Both increases are higher than population growth would indicate.
		2018/19 - 34.09%	
		2019/20 - 33.6%	

Community satisfaction with the appearance of public places

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance on appearance of public places	2019 Local Government Community Satisfaction Survey	2017/18 – 66	Community satisfaction with the appearance of public places remained similar to last year.
		2018/19 - 71	
		2019/20 - 70	

Strengthened community engagement in safety planning and preparation

Measure	Source	Result	Comment
Number of meetings and workshops held and publications issued relating to safety planning and preparation	Council's records	2017/18 - 32	Council continues to play a key role in fire safety and planning with the community.
		2018/19 - 45	
		2019/20 - 41	

Community satisfaction with Council's land use planning policy

Measure	Source	Result	Comment
Weighted average ratings of 'professionalism' and 'responsiveness' of planning staff by planning permit applicants	Customer Satisfaction Survey of planning applicants conducted annually by Council (note small sample sizes – 12 completed surveys were received)	2017/18 - 93%	Community satisfaction with Council land use planning policy declined compared with previous year, noting the small sample size.
		2018/19 - 96%	
		2019/20 – 75%	

Retain or improve the proportion of our roads and open spaces in good condition

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance on condition of sealed roads	2019 Local Government Community Satisfaction Survey	2017/18 - 42	As a result of Council's ongoing investment in road construction and maintenance, satisfaction with sealed local roads continues to improve over the last three years.
		2018/19 - 48	
		2019/20 - 50	
Index score (maximum = 100) based on resident perceptions of performance on condition of unsealed roads	2019 Local Government Community Satisfaction Survey	2017/18 - not measured	Community satisfaction with the condition of unsealed roads tends to be lower than for sealed roads, as the condition can vary with changing weather conditions and levels of use.
		2018/19 - not measured	
		2019/20 - 41	

Measure	Source	Result	Comment
Proportion of roads and transport capital works program delivered in the 2017/18 financial year	Council's capital works program	2017/18 – 90%	Although 61% of works were completed by 30 June, 92% are committed. This means projects have been allocated to contractors to be completed in the first quarter of 2020/21.
		2018/19 – 85%	
		2019/20 – 61%	



REPORT OF OPERATIONS - OUR PLACE

This report of operations provides the results of the prescribed performance indicators that relate to the strategies under 'Our Place'. These indicators are also published on the Know Your Council website.

Service Performance Indicators	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Animal Management					
Timeliness 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]	1.81	1.84	3.00	3.00	No material variations for 2019/20.
Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	71.01%	60.00%	30.48%	50.32%	The increased proportion of animals reclaimed in 2019/20 reflects a substantial increase in animal registrations due to a targeted education program.
Animals rehomed [Number of animals rehomed / Number of animals collected] x100	New in 2020	New in 2020	New in 2020	42.04%	Note: New measure for 2019/20 financial year.
Service cost Cost of animal management service per population [Direct cost of the animal management service / Population]	New in 2020	New in 2020	New in 2020	\$11.35	Note: This measure is replacing previous 'Cost of animal management service' which was based on cost per number of registered animals, see retired measures.
Health and safety Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	New in 2020	New in 2020	0.00%	There were no animal prosecutions in 2019/20.

Service Performance Indicators	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Food Safety					
<p>Timeliness Time taken to action food complaints</p> <p>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</p>	1.00	1.00	2.00	3.00	Food complaints are actioned within three working days as per customer service charter.
<p>Service standard Food safety assessments</p> <p>[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</p>	88.89%	88.24%	86.84%	100.00%	Council has completed 100% of scheduled inspections. This is a slight increase on the previous year.
<p>Service cost Cost of food safety service</p> <p>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</p>	\$591.15	\$553.05	\$1,124.23	\$963.33	Slight decrease is due to ongoing Environment Health Officer position vacancies.
Health and safety					
<p>Critical and major non-compliance outcome notifications</p> <p>[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</p>	93.75%	100.00%	100.00%	100.00%	No material variations for 2019/20.

Service Performance Indicators	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Roads					
Satisfaction of use Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	4.60	14.35	8.79	59.55	Due to a number of significant weather events in January and February, and COVID-19 restrictions.
Condition Sealed local roads maintained to condition standards [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	89.96%	90.64%	91.62%	95.01%	No material variations for 2019/20.
Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$53.68	\$52.37	\$57.18	\$19.20	Small sample of projects as a number of projects have not been completed in the financial year under review. Of those completed, the scale of the work enabled better value pricing.
Service Cost Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$7.82	\$7.89	\$4.18	\$5.92	Current market price for sealing works for the financial year.
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	46.00	42.00	48.00	50.00	No material variations for 2019/20.

Service Performance Indicators	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Service / indicator /measure					
Statutory Planning					
<p>Timeliness Time taken to decide planning applications</p> <p>[The median number of days between receipt of a planning application and a decision on the application]</p>	49.00	57.00	60.00	84.00	Council planning applications remained steady in 2019/20, however COVID-19 saw a significant increase in people looking to relocate to regional Victoria which has resulted in increased workloads causing increased timeframes to determine applications.
<p>Service standard Planning applications decided within required time frames</p> <p>[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100</p>	87.07%	68.37%	69.52%	59.45%	Council planning applications remained steady in 2019/20, however COVID-19 saw a significant increase in people looking to relocate to regional Victoria which has resulted in increased workloads causing increased timeframes to determine applications.
<p>Service cost Cost of statutory planning service</p> <p>[Direct cost of the statutory planning service / Number of planning applications received]</p>	\$1,916.14	\$1,551.67	\$1,630.19	\$1,750.57	No material variations for 2019/20.
<p>Decision making Council planning decisions upheld at VCAT</p> <p>[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</p>	66.67%	66.67%	100.00%	0.00%	Council did not have any planning decisions referred to VCAT in 2019/20.

Service Performance Indicators	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Waste Collection					
Satisfaction Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	9.02	18.91	85.18	64.55	There is a decrease in number of requests received in 2019/20 is due to improvements in service delivery.
Service standard 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	1.64	1.12	0.98	1.35	The number of missed bins will continue to be monitored over the next financial year. It is noted that the result is at the very low end of the expected range of results.
Service cost Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$64.91	\$68.36	\$70.42	\$72.60	No material variations for 2019/20.
Service cost Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$56.09	\$59.40	\$62.76	\$72.72	Increase in the cost of processing of recyclables due to sector-wide challenges in the recycling industry.
Waste diversion 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	36.30%	34.92%	34.09%	33.59%	No material variations for 2019/20.



OUR PROSPERITY

STRATEGIC OBJECTIVE 3:

IN PARTNERSHIP WITH THE COMMUNITY WE WILL PROMOTE AN ENVIRONMENT IN WHICH BUSINESS AND COMMUNITY CAN THRIVE

WHAT WE AIM TO ACHIEVE: (Strategies)	WHAT WE DID IN 2019/20:
<p>1. Use a fresh approach to attract new and existing business investment</p>	<ul style="list-style-type: none"> • We supported 7 new and existing businesses to navigate and comply with planning, building and other regulatory requirements. • We employed a Business Partnerships Officer to support greater engagement in Council’s Grant & Contributions Program. • We delivered 9 grant information sessions, 34 one-to-one grant sessions and supported 10 businesses to make grant submissions.
<p>2. Work with our businesses, regional partners and communities to support a diverse visitor experience that promotes our natural assets, and a vibrant range of events</p>	<ul style="list-style-type: none"> • We worked with key regional partners and businesses to deliver the Lake Eildon Boating & Fishing Show and Victorian Tourism Industry Council Visitor Information Services Summit. • We collaboratively produced a Murrindindi Shire official visitor guide with support from local businesses and a short-term Victorian Government- funded tourism marketing campaign with Mitchell and Strathbogie Shires. • We adopted and commenced work on the Murrindindi Shire Council Tourism and Events Strategy 2019-2025 and the Great Victorian Rail Trail Strategic Development Plan. • We continued to use social media to engage with our key visitor markets and drive awareness of our assets, attractions and events We joined the Board of Tourism North East to participate in regional tourism initiatives.

WHAT WE AIM TO ACHIEVE: (Strategies)	WHAT WE DID IN 2019/20:
3. Support and encourage local businesses to work together, thrive and grow, through networking, start-up assistance, mentoring, and access to skills	<ul style="list-style-type: none"> • We worked with State Government to deliver 4 Small Business Bus sessions across Murrindindi Shire. • We delivered a series of 7 business workshops to support a diversity of sectors through the Doing Business Better Program. • We supported 44 businesses directly to access further support and skilled resources.
4. Advocate for and support high quality opportunities for education and training to meet community and business needs	<ul style="list-style-type: none"> • We continued to support kindergartens in the Shire including planning for the introduction of 3-year-old funded kinder programs in 2021. • We met with the State Minister for Environment to advocate for more waste education within the community. • We continued to support the Central Ranges Local Learning and Employment Network to explore training vocational training pathways for young local people.
5. Advocate for improved infrastructure and access to public land to realise social and economic opportunities	<ul style="list-style-type: none"> • We continued to advocate for improvements to road safety in the Shire. • We participated in the Rubicon Steering Committee and Murrindindi Scenic Reserve Committee meetings. • We met with Regional Development Victoria to identify further opportunities for State Government to support our public infrastructure upgrades. • We participated in the project to develop the Lake Eildon Master Plan to identify opportunities for economic and social development that builds on the infrastructure and land surrounding Lake Eildon.

STRATEGIC INDICATORS - OUR PROSPERITY

The strategic indicators measure our success in achieving our strategic objective and strategies under 'Our Prosperity'.

Increasing reach and impact of our business support activities

Measure	Source	Result	Comment
Number of businesses registered on Council's Electronic Direct Mail list	Council's internal records	2017/18 – 213	The number of local businesses receiving Council's monthly business e-newsletter increased significantly during 2019/20.
		2018/19 - 291	
		2019/20 - 571	
Number of local business events supported by Council	Council's internal records	2017/18 – 29	The grant-funded Doing Business Better Program helped fund several business workshops in 2019/20.
		2018/19 - 7	
		2019/20 – 9	

Increased business investment

Measure	Source	Result	Comment
Value of commercial building works for building permits issued	Council's building permit register	2017/18 \$4.3 million	The increase in investment is due from increased construction activities from previously approved planning applications. This result is aligned to the KPI "Growth in new dwelling approvals". As a result, an increase in new dwelling building approvals will lead to an increase in the value of commercial building works for building permits issued.
		2018/19 \$2.6 million	
		2019/20 \$3.3 million	

Growth in new dwelling approvals

Measure	Source	Result	Comment
Number of new dwelling building approvals	Council's building permit register	2017/18 - 108	The increase in building activity is due to previous planning applications being realised into construction activities.
		2018/19 - 111	
		2019/20 - 127	
Value of new dwelling works approved	Council's building permit register	2017/18 - \$31.3 million	The large increase in the value of dwellings is due to a greater number of high- value dwellings being approved compared to previous years.
		2018/19 - \$37.3 million	
		2019/20- \$51.6 million	

STRATEGIC INDICATORS - OUR PROSPERITY

Implementation of our strategic land use plans

Measure	Source	Result	Comment
Number of completed and approved local planning scheme amendments	Murrindindi Planning Scheme	2017/18 - 2	Two Planning scheme amendments were initiated during the 2019/20 year but are yet to be finalised.
		2018/19 - 3	
		2019/20 - 0	

Increased visitation to the Shire

Measure	Source	Result	Comment
Estimated domestic overnight visitors to the Shire	Australian National Visitors Survey	2017/18 - 322,000	Council no longer has access to these statistics. New metrics will be sourced in the future.
		2018/19 - 244,000	
		2019/20 – Not Available	

REPORT OF OPERATIONS - OUR PROSPERITY

There are no prescribed performance indicators or measures that specifically relate to the strategies under 'Our Prosperity'.



OUR PROMISE

STRATEGIC OBJECTIVE 4:

WE WILL ALL WORK IN COLLABORATION WITH OUR COMMUNITIES TO DELIVER THE BEST POSSIBLE OUTCOMES IN ALL THAT WE DO.

WHAT WE AIM TO ACHIEVE: (Strategies)	WHAT WE DID IN 2019/20:
<p>1. Represent and advocate for our community in a transparent and equitable way</p>	<p>Throughout the 2019/20 year we advocated to State and Federal Government on behalf of the community for the following</p> <ul style="list-style-type: none"> • Improved road safety of the Maroondah Hwy and the Black Spur. • Increased access to mental health services for the communities of the Kinglake Ranges. • Raising awareness of the 'Libraries Change Lives' initiative. • Improved financial support for community waste education. • Further support for the Eildon Houseboat Industry. • Support for the Lake Eildon Boat Show. • Greater financial assistance for small rural councils. • Support for our community and Business at the start of the COVID-19 pandemic.

WHAT WE AIM TO ACHIEVE: (Strategies)	WHAT WE DID IN 2019/20:
2. Ensure our culture, systems and technologies encourage and enable innovation in our business practices and service delivery	<ul style="list-style-type: none"> • We refreshed and modernised Council’s website. • We received the 2019 Local Government Professionals Award for our ‘Customer First’ Project. • We partnered with a new software provider to improve our planning, monitoring and reporting tools in the areas of Risk, Occupational Health and Safety and Business Strategy. • A range of innovative practices was implemented to support Council’s response to the COVID-19 restrictions. These have included <ul style="list-style-type: none"> ◦ IT infrastructure enhancement to enable staff to work from home ◦ videoconferencing to enable team meetings and employee engagement ◦ online community engagement ◦ ‘Book Butler Program’ to deliver borrowing services to the community ◦ online Library programs and events ◦ offsite customer service ◦ livestreaming our Council Meeting via Facebook ◦ paperless process improvements
3. Ensure the range of services we provide and the way we provide them are best aligned with community priorities and Council’s resources	<ul style="list-style-type: none"> • We completed a review of Council’s infrastructure operational services to improve efficiencies and asset management. • We improved our fire prevention practices by <ul style="list-style-type: none"> ◦ commencing the roadside slashing program earlier and increased the frequency in high risk areas ◦ stream-lining the fire prevention notice process to give early notice regarding property owner obligations • We successfully transitioned the provision of aged and disability services to local community-based providers.
4. Commit to developing a stronger customer-focused culture that makes us easier to deal with	<ul style="list-style-type: none"> • We continued to improve our customer satisfaction score with the service we provide. By year’s end, 90.6% of our customers rated us either 4 or 5 out of 5 for our service (78.1% gave use 5 out of 5).
5. Expand our communication and two-way engagement with the community	<ul style="list-style-type: none"> • The year in review has seen a range of improvements in our approach to communications. We have completed a communication strategy, a social media strategy, a Communications Style Guide and adopted a new Communication Policy. • We have streamlined our internal approach to communicating with our community, which has made our communications more responsive and helped embed our approach to communications across the organisation. • We rolled out a new look for advertising which harmonised our ‘brand’ in print and online media. • We have enhanced our approach to social media and have seen a resulting boost in engagement, reach and other positive indicators, including during the COVID-19 restrictions. • Our main corporate Facebook Page grew by 45% from 2341 at 30 June 2019 to 3397 at 30 June 2020, representing almost a quarter of our Shire’s population and our Discover Dindi page grew from 15,510 to 19,732 followers in the same period, indicating increased engagement within and outside the Shire.

WHAT WE AIM TO ACHIEVE: (Strategies)	WHAT WE DID IN 2019/20:
6. Maintain Council's financial sustainability through sound financial and asset management	<ul style="list-style-type: none"> • Our new asset management system has been utilised for end of year financial reporting for the first time. • Our financial statements received clear audit opinion from the Victorian Auditor General's Office. • We adopted a Financial Reserves Policy, which will ensure financial reserves are aligned with our longer-term objectives. • We completed the asset revaluation for storm water drainage and footpaths. • We adopted the 2020/21 Annual Budget which included a number of measures to support the community in response to the COVID-19 pandemic (including a 0% average rate increase).
7. Support a skilled, engaged and flexible workforce that can respond to changing needs	<ul style="list-style-type: none"> • We successfully transitioned 113 Council staff members to working from home in response to COVID-19, ensuring that we could continue to deliver services to the community. • We successfully recruited and on-boarded 41 temporary full time positions under the State's Working For Victoria Scheme to assist those rendered unemployed by the pandemic and to better support Council's service delivery. • Our management team underwent 'Managing Mental Health in the Workplace' training in an effort to better support our staff.



STRATEGIC INDICATORS - OUR PROMISE

The strategic indicators measure our success in achieving our strategic objective and strategies under 'Our Promise'.

Community satisfaction with our consultation and engagement

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance on consultation and engagement	2020 Local Government Community Satisfaction Survey	2017/18 - 46	Community satisfaction with Council's performance on consultation and engagement has remained consistent with the previous year result.
		2018/19 - 55	
		2019/20 - 55	

Community satisfaction with our lobbying on behalf of the community

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of lobbying on behalf of the community	2020 Local Government Community Satisfaction Survey	2017/18 - 44	Community satisfaction with Council's advocacy efforts has decreased this year.
		2018/19 - 54	
		2019/20 - 49	

Community satisfaction with our customer service

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance of customer service	2020 Local Government Community Satisfaction Survey	2017/18 - 67	Community satisfaction with Council's customer service continues at relatively high levels.
		2018/19 - 73	
		2019/20 - 74	

STRATEGIC INDICATORS - OUR PROMISE

Positive trends in the Victorian Auditor General's ratings of council's financial sustainability

Measure	Source	Result	Comment
Ratios for working capital, unrestricted cash and indebtedness performance declared in Council's audited performance statement	2019/20 Performance Statement	2017/18 Working Capital - 471.1% Unrestricted Cash - 73.1%	Council has maintained a strong financial position during the year.
		2018/19 Working Capital - 590.2% Unrestricted Cash - 12.91% Indebtedness - 22.86%	
		2019/20 Working Capital - 520.81% Unrestricted Cash - 186.28% Indebtedness - 24.55%	

Increased workforce engagement

Measure	Source	Result	Comment
Weighted performance score (maximum = 100) based on employee satisfaction across a range of factors	2020 Staff Satisfaction Survey	2017/18 - 69	A new survey instrument was used this year and the overall Staff Satisfaction level has increased substantially.
		2018/19 - N/A	
		2019/20 - 84	



Innovation opportunities identified and implemented

Measure	Source	Result	Comment
Number of innovative business initiatives implemented	Internal records	2017/18 - 5	Business innovation initiatives implemented this year included <ul style="list-style-type: none"> • A refreshed and modernised Council website. • New software to improve our planning, monitoring and reporting tools in the areas of Risk, Occupational Health & Safety and Business Strategy. • A range of innovative practices to support Council’s response to the COVID-19 restrictions, including <ul style="list-style-type: none"> o IT improvements to enable staff to work from home o videoconferencing to enable team meetings and employee engagement o online community engagement o ‘Book Butler Program’ to deliver borrowing services to the community o online Library programs and events o offsite customer service provision o live-streaming our Council Meeting via Facebook o paperless process improvements
		2018/19 - 8	
		2019/20 – 10	

REPORT OF OPERATIONS - OUR PROMISE

This report of operations provides the results of the prescribed performance indicators that relate to the strategies under 'Our Promise'. These indicators are also published on the Know Your Council website.

Service Performance Indicators	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Governance					
<p>Transparency Council decisions made at meetings closed to the public [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100</p>	7.43%	6.19%	15.34%	14.88%	Council reduced this number slightly in 2019/20. 23 of the 25 business decision resolutions made in a closed meeting of Council were subsequently released in full to the public as part of the Ordinary Minutes.
<p>Consultation and engagement Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement</p>	42.00	46.00	55.00	55.00	The establishment of a Community Engagement Team and delivery of a Community Planning initiative across three townships has increased the ability of Community to engage with Council across a range of planning and delivery outcomes.
<p>Attendance Councillor attendance at council meetings [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</p>	89.68%	94.29%	92.86%	92.44%	An increased number of Special Meetings held during the 2019/20 year and the impact of COVID-19 on the March Meeting of Council saw a reduced attendance in 2019/20.
<p>Service cost Cost of elected representation [Direct cost of the governance service / Number of Councillors elected at the last Council general election]</p>	\$36,959.14	\$39,205.29	\$40,094.43	\$35,567.92	COVID 19 and the move toward online meetings, briefings and training opportunities reduced Council's expenditure relating to elected representation.
<p>Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</p>	41.00	45.00	55.00	53.00	This community satisfaction rating has reduced slightly but is still substantially higher than past results in 2016, 2017 and 2018.

CORPORATE DEVELOPMENT OUR ORGANISATION

WORKFORCE PROFILE AND GENDER EQUITY

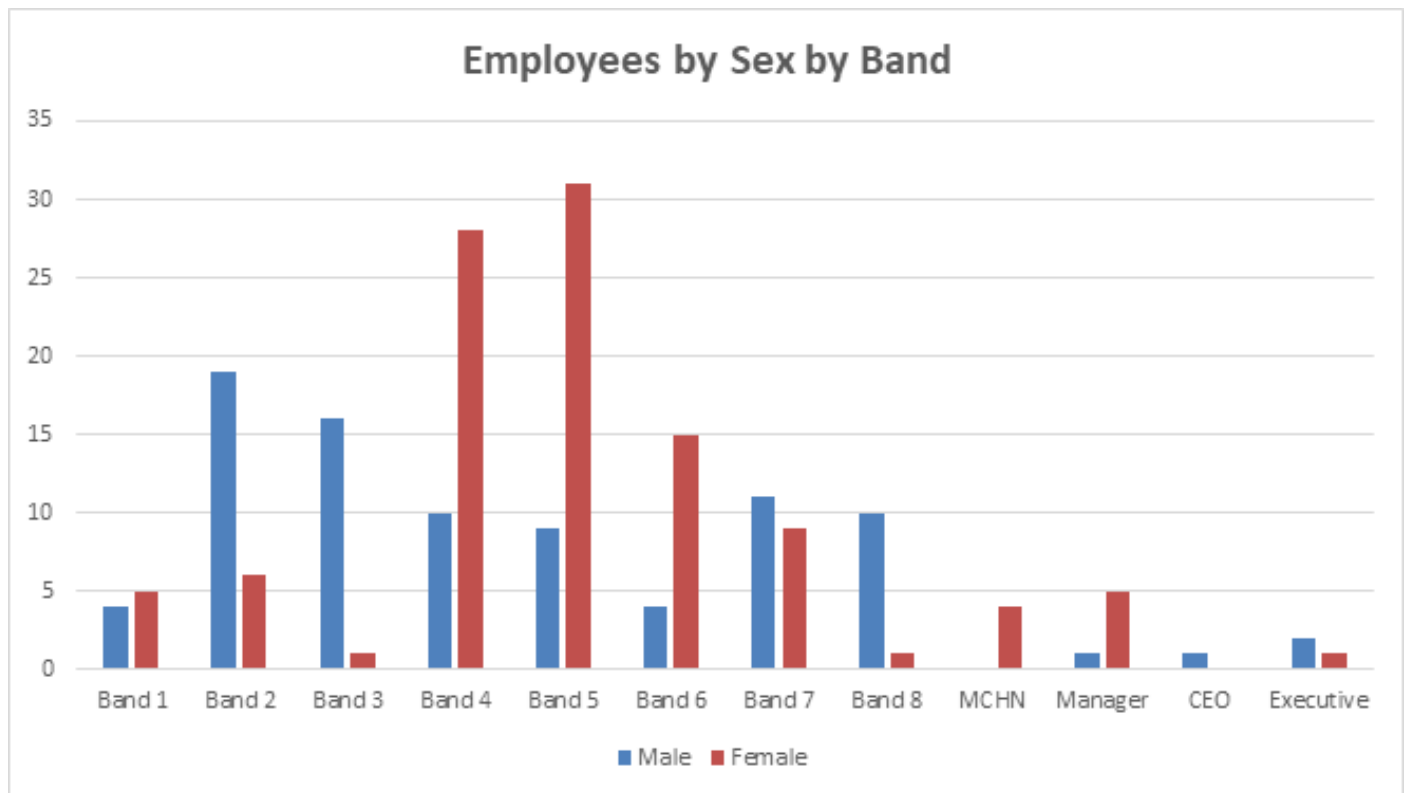
Our work

Over the 2019/20 financial year Council has supported a number of key initiatives aimed at addressing key drivers of gender inequity. The initiatives have included:

- partnering with the Victorian government to construct female friendly change rooms at Yea Recreation Reserve and at Alexandra Football and Netball Club.
- delivering a “This Girl Can” campaign over summer, encouraging girls and women to participate in physical activity.
- raising staff and community awareness during the 16 Days of Action on Violence Against Women.
- participation in working parties such as the Goulburn LGA Gender Equity Community of Practice group.

Our Workforce

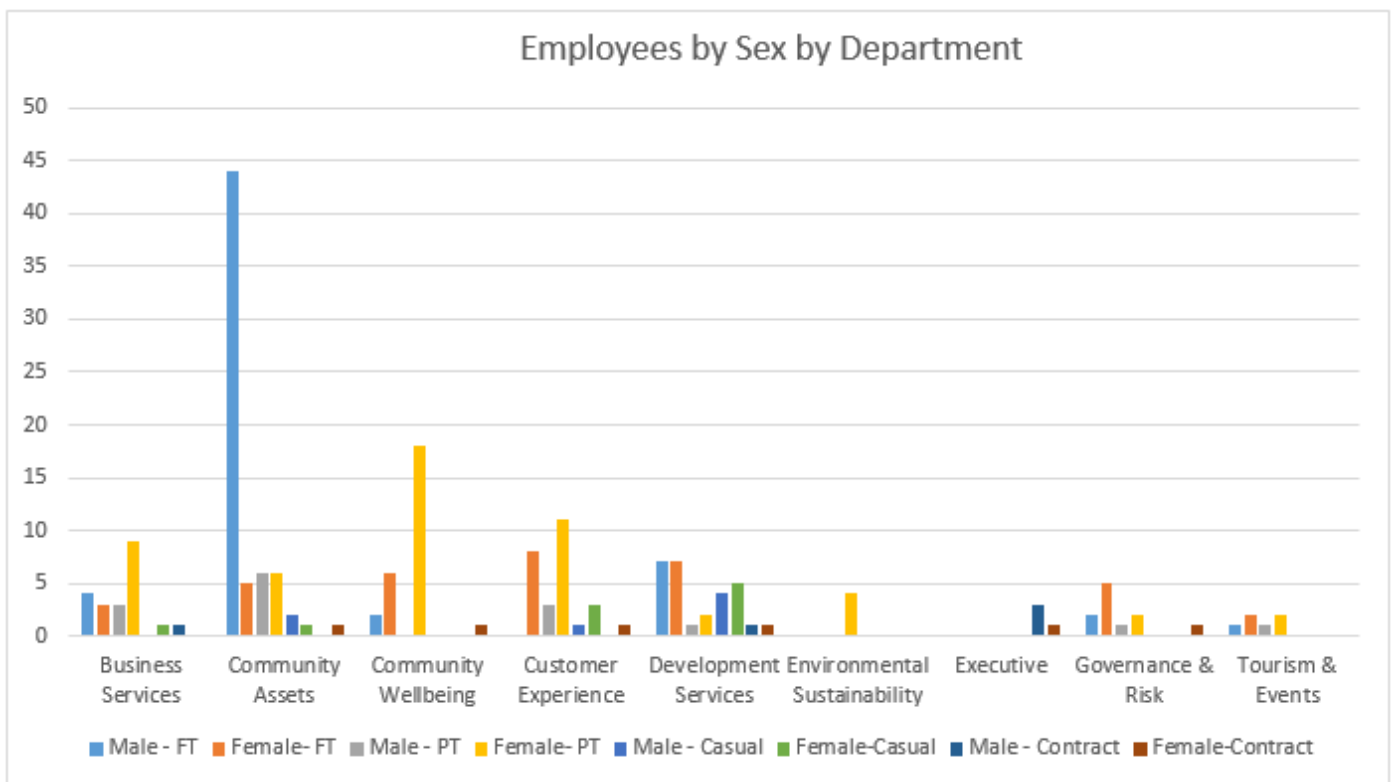
Council’s staffing profile shows that women are well-represented occupying more than half of the total number of staff employed. Additionally, women are well-represented in leadership roles holding 1 out of 4 Executive positions and over half of the manager and coordinator roles.



* Whilst the terms gender and sex are used interchangeably, the data Council collects is based on sex, e.g. Male, Female, Intersex.

While these statistics are pleasing, Council recognises that opportunity exists for further improvement. As can be seen in the graph below a disproportionately-small number of women hold positions in Community Assets. This area employs the majority of the outdoor staff roles.

Additionally, the results show a high number of women occupy part-time roles (83.6% women compared to 16.4% men) and women hold the majority of the casual and temporary positions (72% compared with 27.9%). These results will be further examined to understand if the reason for women in part-time or casual jobs is due to personal choice or lack of opportunity.



Council recognises that gender equity is about more than just numbers. It is also about our values and culture and a willingness to examine and challenge the status quo. Victoria’s recently enacted Gender Equality Act 2020 (the Act) provides us with the perfect platform for refreshing our focus on creating a safe, respectful and effective workplace for people of all genders.

The Act, which comes into effect in 2021, aims to improve workplace gender equality across the Victorian public sector, universities and local government bodies. As such, Murrindindi Shire Council will be required to develop, and subsequently report on, a Gender Equality Action Plan. This provides Council with a chance to capture qualitative information that will inform a more progressive approach to our workforce engagement and management.

We also envisage positive outcomes for both Council employees and the community as we consider the broader areas of diversity and disadvantage such as disability, ethnicity, race, religion, and sexual orientation in recruiting and retaining staff, or when developing policies, programs services.

HEALTH AND SAFETY OF OUR PEOPLE

Council's employees demonstrate high levels of engagement and commitment to doing the best for our communities. We are proud of our staff and wish to support them to do their best to deliver our services.

Health and Wellbeing

Council monitors and promotes good health and well-being as one of the foundations of a productive workplace. Council continues to provide an integrated Health and Wellbeing program. Employees are provided with regular information, training and other programs to support and encourage them to take responsibility for good health and well-being from an organisational and personal perspective.

During the COVID-19 pandemic Council managers and coordinators regularly checked-in with staff to ensure they are coping with working from home. We engaged staff by holding all-staff and team meetings at frequent intervals. Our intranet contains a COVID-19 page which provides staff with information relating to COVID-19 and articles around health and wellbeing.

Council engaged Converge as its Employee Assistance Program to support employees' wellbeing and mental health. Council remains a participant in the Local Government Employees Health Plan Scheme which enables Council employees to join a private health fund at competitive rates.

Occupational Health and Safety (OHS)

Council is committed to providing a safe and healthy work environment and ensuring the health, safety and wellbeing of all employees and members of the public.

Council has an Occupational Health and Safety Committee made up of four designated workgroup representatives and four management representatives. The Committee aims to ensure that all identified hazards and risks are acknowledged, communicated and resolved promptly. All managers and supervisors received refresher training in their legislated OHS responsibilities.

Council is now in its third year with the WorkCare self-insurance scheme through the Municipal Association of Victoria (MAV). Council participated in the Self Insurance Self Audit Program in June 2019, and successfully completed improvement actions across the 57 criteria on the audit during the 2019/20 year.

TRAINING AND DEVELOPMENT

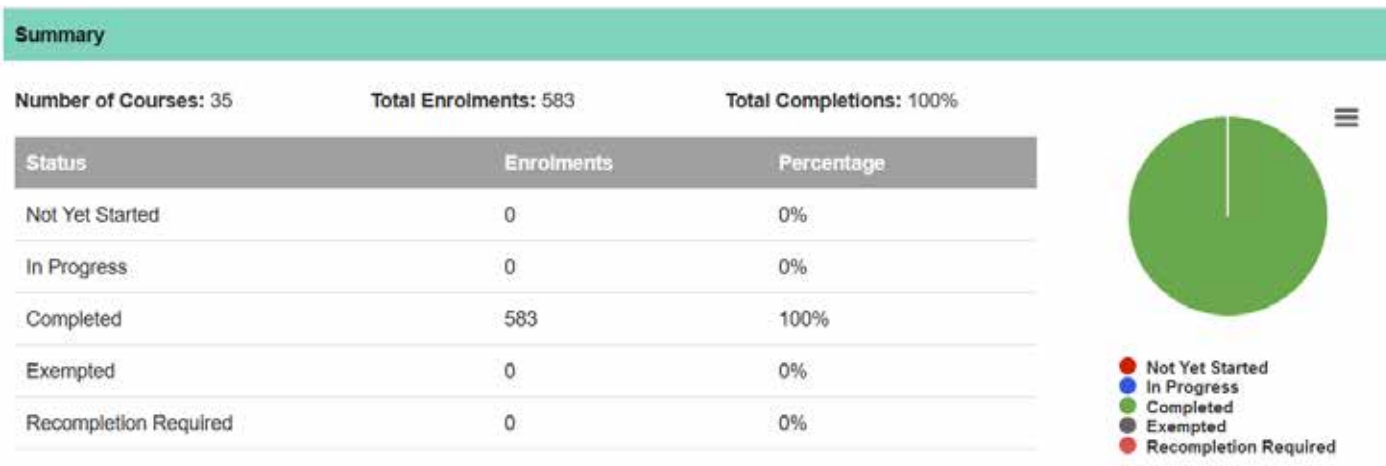
Council continued to focus on providing a comprehensive training and development program to ensure that employees develop skills and knowledge to deliver on their responsibilities, meet compliance requirements and enhance their career development.

In 2019/20 we again achieved strong participation across a diverse training program to meet our training needs assessment.

The delivery of onsite and offsite training included

- Asset Management System specialised training
- planning for bushfire
- spotters course and traffic management
- media and communications
- land use planning and building control training
- manual handling
- water based training and Lifeguard training
- OHS risk management training
- OHS 5 Day HSR training
- first aid/CPR
- infection control training – COVID-19
- fraud awareness and conflict of interest
- fire arms training
- diabetes awareness
- driver safety
- Maternal Child Health nurses immunisation training
- driver safety – customer support officers
- MCHN cultural safety
- mental health first aid

In addition, there were 538 enrolments in 35 online learning courses with a 100% completion rate.



STAFF SATISFACTION SURVEY

Council conducted its Employee Satisfaction Survey in June 2020, with a very high level of participation. Overall, staff satisfaction was relatively strong. The survey is benchmarked against many other government and private organisations worldwide and Council’s staff satisfaction result was placed within the top 20% of all organisations surveyed. While results for most measures were relatively strong, areas for improvement from the results include having the right materials and equipment to perform the role, always having the opportunity to do the best possible job and having sufficient opportunities to learn and grow professionally.

AWARDS/RECOGNITIONS

Activities to recognise employee excellence and effort included

- Presentation of peer-nominated annual awards by the Chief Executive Officer to recognise services delivered in line with organisational values.
- Presentation of certificates and recognition for years of service. In December 2019 we recognised the following years of service
 - o 40 years of service – one staff member
 - o 35 years of service – one staff member
 - o 20 years of service – three staff members
 - o 15 years of service – five staff members
 - o 10 years of service – 12 staff members

EQUAL EMPLOYMENT OPPORTUNITY (EEO)

Murrindindi Shire Council is committed to providing

- a workplace that is free from bullying, sexual harassment, harassment, discrimination and victimisation and where staff, Councillors, contractors, prospective employees and volunteers treat each other with respect, courtesy and dignity
- an environment where diversity is embraced and employment and promotion decisions are merit-based
- flexible work arrangements to encourage full participation in the workplace
- an organisation that recognises its responsibility to lead by example within the community and set a high standard for others to model against
- a workplace where individuals can raise concerns without fear of victimisation

Council adopted its Equal Opportunity policy on 27 May. The Policy outlines a series of Council commitments, Leadership Team commitments and sets expectations for all staff, contractors and volunteers.

STAFF CODE OF CONDUCT

The Murrindindi Shire Council Staff Code of Conduct guides our staff behaviours in line with our organisational values. It enables a shared understanding of how to work together to create an enjoyable, satisfying and productive workplace.

For the community our Code of Conduct establishes our commitment to carry out our duties and deliver our services responsively, impartially, professionally and with the highest level of integrity.

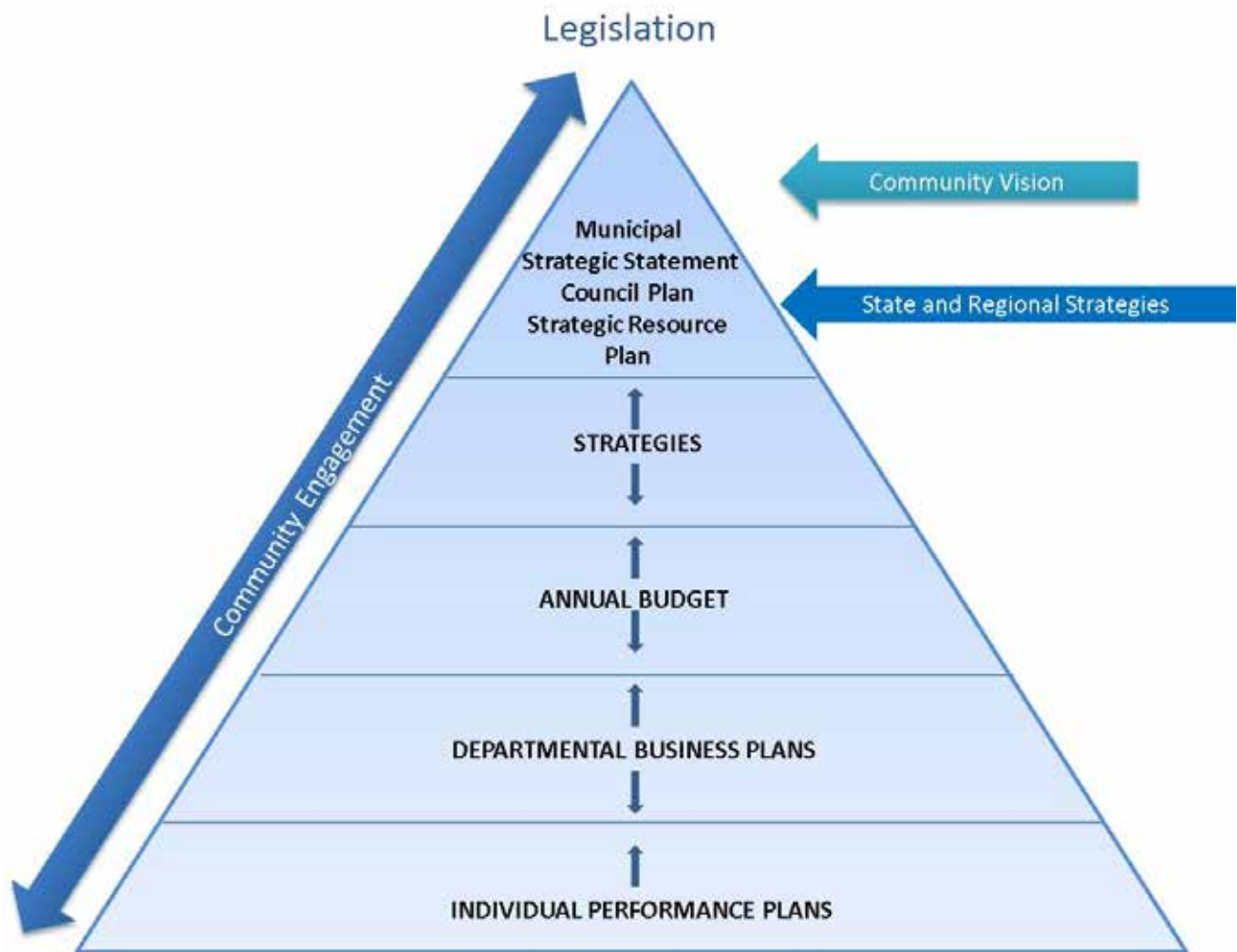
All new employees were made aware of their obligations under the Code of Conduct as part of their induction.



CORPORATE DEVELOPMENT OUR COUNCIL

INTEGRATED PLANNING FRAMEWORK

Murrindindi Shire Council has developed a corporate planning framework which identifies the relationship between the Council Plan, its various strategies and the individual departmental business plans and staff performance plans.



The Planning Framework provides for the Council Plan strategic objectives to be linked to the implementation of adopted strategies that are funded and resourced through the Annual Budget.

Council then measures and monitors its performance and reports both internally and to its community as required. Council receives from officers formal reports on a quarterly basis detailing progress against the Council Plan, the Annual Budget.

THE ROLE OF LOCAL GOVERNMENT

Local Government is governed by councillors who live within the municipality to which they are democratically elected by their local communities. As such it is the 'grass roots' level of government.

Section 8 of the Local Government Act 2020 states that the role of a council 'is to provide good governance in its municipal district for the benefit and wellbeing of the municipal community'.

COUNCIL ELECTORAL STRUCTURE

The Shire of Murrindindi is divided into seven single councillor wards. Ward boundaries are aligned to ensure an even spread of voters in each ward.



COUNCIL ELECTIONS

A general election was held on 28 October 2016 and seven Councillors were elected for a four-year term. The Councillors were sworn in at a Special Meeting of Council held on 9 November 2016.

The Shire's Councillors are: Cr Sandice McAulay (Cathedral Ward), Cr Rebecca Bowles (Cheviot Ward), Cr Jackie Ashe (Eildon Ward), Cr Eric Lording (King Parrot Ward), Cr Leigh Dunscombe (Kinglake Ward), Cr Charlotte Bisset (Koriella Ward), Cr Margaret Rae (Red Gate Ward).

Each year the seven Councillors elect the Mayor and Deputy Mayor. At the Special Meeting 30 October 2019, Cr Leigh Dunscombe was elected as Mayor and Cr Margaret Rae was elected as Deputy Mayor for a period of 12 months.

ELECTORAL REPRESENTATION REVIEW

In accordance with the Local Government Act 1989 the Victorian Electoral Commission (VEC) is required to conduct an electoral representation review of each local council in Victoria before every third general election of that council (or approximately every 12 years).

The review process ensures fair and equitable representation for all voters and considers whether the local council has the appropriate number of councillors, whether the local council should be subdivided into wards or be unsubdivided and if subdivided, the number of wards, ward boundaries and the number of councillors per ward.

A review of electoral representation for the Murrindindi Shire Council was initiated by the VEC in February 2019 in accordance with the Act. Following a prescribed process involving community engagement, the VEC recommended to the Minister for Local Government in its final report in October 2019 that Murrindindi Shire retain its seven Councillors, but that they be elected from three multi-councillor wards (two two-councillor wards and one three-councillor ward).

Subsequent to the VEC's recommendation to the Minister for Local Government, the new Local Government Act 2020 received Royal Assent on 6 April 2020. The new Act provides that the default electoral structure for all Victorian councils is single-councillor wards. Consequently Murrindindi Shire Council has retained its seven single-councillor wards with slight modifications to some ward boundaries to ensure equitable representation.

COUNCILLOR CODE OF CONDUCT

All councils in Victoria are required by the Local Government Act 1989 (Section 76C) to develop and regularly review a Councillor Code of Conduct, including reviewing the Code of Conduct within a period of four months of a general election.

Within one month of amendments to a Councillor Code of Conduct being approved, all Councillors must have declared in writing (witnessed by the Chief Executive Officer) that they will abide by the Councillor Code of Conduct.

The Councillor Code of Conduct was reviewed and adopted by Murrindindi Shire Councillors on 22 February 2017. A declaration to abide by the Councillor Code of Conduct was subsequently signed by each Councillor and witnessed by Council's Chief Executive Officer.

The Councillor Code of Conduct sets out the standards of behaviour and disclosure expected of Councillors, and identifies a process for resolving complaints.

The Councillor Code of Conduct is a declaration of how the Councillors will behave and interact with each other, the community and in undertaking their decision-making responsibilities. It details the standards of ethical conduct required of Councillors, outlines the legislated requirements to be adhered to and the dispute-resolution process for dealing with conflict and breaches of the Code of Conduct.

In accordance with the newly-enacted Local Government Act 2020 the Councillor Code of Conduct will be reviewed within 6 months of the next Council Election.

COUNCILLOR ALLOWANCES

Section 74 of the Local Government Act 1989 (now Local Government Act 2020) provides for the Governor-in-Council to set allowances for mayors and councillors. Councils are categorised according to their size and revenue base and an allowance range payable to councillors is set for each category. Murrindindi Shire Council is a level one council.

The current Councillor remuneration and allowances are as per the limits that are determined by the Minister for Local Government each year. The 2019/20 allowance paid to the Mayor of Murrindindi Shire Council was \$62,884 with the provision of a corporate standard vehicle, and an amount equivalent to 9.5% superannuation. The allowance paid to Murrindindi Shire Councillors for the 2019/20 financial year was \$21,049 plus an amount equivalent to 9.5% superannuation.

All Councillors were provided with a laptop computer and mobile phone to assist them in fulfilling their duties as Councillor. Councillors also had access to a remote area travel allowance of \$40 per day in certain circumstances, up to a maximum of \$5,000 per annum.

During the 2019/20 year the Council operated in accordance with its Councillor Reimbursement Policy adopted on 28 June 2017.

COUNCILLOR EXPENSES

The Local Government (Planning and Reporting) Regulations 2014 Part 4—Annual Report, Division 1 requires Council to report annually regarding Councillor expenses. The expenses are set out in the following categories:

Travel expenses – includes any taxi fares, public transport costs, remote travel allowance and reimbursement for kilometres travelled in their private vehicles associated with Council related travel.

Childcare expenses – includes any childcare costs associated with enabling Councillors to undertake their Councillor role.

Information and Communication expenses – includes capital costs, monthly fees and usage costs associated with Councillor mobile phones and Information Technology equipment or software. This does not include any personal use; any such expense is the responsibility of, and must be repaid by, Councillors.

Conference and Training expenses – includes any registration fees, travel, accommodation and incidental costs associated with attendance or participation in conferences or professional development programs related to Councillors performing their Councillor role.

Other expenses – includes any subscriptions, uniform, name badges, business cards and other incidental expenditure related to Councillors performing their Councillor role.

Car expenses – the Mayor is provided with a Council Fleet vehicle. This outlines the expenditure related to this vehicle. This vehicle is made available to all of the Councillors if they require.

Councillor	Allowances	Travel Expenses	Childcare Expenses	Information & Communications Expenses	Conference & Training Expenses	Other Expenses
Cr Ashe	\$22,860.24	\$ -	\$ -	\$1,091.35	\$346.37	\$ 211.57
Cr Bisset	\$22,860.24	\$1,376.85	\$ -	\$1,079.56	\$92.73	\$ 211.57
Cr Bowles	\$22,860.24	\$571.16	\$ -	\$881.85	\$310.46	\$ 211.57
Cr Dunscombe	\$53,325.00	\$4,801.61	\$ -	\$1,079.47	\$1,959.39	\$ 361.28
Cr Lording	\$22,860.24	\$3,377.26	\$ -	\$1,109.91	\$7,392.64	\$ 256.57
Cr McAulay	\$37,830.68	\$2,431.25	\$ -	\$1,086.13	\$1,559.85	\$ 265.21
Cr Rae	\$22,860.24	\$ -	\$ -	\$1,202.62	\$ -	\$ 321.32

COUNCIL MEETINGS

Council decisions are made by resolution of Council either at Ordinary Council Meetings or at Special Council Meetings.

Ordinary Meetings of Council are held on the fourth Wednesday of the month and alternate between the Alexandra and Yea Council Chambers. A schedule of Council meetings is available on our website and at any Council office. Community members are encouraged to attend and participate in Council meetings.

Parliament passed the COVID-19 Omnibus (Emergency Measures) Act 2020 on 23 April 2020 which allowed councils to hold meetings virtually and have them streamed online to the public. Council conducted two Ordinary Meetings and two Special Meetings in the 2019/20 year via online video and streamed via Council's website and Facebook page.

Councillors generally also meet on the first three Wednesdays of each month for briefing sessions. Briefing sessions give Councillors the opportunity to hear presentations by Council officers on upcoming items and to seek clarification on these and other issues that may appear on the agenda at future Council meetings.

A 'Public Participation' session is held at the beginning of each Council meeting to allow members of the public to address Council or have questions answered by Council. Council continued Public Participation when the meetings moved to the virtual format.

Agendas for Council meetings are made available on Council's website (or from Council offices) no less than 48 hours before the scheduled meeting.

Additional Special Meetings of Council may be called to consider specific issues. As well as the formal notice, we publicise these meetings through local media and on Council's website. Council meetings are conducted in accordance with the procedures as detailed in Murrindindi Shire Council's Governance Local Law 2, 2014.

A meeting is held annually to elect the Mayor and Deputy Mayor, set allowances for the Mayor and Councillors. This meeting was held on 30 October 2019.

	Ordinary Council Meetings		Special Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended
Cr L Dunscombe, Mayor	11	10	6	6
Cr M Rae	11	10	6	6
Cr J Ashe	11	10	6	6
Cr C Bisset	11	10	6	5
Cr R Bowles	11	11	6	5
Cr E Lording	11	11	6	5
Cr S McAulay	11	9	6	6



SPECIAL COMMITTEES OF COUNCIL

In accordance with the Local Government Act 1989, Council may establish Special Committees with delegated powers to inform and act on behalf of Council. Murrindindi Shire Council has 10 active Section 86 Committees of Management.

PORTFOLIOS

Each Councillor, with the exception of the Mayor, is responsible for a specific 'portfolio' that focuses on a functional area of Council. This allows each Councillor to maintain a heightened focus on issues associated with their portfolio and to report to Council meetings about issues that fall under that portfolio.

Councillor	Portfolio
Cr Leigh Dunscombe	The Mayor does not hold a portfolio
Cr Jackie Ashe	Communication, Tourism and Events
Cr Charlotte Bisset	Recreation and Youth
Cr Rebecca Bowles	Environment Library Services Information Technology
Cr Eric Lording	Infrastructure and Waste
Cr S McAulay	Corporate Services Early Learning and Community Planning
Cr Margaret Rae	Positive Ageing and Inclusion Land Use Planning

LOCAL LAWS

Council's Local Laws are (at 30 June 2020)

- 'Governance Local Law 2, 2014'
- 'Community Local Law 2020'

Local Laws are available for viewing at all Council offices and online at murrindindi.vic.gov.au

POLICY AND STRATEGY REVIEWS

Council Policies

Council reviewed or adopted the following Council Policies in 2019/20:

Customer Feedback and Complaints– 23 October 2019

This Policy sets out standards for receiving, managing, responding to and acting upon, complaints and other customer feedback. It establishes Council's commitment to upholding our customers' right to comment on our performance and holds us to our service standards.

Enterprise Risk Management– 23 October 2019

The purpose of this Policy is to promote an integrated and consistent approach to risk management across Council so that the risks affecting the achievement of Council objectives are identified, assessed and treated to an acceptable level.

Asset Disposal– 18 December 2019

This Policy provides a systematic, transparent and accountable method for the disposal of Council-owned assets in accordance with Council policies and all appropriate legislation and accounting standards.

Arts and Culture– 18 December 2019

This Arts and Culture Policy provides a framework for the support and delivery of arts and cultural services into the future and describes Council's supporting role in arts and culture activities and initiatives.

Fraud and Corruption Control – 18 December 2020

Council is committed to building and sustaining an ethical, efficient and effective culture where opportunities for fraud, corruption and maladministration are minimised. The purpose of this Policy is to outline the principles for the prevention, detection and investigation of suspected fraud or corrupt behaviour of Council representatives.

Special Charge scheme for Infrastructure Works– 18 December 2019

This Policy aims to achieve an equitable and consistent approach to the implementation and administration of Special Charge Schemes undertaken by Murrindindi Shire Council pursuant to Section 163 of the Local Government Act 1989.

Public Interest Disclosure– 22 January 2020

This Policy is intended to encourage and support people to make disclosures about improper conduct or detrimental action taken against a discloser. The policy and associated procedures provide guidance on how to report on improper conduct and outlines protections for people making a disclosure or those who may be witness to an investigation.

Community Engagement – 27 May 2020

The purpose of the Community Engagement Policy is to formalise Council's commitment to engaging with communities across Murrindindi Shire through the use of appropriate, effective and inclusive engagement practices.

Equal Opportunity – 27 May 2020

To recognise Council's responsibility to provide a workplace that is free from bullying, sexual harassment, harassment, discrimination and victimisation and where staff, Councillors, contractor, prospective employees and volunteers treat each other with respect, courtesy and dignity.

Procurement – 27 May 2020

The purpose of the Policy is to outline Council's procurement principles, provide guidance on expected ethical behaviour in procurement processes, demonstrate how Council supports the local economy through its procurement practices, ensure consistency and control over procurement activities and demonstrate to rate payers how value for money is achieved.

Asset Management – 24 June 2020

Council is committed to ensuring that all Council assets are appropriately managed and relevant to community needs. This Policy is intended to establish a framework to ensure that asset management is undertaken in a structured, coordinated, cost effective and financially sustainable manner.

Communication – 24 June 2020

The purpose of this Policy is to provide direction for Council's approach to its communication, including the use of communication tools and interactions with media.

Election Period – 24 June 2020

The Election Period Policy was developed to ensure that the general elections for the Murrindindi Shire Council are conducted in a manner that is ethical, fair and equitable, and are publicly perceived as such.

Public Transparency – 24 June 2020

This Policy supports Council to deliver good governance, open and accountable conduct, and describes how Council information is to be made publicly available.



Strategies and Plans

During 2019/20 Council adopted the following strategies and community plans

- Priority Action Plan 2019/20 – 24 July 2019
- Alexandra Youth Precinct Masterplan – 28 August 2019
- Southern Goulburn Valley Waste and Resource Recovery Education Strategy 2019-2021 – 23 October 2019
- Tourism & Events Strategy – 27 November 2019
- Community Local Law 1, 2020 – 25 March 2020
- Lake Eildon Masterplan – 24 June 2020
- 2020/21 Annual Budget and Strategic Resource Plan – 24 June 2020

AUDITING

Audit and Risk Advisory Committee

The Audit and Risk Advisory Committee is an independent advisory committee to Council. The primary objectives of this Audit and Risk Advisory Committee are to

- assist Council in the effective conduct of its responsibilities for internal and external financial reporting
- manage risk
- maintain a reliable system of internal controls
- facilitate the organisation's ethical development
- act as an effective conduit for communications between the external auditor, internal auditor, management and Council

For the 2019/20 financial year, the Audit and Risk Advisory Committee comprised the following members

- Michele Sheward (July to December 2019)
- Claude Baxter (Chair)
- Ian McKaskill
- Craig Nisbet (January to June 2020)
- Patrick Angseesing (observer – non-voting)
- Cr Sandice McAulay
- Cr Leigh Dunscombe (non-voting- Mayor)
- Cr Margaret Rae

The Chief Executive Officer and a representative of the internal auditor are also required to attend Audit and Risk Advisory Committee meetings in a non-voting capacity. A representative of the external auditor is also required to attend where the year-end financial statements or external audit reports are to be considered.

The Audit and Risk Advisory Committee met on four occasions during the 2019/20 financial year, providing invaluable advice to Council on a number of important issues including reviews of Council's Business Continuity and Disaster Recovery Planning, Strategic Risk Framework and Council's budgetary and annual reporting processes.

Recommendations from the audit program are prioritised and addressed as opportunities for improvement across the organisation. Minutes of the Audit and Risk Advisory Committee meeting are tabled for noting at the next available Ordinary Council Meeting.

Internal Audits

Murrindindi Shire Council's internal audit function is contracted to HLB Mann Judd for a term of four years ending in December 2022.

During 2019/20 Council's Internal Auditors conducted the following components of the audit program

- Review of Human Resources Management (including Workforce Planning) – September 2019
- Follow up review of agreed actions from prior year internal audit reports – November 2019
- Review of Rates Revenue – November 2019
- Review of Family Day Care Services – April 2020
- Review of Landfill and Waste Management – June 2020

External Audits

During 2019/20 the external auditor was RSD Audit which was originally appointed in 2018/19. The main audit is conducted in August with interim audits conducted during the year.

PRIVACY

Council is committed to the responsible collection, handling and protection of the personal information of residents, ratepayers and the community as a whole. Council has policies in place to ensure adherence with the Privacy and Data Protection Act 2014 and will only collect, use or disclose information where it is necessary to perform Council functions or where required by law.

Murrindindi Shire Council will take all reasonable steps to keep any information held about individuals secure.

FREEDOM OF INFORMATION

The Freedom of Information Act 1982 gives the community a legally enforceable right to information held by Council.

Applications under the Freedom of Information Act 1982 must be made in writing and must pay a fee of \$29.60 (as of 1 July 2019). Information regarding Council's Freedom of Information (FOI) application process can be found on Council's website or is available from any of the Council offices.

Community members are encouraged to contact Council's FOI Officer before lodging an application to receive advice regarding what information is and isn't accessible under the Freedom of Information Act 1982.

Year	Number of applications
2012/13	9
2013/14	9
2014/15	28
2015/16	11
2016/17	19
2017/18	21
2018/19	25
2019/20	2

Freedom of Information	2019/20
Access granted in full	2
Access granted in part	3
Access denied in full	9
Withdrawn	1
Not proceeded with	0
Act does not apply	0
Not processed	0
No documents	0
Outside the Act	5
Not yet finalised	1

PUBLIC INTEREST DISCLOSURES

On 5 March 2019, the Victorian Parliament passed legislation making changes to Victoria's integrity system. The legislation established a new parliamentary oversight committee, the Integrity and Oversight Committee, consolidating the oversight and performance review of a number of Victorian integrity areas in the public interest. Effective from 1 January 2020, these changes replaced previous 'protected disclosure' arrangements with 'public interest disclosures' under the updated Public Interest Disclosures Act 2012 (Vic).

Murrindindi Shire Council is committed to the aims and objectives of the Public Interest Disclosures Act 2012 and has in place procedures to facilitate the making of disclosures. Council does not tolerate improper conduct by its employees, officers or members, nor acts of reprisal against those who come forward to disclose such conduct.

Contact details for Council's Public Interest Disclosure Coordinator/Officer are

- Public Interest Disclosure Coordinator**
 Michael Chesworth, Director Corporate and Shared Services,
 Murrindindi Shire Council, PO Box 138 Alexandra 3714 or phone 03 5772 0335.
- Public Interest Disclosure Officer**
 Tara Carter, Manager Governance & Risk,
 Murrindindi Shire Council, PO Box 138 Alexandra 3714 or phone 03 5772 0347.

Alternative Contacts

- Independent Broad-Based Anti-Corruption Commission (IBAC), Address: IBAC, GPO Box 24234, Melbourne Victoria 3001, website: ibac.vic.gov.au
 Phone: 1300 735 135

Note: All disclosures about Councillors should be directed to IBAC.

Disclosures

Public Interest Disclosures - Topic	Report 2019/20
Number of disclosures made	Nil
Disclosures referred to Ombudsman for determination	Nil
Disclosures referred by Ombudsman	Nil
Disclosures referred to Ombudsman to investigate	Nil
Investigations taken over by the Ombudsman	Nil
Requests made under Section 74 during the year to Ombudsman to investigate disclosed matters	Nil
Disclosures the public body has declined to investigate	Nil
Disclosures that were substantiated on investigation	Nil
Recommendations by the Ombudsman under this Act that relate to Murrindindi Shire Council	Nil

DOCUMENTS FOR PUBLIC INSPECTION

Documents and registers are available for inspection in accordance with the Local Government Act 1989 and Local Government (General) Regulations 2015 and Council's Public Transparency Policy are

- the certified voters' roll for a Council election - for the period beginning on the certification date and ending 30 days after election day
- copies of campaign donation returns lodged by candidates in the last council elections
- the Council's adopted Code of Conduct 2017
- all Local Laws adopted by the Council
- copies of the Council's Council Plan, Strategic Resource Plan, Budget and Annual Report
- details regarding differential rates declared by Council as part of Council's Annual Budget
- Rating Strategy
- Special Rate
- details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost of the overseas or interstate travel
- Councillor Reimbursement Policy
- agendas for council meetings - except parts of meetings closed to the public under Section 89 of the Local Government Act 1989
- minutes of council meetings - except parts of the meetings closed to the public under Section 89 of the Local Government Act 1989
- a list of all special committees established by the Council which were abolished or ceased to function during the financial year
- minutes of meetings of special committees established under Section 86 of the Local Government Act 1989 and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under Section 89 of the Local Government Act 1989
- a register of delegations kept under Sections 87(1) and 98(4) of the Local Government Act 1989, including the date on which the last review took place under Sections 86(6) and 98(6), respectively, of the Local Government Act 1989
- a document containing details 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 of authorised officers appointed under Section 224 of the Local Government Act 1989
- a list of donations and grants made by the council during the financial year
- Council's current Procurement Policy

REGISTER OF INTERESTS

The Chief Executive Officer must maintain a register of the interests of Councillors, members of special committees and nominated officers consisting of the last three returns that those Councillors, members and Council officers were required to submit in accordance with Section 81 of the Local Government Act 1989. The register may be inspected at the office of the Council during normal office hours. An application to inspect the register is required in writing to the Chief Executive Officer using Council's prescribed form, available at: <http://www.murrindindi.vic.gov.au/Your-Council/Governance/Documents-for-Public-Inspection>

CEMETERY MANAGEMENT

Murrindindi Shire Council as Trustee for the Yea Cemetery Trust administers the Pioneer and Lawn cemeteries in Yea.

GOVERNANCE AND MANAGEMENT CHECKLIST

The following are the results of Council's assessments 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)	Current policy adopted: 27 May 2020.
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines adopted: 27 May 2020.
3. Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with s126 of the Act: 24 June 2020.
4. Annual budget (plan under section 130 of the 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 s130 of the Act: 24 June 2020.
5. Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Council maintains a large number of different asset management plans broken down into the following categories - Roads, Paths, Kerb & Channel, Bridges, Urban Drainage, Community Buildings, Plant & Equipment, and Corporate Buildings.
6. Rating Strategy (strategy setting out the rating structure of Council to levy rates and charges)	Current strategy adopted: 25 March 2015. Currently awaiting the outcomes of the State Government Review of Local Government Rating systems.
7. Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Enterprise Risk Management Policy adopted: 23 October 2019. Occupational Health and Safety Policy adopted: 16 June 2020.
8. Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy adopted: 18 December 2019.
9. Municipal Emergency Management Plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Adopted in accordance with s20 of the Act: 27 September 2017.
10. Procurement Policy (policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Current policy adopted in accordance with s186A of the Act: 25 May 2020.
11. Business Continuity Plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan adopted: 1 November 2016.
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)	Current plan adopted: 29 January 2016.
13. Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework adopted: 25 October 2017.
14. Audit Committee (advisory committee of Council under section 139 of the 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)	Committee enacted in accordance with s139 of the Act that meets quarterly to review Council's financial, risk and corporate affairs.

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)	Current independent auditor engaged as of 8 January 2019 for a 4 year term.
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 Act)	Current Local Government Performance Reporting Framework was enacted as of 1 July 2014. Council reports annually against its key performance indicators as part of the Annual Report.
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)	Council reports its performance against the Council Plan on a quarterly basis at the November, February and April meetings.
18. Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Council reports its financial performance against the budget on a quarterly basis at the October, February, April and August meetings.
19. Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reported to Council's Audit & Risk Advisory Committee Meetings on a quarterly basis in September, December, March and May. Minutes of the meetings are formally presented to Council.
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 Act)	Council reports its performance against key indicators of both financial and non-financial performance on a quarterly basis at the November, February, April and August meetings.
21. Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Annual Report 2018/19 endorsed in accordance with the Act: 24 October 2019
22. Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Current Code adopted: 22 February 2017
23. Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with s98(6) of the Act: 24 May 2019
24. Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Current Local Law adopted: 25 June 2014

I certify that this information present fairly the status of Council's governance and management arrangements.



Craig Lloyd
Chief Executive Officer
Dated: 7 October 2020



Leigh Dunscombe
Mayor
Dated: 7 October 2020



DONATIONS AND GRANTS MADE BY COUNCIL 2019/20

Received By	Amount
Alexandra & District Kindergarten	\$5,000.00
Alexandra & Eildon District Lapidary Club	\$5,000.00
Alexandra & Eildon Standard	\$454.54
Alexandra Bowling Club	\$500.00
Alexandra Community Christmas Tree Festival	\$4,000.00
Alexandra Events Corporation Ltd	\$3,925.00
Alexandra Football Netball Club	\$1,000.00
Alexandra Information Centre	\$1,750.00
Alexandra Secondary College	\$600.00
Antiquate	\$5,000.00
Australian Golf Course Superintendents	\$2,140.00
Big Hill Events	\$4,500.00
BMS Tours Lake Eildon	\$400.00
Boating Industry Association of Victoria	\$50,000.00
Bonfire Station	\$18,000.00
BSX (Bicycle Supercross) Inc.	\$2,681.90
Concerts4Causes	\$1,800.00
Crestway Music	\$200.00
Eildon Information Centre	\$358.00
Eildon Preschool	\$4,700.00
Eyes on Eildon	\$56.00
Fit to Drive Foundation Inc.	\$270.00
Foggy Mountain Inc.	\$9,750.00
Glenburn Hall & Progress Association	\$400.00
Glencoe Group Pty Ltd	\$10,000.00
GP Phillipson	\$200.00
Grant St Grocer	\$4,060.00
Hughes Creek Catchment Collaborative	\$68.18
Kinglake Distillery	\$10,000.00
Kinglake Ranges Neighbourhood House	\$575.00
Kinglake Senior Citizens	\$2,980.00
Kinglake West Primary School	\$1,771.00
Koori Kids Pty Ltd	\$500.00
Lake Eildon Houseboat Industry	\$25,000.00
Life Saving Victoria	\$4,545.05
Lions Club of Eildon	\$550.00
Lions Club of Marysville	\$990.00
Marysville Jazz & Blues Festival	\$10,000.00

Received By	Amount
Marysville Triangle Business & Tourism	\$1,750.00
Mountain Monthly Co-Op Ltd	\$520.00
Narbethong Fire Brigade	\$1,000.00
Outdoor Education Group	\$25,000.00
Playgroup Queensland Ltd	\$480.00
Returned Services League Alexandra Branch	\$5,000.00
Returned Services League Yea-Kinglake Branch	\$3,300.00
Rotary Club of Alexandra	\$3,125.00
Rotary Club of Kinglake Ranges	\$2,500.00
Rotary Club of Yea	\$3,075.00
Skillhouettes	\$16,182.00
Strath Creek Reserves & Hall	\$3,481.00
Taungurung Clans Aboriginal Corporation	\$4,545.00
Terip Terip Recreation Reserve	\$2,750.00
The Flowerdale Sports Club	\$550.00
The Way North	\$300.00
Triangle Arts Group	\$2,000.00
Turbo Productions	\$6,000.00
Upper Goulburn Landcare Network	\$3,000.00
Y Water Centre	\$12,826.00
Yea Agricultural & Pastoral & Horticultural Assoc.	\$2,260.00
Yea Chronicle	\$1,065.44
TOTAL	\$294,434.11



ORGANISATION MEMBERSHIPS FOR 2019/20

Organisation	Membership fee
Local Government Professionals	\$1,249.09
Australian Local Government Job Directory	\$675.00
Municipal Association Of Victoria	\$27,418.74
Family Day Care Australia	\$181.00
Public Library Victoria Network Inc.	\$1,200.00
Institute of Public Works	\$1,250.00
National Saleyards	\$530.00
Children's Book Council	\$85.00
Victorian Local Governance Association	\$4,753.64
Goulburn Valley Regional Waste Management Group	\$8,074.00
Australian Local Government Women's Association	\$272.00
Rural Councils	\$3,000.00
Goulburn Broken Green House Alliance	\$5,740.00
TOTAL	\$54,428.47



INTRODUCTION TO THE FINANCIALS

UNDERSTANDING THE FINANCIAL STATEMENTS

Understanding the financial statements
Murrindindi Shire Council's Financial Report is a general purpose financial report that consists of an Income Statement, Balance Sheet, Statement of Changes in Equity and a Cash Flow Statement, together with explanatory notes.

This general purpose Financial Report has been prepared to comply with the provisions of the Local Government Act, 1989, Local Government (Finance and Reporting) Regulations 2014, applicable Australian Accounting Standards and other mandatory professional reporting requirements.

Particular terms required by the Standards may not be familiar to some readers. Further, Council is a 'not for profit' public organisation and some of the generally recognised terms used in private sector company reports are not appropriate for Council's reports.

Council is committed to accountability and transparency. It is in this context that the plain English guide has been developed to assist readers to understand and analyse the financial report.

WHAT IS CONTAINED IN THE ANNUAL FINANCIAL REPORT?

Council's financial report has two sets of Statements:

1. Financial Statements
2. Performance Statement

Each of these statements is prepared by Council staff, examined by Council's Audit and Risk Advisory Committee, examined by Council and is then audited by the Victorian Auditor-General.

COMPREHENSIVE INCOME STATEMENT

The Income Statement sets out the movement in relation to revenue, expenses and other adjustments from all activities and compares these figures to the previous financial year. It provides a view of Council's operating performance. The Income Statement requires revenues to be separately disclosed where the item is of such a size, nature and incidence, that its disclosure is relevant in explaining the performance of Council.

THE BALANCE SHEET

The Balance Sheet shows a snapshot of Council's financial position as at 30 June 2020. It shows the total of what is owned (assets) less what is owed (liabilities). The assets and liabilities are separated into 'current' and 'non-current'. 'Current' means those assets or liabilities that fall due in the next 12 months. The bottom line of this statement is net assets, which reflect the net worth of the Council. The change in net assets between the two years shows how the financial position has changed over the period. Net assets are made up of the total current and non-current assets less the current and non-current liabilities.

STATEMENT OF CHANGES IN EQUITY

During the course of the year, the value of 'Total Equity' as set out in the Balance Sheet changes. This Statement shows the values of such changes and how these changes arose.

The main reasons for a change in equity stem from

- the 'surplus or deficit' from operations, described in the Comprehensive Income Statement as the Comprehensive Result for the year
- the use of monies from Council's reserves
- a revaluation of the assets which takes place on a regular basis to ensure the most up-to-date value is included in Council's books. It also occurs when existing assets are taken up in the books for the first time

CASH FLOW STATEMENT

The Cash Flow Statement summarises Council's cash payments and cash receipts for the year. This Statement is presented according to a very specific Accounting Standard and needs some care in analysis. The values may differ from those shown in the Comprehensive Income Statement because the Comprehensive Income Statement is prepared on an accrual accounting basis.

Cash in this Statement refers to bank deposits and other forms of highly-liquid investments that can be readily converted to cash. Council's cash arises from, and is used in, three main areas.

1. Cash flows from operating activities
 - Receipts – all cash received into Council's bank account from ratepayers and others who owe money to Council. Receipts also include the interest earnings from Council's cash investments. It does not include the costs associated with the sale of assets.

- Payments – all cash paid by Council from its bank account to employees, creditors and other persons. It does not include the costs associated with the creation of assets.
2. Cash flows from investing activities
 - This section shows the cash invested in the creation or purchase of property, infrastructure, plant and equipment assets and the cash received from the sale of these assets.
 3. Cash flows from financing activities
 - This is where the receipt and repayment of borrowed funds are recorded.

The bottom line of the Cash Flow Statement is the cash and cash equivalents at end of financial year. This shows the capacity of Council to meet its cash debts and other liabilities.

NOTES TO THE FINANCIAL STATEMENTS

The Notes are a very important and informative section of the Report. The Australian Accounting Standards are not prescriptive on some matters. Therefore, to enable the reader to understand the basis upon which the values shown in the Statements are established, it is necessary to provide details of Council's significant accounting policies.

Apart from the accounting policies, the Notes also give details behind many of the summary figures contained in the Statements. The Note numbers are shown beside the relevant items in the Comprehensive Income Statement, Balance Sheet and the Cash Flow Statement.

The Notes also include information that Council wishes to disclose but which cannot be incorporated into the Statements.

- Other notes include
- the cost of the various functions/activities of Council
 - the breakdown of expenses, revenues, reserves and other assets
 - contingent liabilities
 - transactions with persons related to Council
 - financial performance indicators (ratios)

The Notes should be read in conjunction with the other parts of the Financial Statements to get a clear picture of the accounts.



PERFORMANCE STATEMENT

The Performance Statement shows the results that were achieved for the year across a number of performance indicators.

The document is then certified by the Principal Accounting Officer, the person responsible for the financial management of Council. This certification shows that the Financial Statements have met all the statutory and professional reporting requirements.

The Performance Statement is also certified by the Chief Executive Officer and two Councillors on behalf of Council that, in their opinion, the Financial Statements are fair and not misleading or inaccurate.

AUDITOR-GENERAL'S REPORT

The Independent Audit Report provides the reader with an external and independent opinion on the Financial Statements. It confirms that the Financial Report has been prepared in accordance with relevant legislation and professional standards and that it represents a fair picture of the financial affairs of the Council.

Murrindindi Shire Council
Annual Financial Report
For the Year Ended
30-June-2020

Murrindindi 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 (Finance and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.



Graham Haylock CPA
Principal Accounting Officer

Date: 7 October 2020
Alexandra

In our opinion the accompanying financial statements present fairly the financial transactions of Murrindindi Shire Council for the year ended 30 June 2020 and the financial position of the Council as at that date.

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

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



Leigh Dunscombe
Mayor

Date: 7 October 2020
Alexandra



Margaret Rae
Councillor

Date: 7 October 2020
Alexandra



Michael Chesworth
Acting Chief Executive Officer

Date: 7 October 2020
Alexandra

Independent Auditor's Report

To the Councillors of Murrindindi Shire Council

Opinion	<p>I have audited the financial report of Murrindindi Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2020 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's 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>
Councillors's responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
15 October 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

**Comprehensive
Income Statement
For the Year Ended 30 June 2020**

	Note	2020 \$	2019 \$
Income			
Rates and charges	3.1	21,390,612	20,542,270
Statutory fees and fines	3.2	994,001	1,048,130
User fees	3.3	1,821,394	2,756,813
Grants - operating	3.4	8,926,243	9,079,497
Grants - capital	3.4	2,086,470	2,900,137
Contributions - monetary	3.5	111,460	534,328
Contributions - non monetary	3.5	805,323	1,649,478
Other income	3.6	1,512,232	1,790,156
Total income		<u>37,647,735</u>	<u>40,300,809</u>
Expenses			
Employee costs	4.1	14,995,555	14,586,990
Materials and services	4.2	11,708,605	11,188,600
Depreciation and amortisation	4.3	9,268,082	9,651,368
Bad and doubtful debts	4.5	11,207	76,316
Borrowing costs	4.6	37,081	54,587
Net loss on disposal of property, infrastructure, plant and equipment	4.7	1,293,184	855,328
Other expenses	4.8	614,343	360,090
Increase/(decrease) in provision for landfill Liability	5.5	481,672	(652,685)
Total expenses		<u>38,409,729</u>	<u>36,120,594</u>
Surplus/(deficit) for the year		<u>(761,994)</u>	<u>4,180,215</u>
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment (decrement)	6.1	4,052,384	8,375,702
Comprehensive result		<u>3,290,390</u>	<u>12,555,917</u>

The above Comprehensive Income Statement should be read in conjunction with the accompanying notes.

Balance Sheet
As at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	5.1(a)	18,094,846	2,700,682
Other financial assets	5.1(b)	22,019,500	34,119,500
Trade and other receivables	5.1(c)	4,471,529	4,806,835
Inventories		27,160	33,306
Other assets	5.2	277,940	423,882
Total current assets		<u>44,890,975</u>	<u>42,084,205</u>
Non-current assets			
Trade and other receivables	5.1(c)	2,548	4,977
Intangible assets	5.2	2,201,747	2,880,341
Property, infrastructure, plant and equipment	6.1	351,170,836	348,175,921
Total non-current assets		<u>353,375,131</u>	<u>351,061,239</u>
Total assets		<u>398,266,106</u>	<u>393,145,444</u>
Liabilities			
Current liabilities			
Trade and other payables	5.3(a)	3,289,184	2,351,003
Trust funds and deposits	5.3(b)	1,482,283	1,214,868
Unearned income	5.3(c)	479,566	-
Interest-bearing liabilities	5.4	178,075	188,469
Provisions	5.5(a)	3,190,365	3,375,984
Total current liabilities		<u>8,619,473</u>	<u>7,130,324</u>
Non-current liabilities			
Interest-bearing liabilities	5.4	300,481	478,557
Provisions	5.5(a)	6,014,524	5,495,325
Total non-current liabilities		<u>6,315,005</u>	<u>5,973,882</u>
Total liabilities		<u>14,934,478</u>	<u>13,104,206</u>
Net Assets		<u>383,331,628</u>	<u>380,041,238</u>
Equity			
Accumulated surplus		131,560,472	133,160,468
Reserves	9.1	251,771,156	246,880,770
Total Equity		<u>383,331,628</u>	<u>380,041,238</u>

The above Balance Sheet should be read in conjunction with the accompanying notes.

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

	Note	Total \$	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$
2020					
Balance at beginning of the financial year		380,041,238	133,160,468	227,542,255	19,338,515
Surplus for the year		(761,994)	(761,994)	-	-
Net asset revaluation increment	9.1	4,052,384	-	4,052,384	-
Transfers to other reserves	9.1	-	(2,149,212)	-	2,149,212
Transfers from other reserves	9.1	-	1,311,210	-	(1,311,210)
Balance at end of the financial year		383,331,628	131,560,472	231,594,639	20,176,517

		Total \$	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$
2019					
Balance at beginning of the financial year		367,485,321	131,242,479	219,166,553	17,076,289
Surplus for the year		4,180,215	4,180,215	-	-
Net asset revaluation increment	9.1	8,375,702	-	8,375,702	-
Transfers to other reserves	9.1	-	(4,608,117)	-	4,608,117
Transfers from other reserves	9.1	-	2,345,891	-	(2,345,891)
Balance at end of the financial year		380,041,238	133,160,468	227,542,255	19,338,515

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Statement of Cash Flows
For the Year Ended 30 June 2020

	Note	2020 Inflows/ (Outflows) \$	2019 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates and charges		20,866,252	21,222,418
Statutory fees and fines		994,001	1,047,932
User fees		2,292,165	2,745,292
Grants - operating		9,782,938	8,512,171
Grants - capital		2,364,065	2,941,137
Contributions - monetary		119,339	558,606
Interest received		892,323	926,319
Other Income		688,601	867,750
Net Fire Services Property Levy received (remitted)		19,192	(16,994)
Net GST refund		1,444,677	1,159,085
Net receipt of trust funds and deposits		248,223	103,250
Materials and services		(12,417,517)	(13,564,522)
Employee Cost		(15,047,170)	(14,632,079)
Other payments		(415,419)	(360,090)
Net cash provided by operating activities	9.2	<u>11,831,670</u>	<u>11,510,275</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(8,300,746)	(6,159,860)
Payments for intangible assets		(86,584)	(75,705)
Proceeds from sale of property, infrastructure, plant and equipment		77,747	245,454
Payments for Investments		12,100,000	(9,800,000)
Net cash used in investing activities		<u>3,790,417</u>	<u>(15,790,111)</u>
Cash flows from financing activities			
Finance costs		(39,453)	(58,422)
Repayment of interest bearing loans and borrowings		(188,470)	(319,840)
Net cash used in financing activities		<u>(227,923)</u>	<u>(378,262)</u>
Net increase (decrease) in cash and cash equivalents		15,394,164	(4,658,098)
Cash and cash equivalents at the beginning of the financial year		<u>2,700,682</u>	<u>7,358,780</u>
Cash and cash equivalents at the end of the financial year	5.1(a)	<u>18,094,846</u>	<u>2,700,682</u>

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

Financial assets	5.1
Financing arrangements	5.6

Statement of Capital Works
For the Year Ended 30 June 2020

	Note	2020	2019
Property			
Land		391,068	-
Buildings		1,574,769	2,054,571
Total property		<u>1,965,837</u>	<u>2,054,571</u>
Plant and equipment			
Heritage plant and equipment		-	2,385
Plant, machinery and equipment		987,663	688,330
Fixtures, fittings and furniture		217,968	50,871
Software		86,584	75,705
Library books		87,989	103,261
Total plant and equipment		<u>1,380,204</u>	<u>920,552</u>
Infrastructure			
Roads		3,921,543	2,698,076
Bridges		166,945	402,203
Footpaths and cycleways		290,483	195,568
Drainage		372,619	136,394
Total infrastructure		<u>4,751,590</u>	<u>3,432,241</u>
Total capital works expenditure		<u>8,097,631</u>	<u>6,407,364</u>
Represented by:			
New asset expenditure		1,292,357	908,959
Asset renewal expenditure		4,903,830	3,837,034
Asset expansion expenditure		-	14,830
Asset upgrade expenditure		1,901,444	1,646,541
Total capital works expenditure		<u>8,097,631</u>	<u>6,407,364</u>

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

Notes to Financial Report For the Year Ended 30 June 2020

OVERVIEW

Introduction

The Murrindindi Shire Council was established by an Order of the Governor in Council on 18 November 1994 and is a body corporate. The Council's main office is located at Perkins Street, Alexandra.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards (AAS's), 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

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 estimates are 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 landfill provisions (refer to Note 5.5)
- the determination of employee provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.7)
- other areas requiring judgements

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation (except where transitional requirements of *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities* do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

Amounts in the financial report have been rounded to the nearest dollar. Figures in the financial statement may not equate due to rounding.

Notes to Financial Report
For the Year Ended 30 June 2020

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 26th June 2019. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue 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 2020 \$	Actual 2020 \$	Variance 2020 \$	Variance 2020 %	Ref
Income					
Rates and charges	21,382,000	21,390,612	8,612		
Statutory fees and fines	1,083,000	994,001	(88,999)	(8)	
User fees	2,393,000	1,821,394	(571,606)	(24)	1
Grants - operating	7,992,000	8,926,243	934,243	12	2
Grants - capital	2,034,000	2,086,470	52,470	3	
Contributions - monetary	49,000	111,460	62,460	127	3
Contributions - non monetary	400,000	805,323	405,323	101	4
Other income	1,519,000	1,512,232	(6,768)		
Total income	36,852,000	37,647,735	795,735	2.2	
Expenses					
Employee costs	15,474,000	14,995,555	478,445	(3)	
Materials and services	10,550,000	11,708,605	(1,158,605)	11	5
Bad and doubtful debts	-	11,207	(11,207)		
Depreciation	8,669,228	8,502,905	166,323	(2)	
Amortisation - intangible assets	612,772	765,177	(152,405)	25	6
Borrowing costs	37,000	37,081	(81)		
Net loss on disposal of property, infrastructure, plant and equipment	33,000	1,293,184	(1,260,184)	3,819	7
Other expenses	314,000	614,343	(300,343)	96	8
Increase/(decrease) in provision for landfill Liability	-	481,672	(481,672)		9
Total expenses	35,690,000	38,409,729	(2,719,729)	7.6	
Surplus/(deficit) for the year	1,162,000	(761,994)	(1,923,994)		

**Notes to Financial Report
For the Year Ended 30 June 2020**

Note 1 Performance against budget (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	User Fees	Income from Aged and Disability services was below original budget estimates (\$467,539) as Council withdrew from the service during the financial year. Also, income from landfill (\$124,402) was below budget due to less waste received from commercial sources (45% reduction). This is mostly related to less major construction projects in the region. Variance is partly offset by higher than anticipated saleyard fees \$38,544.
2	Grants - operating	Increased funding for Children's Services (\$123,498), Grants Commission (\$132,663). The following grants were received but not budgeted: Working for Victoria (\$787,211), Doing Business Better (\$96,250), Environmental Programs (\$37,774), Eildon Boat Ramp (\$25,000), Storms (National Disaster Funding \$378,330), Lake Eildon Boating & Fishing Show (\$50,000), Moving Murrumbidgee Community Cars (\$66,100). Offset by lower than budget Aged and Disability grants due to Council withdrawing from the services (\$593,439), and a grant for Spring Valley Recreation Reserve Change Rooms received (\$149,328) in the prior year ahead of budget expectations.
3	Contributions - monetary	Unbudgeted contributions received for Murchison Street Marysville car park (\$45,455), Rubicon Road (\$9,185) and higher than budgeted public open space contributions (\$6,500).
4	Contributions - non monetary	Council receives contributions in the form of infrastructure as a result of subdivisions and developer contributions. The timing and amount of such contributions is largely outside Council's control. Details of contributions are shown at note 3.5
5	Material and services	The 2019/20 budget figure does not include carried forward expenditure from 2017/18 (relating to unspent grants and projects). Carry forward adjustments were reported in Council's September Quarterly Financial Report at the 23 October 2019 Council Meeting. The carry forward amount relevant to materials and services was \$1,599,273.
6	Amortisation - intangible assets	The amortisation (consumption) of landfill airspace was higher than expected (\$140,195).
7	Net loss on disposal of property, infrastructure, plant and equipment	Income from the sale of plant was down \$321,119 as items have been retained or the changeover delayed. This income will be partly picked up in the 20/21 year when the plant items are disposed. Also Council has recognised the disposal of asset components where significant infrastructure and building renewal works were undertaken in 2019/20 (carrying amount of \$1.29 million). No budget provision had been made for recognition of the disposal of these assets. Council has however made budget provision for this in its 2020/21 Budget.
8	Other expenses	\$208,109 of the variance is the recognition of the offsetting volunteer services contribution as highlighted in note (4.8). The recognition of volunteer services under new Accounting Standards is cost neutral, with the corresponding amounts recognised as other revenue and other expenditure. \$70,442 was incurred as an expense for the waiver of health registrations as part of the COVID-19 relief measures.
9	Increase/(decrease) in provision for landfill Liability	Landfill provision increased following the annual review of provision accounts which indicated the previous allocation for ongoing monitoring of the site was underestimated.

**Notes to Financial Report
For the Year Ended 30 June 2020**

Note 1 Performance against budget (cont)

1.2 Capital works

	Budget 2020 \$	Actual 2020 \$	Variance 2020 \$	Variance 2020 %	Ref
Property					
Land	140,215	391,068	250,853	179	1
Land improvements	-	-	-		
Total Land	<u>140,215</u>	<u>391,068</u>	<u>250,853</u>	<u>179</u>	
Buildings	3,270,785	1,574,769	(1,696,016)	(52)	2
Total Property	<u>3,411,000</u>	<u>1,965,837</u>	<u>(1,445,163)</u>	<u>(42)</u>	
Plant and Equipment					
Plant, machinery and equipment	1,016,000	987,663	(28,337)	(3)	
Fixtures, Computer hardware, fittings and furniture	138,000	217,968	79,968	58	3
Computers and telecommunications software	125,000	86,584	(38,416)	(31)	4
Library materials	102,000	87,989	(14,011)	(14)	5
Total Plant and Equipment	<u>1,381,000</u>	<u>1,380,204</u>	<u>(796)</u>	<u>-</u>	
Infrastructure					
Roads	5,272,000	3,921,543	(1,350,457)	(26)	6
Bridges	200,000	166,945	(33,055)	(17)	7
Footpaths and cycleways	328,000	290,483	(37,517)	(11)	8
Drainage	105,000	372,619	267,619	255	9
Total Infrastructure	<u>5,905,000</u>	<u>4,751,590</u>	<u>(1,153,410)</u>	<u>(20)</u>	
Total Capital Works Expenditure	<u>10,697,000</u>	<u>8,097,631</u>	<u>(2,599,369)</u>	<u>(24)</u>	
Represented by:					
New asset expenditure	2,492,000	1,292,357	(1,199,643)	(48)	
Asset renewal expenditure	4,473,000	4,903,830	430,830	10	
Asset expansion expenditure	767,000	-	(767,000)	(100)	
Asset upgrade expenditure	2,965,000	1,901,444	(1,063,556)	(36)	
Total Capital Works Expenditure	<u>10,697,000</u>	<u>8,097,631</u>	<u>(2,599,369)</u>	<u>(24)</u>	

**Notes to Financial Report
For the Year Ended 30 June 2020**

Note 1 Performance against budget (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Council approved purchase of land in Murchison St Marysville that was not included in original adopted budget.
2	Buildings	Significant works at the Alexandra Landfill were deferred and have been carried forward for completion in Council's 2020/21 Budget
3	Fixtures, Computer hardware, fittings and furniture	Robotic total station and design system was purchased to enhance Councils internal infrastructure design capabilities. The system will result in reduced consultant and external cost within Councils infrastructure budget.
4	Computers and telecommunications software	Digital futures project underway. Funds will be carried forward and spent in 20/21
5	Library materials	Underspend due to COVID 19 restrictions affecting deliveries of library stock. Deliveries were suspended for 7 weeks during April and May.
6	Roads	Gravel Resheeting and Sealed Roads Renewal & Major Patch Programs were impacted by unusually wet start to winter impacting the delivery of these works. In addition Fixing Country Roads projects for King Parrot Creek and High Street Yea experienced contract and work delays with works crossing over end of financial year. Budgets are to be carried forward for the completion of these works.
7	Bridges	Bridge works completed, however works on Stevensons Lane Culvert and Spring Creek Culvert capitalised as part of road formation.
8	Footpaths and cycleways	Path upgrade for disability access Yea Council Offices delayed to coincide with High Street Yea safety works. Budget carried forward for completion in 2020/21.
9	Drainage	Completion of works carried forward from 2018/19 included William Street Alexandra, Kerami Crescent Marysville & Marshbank Street Yea.

Note 2.1 Analysis of Council results by program

2.1 (a) Our People

Together we will encourage and celebrate diverse, caring and connected communities.

One of the factors people value most about living in the Murrindindi Shire is a sense of belonging to a caring and well connected community. We will build on this strength by encouraging collaboration and involvement, whether this is amongst our valued volunteer-based community groups, through supporting cultural, artistic or celebratory events, or ensuring that opportunities and services are available that support inclusion, participation and access for all.

Our people includes, aged and disability, children and family, library, community, emergency, recreational youth and aquatic services.

Our Place

We will maintain and enhance places to be attractive, liveable and in harmony with the natural environment.

The unique character, history, scenic beauty and ambience of our places and spaces and the health of our natural environment are highly valued by our communities. We will ensure our built environments are well planned to enable sensible growth that does not compromise the natural environment, nor the liveability, accessibility and character of our towns and localities.

Our place includes, environmental, waste, building, development, environmental health, infrastructure, parks and gardens management.

Our Prosperity

In partnership with the community we will prioritise and promote a culture in which business and community can evolve and thrive

We recognise that prosperity within our communities is key to supporting individual aspirations and community growth. We will ensure that opportunities to encourage economic development within our Shire are pursued. We will support business development and new investment, promote tourism, facilitate access to training, and advocate for improved infrastructure and services that meet our business and community needs

Our prosperity includes tourism and business development services and saleyards management.

Our Promise

We (the Councillors and officers) will work as a team in collaboration with our communities to deliver the best possible outcomes in all that we do

Our Promise reflects the core of what we do as a Council to ensure our community's needs and priorities are well represented in our actions and services. Our promise is to provide strong advocacy, transparent governance, two-way communication and engagement, stewardship of our community's resources, and relevant, responsive and efficient service delivery.

Our promise includes Councillors and executive, communications and publications, financial and corporate services, human resources, information technology, asset planning and customer service.

2.1 (b) Summary of revenues, expense and assets by program

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$	\$	\$	\$	\$
2020					
Our People	4,665,984	9,683,300	(5,017,316)	3,325,245	42,680,446
Our Place	10,056,836	11,812,340	(1,755,504)	4,244,494	281,034,541
Our Prosperity	764,951	1,671,589	(906,638)	171,250	7,367,753
Our Promise	843,684	7,881,931	(7,038,248)	-	34,740,671
General Rates	18,044,553	-	18,044,553	-	-
Unattributed	3,271,727	7,360,568	(4,088,841)	3,271,724	32,442,694
	37,647,735	38,409,729	(761,994)	11,012,713	398,266,106
	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$	\$	\$	\$	\$
2019					
Our People	5,908,090	9,090,744	(3,182,654)	4,071,707	41,555,039
Our Place	11,492,506	9,789,138	1,703,368	4,631,089	272,780,743
Our Prosperity	1,207,174	1,255,532	(48,358)	279,520	5,739,209
Our Promise	1,301,229	6,923,590	(5,622,361)	-	31,648,681
General Rates	17,389,236	-	17,389,236	-	-
Unattributed	3,002,574	9,061,590	(6,059,016)	2,997,318	41,421,772
	40,300,809	36,120,594	4,180,215	11,979,634	393,145,444

Notes to Financial Report
For the Year Ended 30 June 2020

Note 3 Funding for the delivery of our services

	2020 \$	2019 \$
3.1 Rates and charges		
<p>Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its total value of land plus buildings and improvements.</p> <p>The valuation base used to calculate the general rates for 2019/2020 was \$5,102 million (2018/2019 \$4,621 million). The 2019/2020 rate in the dollar for general rate was 0.003052 of the capital improved value of the property (2018/2019 0.003273).</p> <p>The 2019/2020 Municipal Charge was \$341 (2018/2019 \$333) per rateable assessment. In 2019/2020 the Garbage Service Charge was \$381.20 (2018/2019 \$363) and Recycling Charge was \$116.50 (2018/2019 \$111).</p>		
Residential	6,707,925	6,274,729
Commercial	888,208	897,428
Rural 1	3,258,196	3,248,018
Rural 2	3,162,320	3,101,699
Vacant Land - Residential	641,470	590,283
Vacant Land - Commercial	31,530	29,753
Municipal charge	3,289,881	3,183,453
Garbage charge	2,552,056	2,404,582
Recycling	794,003	748,452
Revenue in lieu of rates	65,023	63,873
Total rates and charges	<u>21,390,612</u>	<u>20,542,270</u>

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

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

3.2 Statutory fees and fines

Building	336,404	353,877
Environmental health and local laws	301,971	295,436
Planning and subdivisions	281,074	298,502
Infrastructure	53,596	75,868
Other	20,956	24,447
Total statutory fees and fines	<u>994,001</u>	<u>1,048,130</u>

Statutory 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.

Notes to Financial Report
For the Year Ended 30 June 2020

Note 3	Funding for the delivery of our services (cont.)	2020	2019
3.3	User fees	\$	\$
	Halls and Community Centres	15,949	31,566
	Aged care	353,661	718,077
	Valuation data	-	97,761
	Saleyard fees	472,686	516,197
	Recreation pools and leisure centres	72,063	91,580
	Waste - transfer station & landfill fees	896,779	1,282,110
	Other fees and charges	10,256	19,522
	Total user fees	<u>1,821,394</u>	<u>2,756,813</u>
	User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.		
3.4	Funding from other levels of government		
	Grants were received in respect of the following :		
	Summary of grants		
	Commonwealth funded grants	8,051,836	7,991,684
	State funded grants	2,960,877	3,987,950
	Total grants received	<u>11,012,713</u>	<u>11,979,634</u>
	(a) Operating Grants		
	Recurrent -Commonwealth Government		
	Financial Assistance Grants	5,019,899	4,676,040
	Aged and disability	488,418	907,842
	Children services	1,111,917	1,040,257
	Recurrent -State Government		
	Aged and disability	175,389	341,606
	Children services	258,768	226,975
	Public health	6,155	6,937
	Library services	154,020	150,263
	Road safety	37,044	30,205
	Total recurrent Operating Grants	<u>7,251,610</u>	<u>7,380,125</u>
	Non-recurrent -Commonwealth Government		
	Children services	10,000	10,000
	Roads and bridges	378,330	256,460
	Non-recurrent -State Government		
	Children services	72,631	103,959
	Community development	-	329,085
	Economic development	171,250	274,520
	Emergency management	60,000	60,000
	Environmental services	37,774	78,932
	Public health	5,170	229,865
	Recreational services	-	170,828
	Recycling services	-	13,724
	Transport	66,100	77,332
	Tourism	-	5,000
	Youth services	86,167	89,667
	Working for Victoria	787,211	-
	Total non recurrent operating grants	<u>1,674,633</u>	<u>1,699,372</u>
	Total Operating grants	<u>8,926,243</u>	<u>9,079,497</u>

Notes to Financial Report
For the Year Ended 30 June 2020

Note 3.4	Funding from other levels of government (Cont.)	2020	2019
		\$	\$
	<i>(b) Capital Grants</i>		
	Recurrent-Commonwealth Government		
	Roads to Recovery	1,043,272	1,082,960
	Recurrent-State Government		
	Library materials	6,255	6,253
	Total recurrent capital grants	<u>1,049,527</u>	<u>1,089,213</u>
	Non-recurrent-Commonwealth Government		
	Buildings	-	18,125
	Non-recurrent-State Government		
	Governance		
	Buildings	243,858	620,064
	Roads	793,085	1,172,735
	Total non-recurrent capital grants	<u>1,036,943</u>	<u>1,810,924</u>
	Total capital grants	<u><u>2,086,470</u></u>	<u><u>2,900,137</u></u>

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

Balance at start of year	1,588,838	799,758
Received during the financial year and remained unspent at balance date	1,170,440	1,484,238
Received in prior years and spent during the financial year	<u>1,287,876</u>	<u>695,158</u>
Balance at end of year	<u>1,471,402</u>	<u>1,588,838</u>

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

3.5 Contributions

Monetary - operating	25,320	414,223
Monetary - capital	86,140	120,105
Non-monetary - capital	<u>805,323</u>	<u>1,649,478</u>
	<u>916,783</u>	<u>2,183,806</u>

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

Land under roads	36,953	19,308
Drainage	74,161	265,446
Footpaths and Cycleways	18,000	69,946
Roads	<u>676,209</u>	<u>1,294,778</u>
	<u>805,323</u>	<u>1,649,478</u>

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

3.6 Other income

Interest	572,057	833,350
Interest on rates	134,453	167,316
Rental	205,303	249,661
Reimbursements	265,808	433,965
Volunteer Services	208,109	-
Other	<u>126,502</u>	<u>105,864</u>
	<u>1,512,232</u>	<u>1,790,156</u>

Interest and rent are recognised as it is earned. Other income is measured at the fair value of the consideration received and is recognised when Council gains control over the right to receive the income.

Notes to Financial Report
For the Year Ended 30 June 2020

Note 4	The cost of delivering services	2020	2019
		\$	\$
4.1	Employee costs		
	Wages and salaries	13,357,000	12,697,506
	Casual Staff	223,557	454,567
	Superannuation -Defined Benefits Fund	27,545	30,465
	Superannuation -Accumulation Funds	1,158,407	1,152,714
	Fringe benefits tax	12,115	25,678
	Workcover	216,931	226,060
	Total employee costs	<u>14,995,555</u>	<u>14,586,990</u>

(a) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	27,545	30,465
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Employer contributions payable at reporting date.

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	640,815	675,490
Employer contributions - other funds	517,592	477,224

<u>1,185,952</u>	<u>1,183,179</u>
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Employer contributions payable at reporting date.

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	26,337	26,337
Employer contributions - other funds	19,523	19,523

Refer to Note 9.3 for further information relating to Councils Superannuation obligations.

4.2 Materials and services

Consultants	324,090	275,223
Contractors	8,722,477	7,759,075
Contributions	726,096	1,069,956
Insurance	490,204	491,677
Legal Expenses	145,634	208,137
Materials	850,912	858,474
Utilities	449,192	526,058
Total material and services	<u>11,708,605</u>	<u>11,188,600</u>

4.3 Depreciation

Property	2,293,319	2,720,550
Plant and Equipment	945,843	901,083
Infrastructure	5,263,743	5,238,401
Total depreciation	<u>8,502,905</u>	<u>8,860,034</u>

Refer to 6.1 for a more detailed breakdown of depreciation and accounting policy.

4.4 Amortisation - intangible assets

Intangible assets	765,177	791,334
Total depreciation and amortisation	<u>9,268,082</u>	<u>9,651,368</u>

Refer to note 5.2 (b) for a more detailed breakdown of amortisation charges and accounting policy.

Notes to Financial Report
For the Year Ended 30 June 2020

Note 4	The cost of delivering services (Cont)	2020	2019
4.5	Bad and doubtful debts	\$	\$
	Debtors	11,207	76,316
	Total bad and doubtful debts	<u>11,207</u>	<u>76,316</u>
	Movement in provisions for doubtful debts		
	Balance at the beginning of the year	51,220	43,946
	New provisions recognised during the year	8,981	7,274
	Amounts already provided for and written off as uncollectible	(779)	-
	Balance at end of year	<u>59,422</u>	<u>51,220</u>
4.6	Borrowing cost		
	Interest - borrowings	37,081	54,587
	Total borrowing costs	<u>37,081</u>	<u>54,587</u>
4.7	Net loss on disposal of property, infrastructure, plant and equipment		
	Written down value of assets disposed	1,370,931	1,100,782
	Less proceeds from sales	<u>(77,747)</u>	<u>(245,454)</u>
		<u>1,293,184</u>	<u>855,328</u>
	The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.		
	Refer to Note 6.2 for additional details.		
4.8	Other expenses		
	Auditors remuneration - auditing of the financial report	46,700	46,700
	Auditors remuneration - internal audit	42,770	33,875
	Councillors allowances	205,456	201,578
	Volunteer Services	208,108	-
	Other	111,309	77,937
	Total other expenses	<u>614,343</u>	<u>360,090</u>

Notes to Financial Report
For the Year Ended 30 June 2020

Note 5	Our financial position	2020	2019
		\$	\$
5.1	Financial assets		
	(a) Cash and cash equivalents		
	Cash at bank and on hand	5,363,846	586,682
	Term deposits and at call	12,731,000	2,114,000
	Total cash and cash equivalents	<u>18,094,846</u>	<u>2,700,682</u>
	(b) Other financial assets		
	Term Deposit - current	22,019,500	34,119,500
	Total other financial assets	<u>22,019,500</u>	<u>34,119,500</u>
	Total financial assets	<u>40,114,346</u>	<u>36,820,182</u>

Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

Trust funds and deposits (Note 5.3(b))	1,482,283	1,214,868
Statutory reserves (Note 9.1(b))	556,330	565,204
Total restricted funds	<u>2,038,613</u>	<u>1,780,072</u>
Total unrestricted cash and cash equivalents	<u>16,056,233</u>	<u>920,610</u>

Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council :

Cash held to fund carried forward capital works	5,379,977	4,338,200
Grants received in advance (Note 3.4)	1,471,402	1,588,838
Bank Guarantee - quarry	-	19,500
Cash held to fund discretionary reserves	19,620,187	18,773,311
Portion of long service leave liability	520,493	572,873
Total funds subject to intended allocations	<u>26,992,059</u>	<u>25,292,722</u>

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with an original maturity 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.

Notes to Financial Report
For the Year Ended 30 June 2020

5.1 Financial assets (Cont.)	2020	2019
(c) Trade and other receivables	\$	\$
Current		
<i>Statutory receivables</i>		
Rates debtors	2,495,261	2,035,510
Provision for doubtful rate debts	(59,422)	(51,220)
Garbage and recycling debtors	472,218	399,407
Special rate scheme	5,312	7,194
Net GST receivable	347,541	232,075
<i>Non statutory receivables</i>		
Other debtors	351,536	775,925
Provision for doubtful debts - other debtors	-	-
Government grants	859,083	1,407,944
Total Current trade and other receivables	<u>4,471,529</u>	<u>4,806,835</u>
Non-current		
<i>Non statutory receivables</i>		
Special rate scheme	2,548	4,977
Total trade and other receivables	<u>4,474,077</u>	<u>4,811,812</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.

At balance date other debtors representing financial assets that were past due but not impaired. The ageing of the Council's trade & other receivables excluding statutory receivables was:

(d) Ageing of receivables		
Current (not yet due)	1,261,714	1,715,678
Past due by up to 30 days	9,846	62,833
Past due between 31 and 180 days	48,468	30,766
Past due between 181 and 365 days	90,670	50,842
Past due by more than 1 year	51,439	323,750
Total trade and other receivables	<u>1,210,619</u>	<u>2,183,869</u>

Notes to Financial Report
For the Year Ended 30 June 2020

5.1	Financial assets (Cont.)	2020	2019
		\$	\$
	(e) Aged and individually impaired receivables		
	At balance date, debtors representing financial assets with a nominal value of \$15.4K were impaired. The amount of the provision raised against these debtors was \$8.2K. They are impaired as a result of their doubtful collection.		
	The ageing of receivables that have been individually determined as impaired at reporting date was:		
	Current (not yet due)	15,467	7,274
	Total trade & other receivables	15,467	7,274

5.2 **Non-financial assets**

(a) Other assets

Accrued Income	78,132	263,945
Prepayments	199,808	159,937
Total other assets	277,940	423,882

(b) Intangible assets

Landfill air space	1,864,586	2,582,781
Software	337,161	297,560
Total intangible assets	2,201,747	2,880,341

	Software	Landfill	Total
Gross carrying amount			
Balance at 1 July 2019	342,025	4,469,566	4,811,591
Other Additions	86,584		86,584
Balance at 1 July 2020	428,609	4,469,566	4,898,175

Accumulated amortisation and impairment

Balance at 1 July 2019	(44,465)	(1,886,785)	(1,931,250)
Amortisation expense	(46,983)	(718,195)	(765,178)
Balance at 1 July 2020	(91,448)	(2,604,980)	(2,696,428)
Net book value at 30 June 2019	297,560	2,582,781	2,880,341
Net book value at 30 June 2020	337,161	1,864,586	2,201,747

Landfill air space represents the unused capacity of the Alexandra landfill. The value of this asset is based on the corresponding landfill restoration provision (refer to note 5.5) adjusted to reflect the portion of unused air space remaining within this landfill. Amortisation is on the basis of the consumption of airspace.

Software assets are amortised as an expense on a straight line basis over the asset's useful life.

Notes to Financial Report
For the Year Ended 30 June 2020

	2020	2019
	\$	\$
5.3 Payables		
(a) Trade and other payables		
Trade payables	2,537,325	1,676,482
Loan Interest	5,392	7,764
Accrued wages	700,506	611,599
Accrued expenses	45,961	55,158
Total trade and other payables	<u>3,289,184</u>	<u>2,351,003</u>
(b) Trust funds and deposits		
Refundable building deposits	50,500	58,500
Refundable planning permit bonds	261,624	295,173
Retention contract deposits	429,379	401,098
Fire Service Property Levy	121,147	101,955
Other refundable deposits	619,633	358,142
Total trust funds and deposits	<u>1,482,283</u>	<u>1,214,868</u>
(c) Unearned income		
Grants received in advance - operating	230,000	-
Grants received in advance - capital	249,566	-
Total unearned income	<u>479,566</u>	<u>-</u>

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 recognised as revenue at the time of the forfeit.

Purpose and nature of items:

Refundable building deposits and planning permit bonds - These amounts have been received from individuals or companies to guarantee performance of obligations under various building permits, planning permits and contract agreements.

Fire Service Property Levy - Council is the collection agent for this 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 this process.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or 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.

5.4 Interest-bearing liabilities	2020	2019
	\$	\$
Current		
Bank loans - secured	178,075	188,469
	<u>178,075</u>	<u>188,469</u>
Non-current		
Bank loans - secured	300,481	478,557
	<u>300,481</u>	<u>478,557</u>
Total	<u>478,556</u>	<u>667,026</u>
The maturity profile for Council's borrowings is:		
Not later than one year	178,075	188,469
Later than one year and not later than five years	300,481	478,557
	<u>478,556</u>	<u>667,026</u>

Bank Loans are secured by a charge over the general rates of the Council.

Aggregate carrying amount of interest-bearing loans and borrowings:

Current	178,075	188,467
Non-current	300,481	478,557
	<u>478,556</u>	<u>667,024</u>

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

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

Notes to Financial Report
For the Year Ended 30 June 2020

5.5 Provisions

	Employee	Landfill restoration	Total
	\$	\$	\$
2020			
Balance at beginning of the financial year	3,588,848	5,282,461	8,871,309
Additional provisions	795,222		795,222
Amounts used	(935,744)		(935,744)
Increase (Reduction) in provision		481,672	481,672
Increase in the discounted amount arising because of the time and the effect of any change in the discount rate	-	(7,570)	(7,570)
Balance at the end of the financial year	3,448,326	5,756,563	9,204,889
2019			
Balance at beginning of the financial year	3,582,189	5,943,417	9,525,606
Additional provisions	1,096,320	-	1,096,320
Amounts used	(1,089,661)	-	(1,089,661)
Increase (Reduction) in provision		(652,685)	(652,685)
Increase in the discounted amount arising because of the time and the effect of any change in the discount rate	-	(8,271)	(8,271)
Balance at the end of the financial year	3,588,848	5,282,461	8,871,309
		2020	2019
		\$	\$
(a) Employee benefits			
Current provision expected to be wholly settled within 12 months			
Annual leave		847,462	813,522
Long service leave		111,112	112,734
		<u>958,574</u>	<u>926,256</u>
Current provision expected to be wholly settled after 12 months			
Annual leave		407,782	371,102
Long service leave		1,824,009	2,078,626
		<u>2,231,791</u>	<u>2,449,728</u>
Total current employee provision		<u>3,190,365</u>	<u>3,375,984</u>
Non-current			
Long service leave		257,961	212,864
Total non-current employee provision		<u>257,961</u>	<u>212,864</u>
Aggregate carrying amount of employee benefits:			
Current		3,190,365	3,375,984
Non-current		257,961	212,864
Total aggregate carrying amount of employee benefits		<u>3,448,326</u>	<u>3,588,848</u>

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

Wages and salaries and annual leave

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

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Notes to Financial Report
For the Year Ended 30 June 2020

5.5 Provisions (Cont.)

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	Key assumptions	2020	2019
	- discount rate	0.56%	1.15%
	- index rate	2.00%	2.50%
	- inflation rate	2.00%	2.50%
	- settlement rate	12 yrs.	12 yrs.

(b) Provisions - Landfill Restoration

	2020	2019
	\$	\$
Non-current		
Landfill restoration	5,756,563	5,282,461
	<u>5,756,563</u>	<u>5,282,461</u>

Council is obligated to restore the landfill site to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration 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	2020	2019
- discount rate	0.56%	1.15%
- index rate	2.00%	2.00%
- inflation rate	2.00%	2.00%
- settlement rate	27yrs	28yrs
-estimated cost to rehabilitate	4,526,467	5,422,230

5.6 Financing arrangements

	2020	2019
	\$	\$
Secured bank loans at fixed interest rates:		
Facility available	478,556	667,026
Used facility	<u>478,556</u>	<u>667,026</u>
Unused facility	<u>-</u>	<u>-</u>
Secured bank overdraft subject to annual review and repayable at call:		
Facility available	400,000	400,000
Used facility	<u>-</u>	<u>-</u>
Unused facility	<u>400,000</u>	<u>400,000</u>

Should the bank overdraft be utilised, the liability would be secured by a mortgage over the general rates of Council.

Notes to Financial Report
For the Year Ended 30 June 2020

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.

2020	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 \$
Operating					
Cleaning buildings and services	34,000	-	-	-	34,000
Garbage and recycling collection	2,945,007	1,160,733	-	-	4,105,740
Insurance	22,050	-	-	-	22,050
Internal audit	32,500	32,500	-	-	65,000
Landfill	44,625	-	-	-	44,625
Library	70,555	-	-	-	70,555
Photocopiers and printers	79,038	-	-	-	79,038
Software	64,002	56,500	-	-	120,502
Street sweeping	181,808	-	-	-	181,808
Total	3,473,585	1,249,733	-	-	4,723,318
Capital					
Bridges	55,308	-	-	-	55,308
Buildings & improvements	279,094	-	-	-	279,094
Drainage	67,679	-	-	-	67,679
Kerb and Channel	104,207	-	-	-	104,207
Landfill	71,522	-	-	-	71,522
Plant and equipment	256,966	-	-	-	256,966
Roads	2,140,941	-	-	-	2,140,941
Software	37,950	-	-	-	37,950
Total	3,013,667	-	-	-	3,013,667

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 \$
Operating					
Cleaning buildings and services	110,000	34,000	-	-	144,000
Garbage and recycling collection	952,799	2,945,007	1,160,733	-	5,058,539
Insurance	22,050	-	-	-	22,050
Internal audit	32,500	32,500	32,500	-	97,500
Landfill	40,694	44,625	-	-	85,319
Photocopiers and printers	49,246	79,038	-	-	128,284
Software	7,502	-	-	-	7,502
Street sweeping	90,904	181,808	-	-	272,712
Total	1,305,695	3,316,978	1,193,233	-	5,815,906
Capital					
Buildings & improvements	212,496	-	-	-	212,496
Car parks	22,000	-	-	-	22,000
Drainage	198,769	-	-	-	198,769
Footpaths and cycleways	22,174	-	-	-	22,174
Landfill	100,596	-	-	-	100,596
Roads	173,751	-	-	-	173,751
Software	56,500	56,500	-	-	113,000
Vegetation	3,636	-	-	-	3,636
Waste management	28,593	-	-	-	28,593
Total	818,515	56,500	-	-	875,015

5.8 Leases

Operating lease commitments

Policy applicable before 1 July 2019

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

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

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

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

Policy applicable after 1 July 2019

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

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

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

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

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

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

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

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

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

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

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

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

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

Short-term and low value leases

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

	2020
Expenses relating to:	\$
Short-term leases	379
Leases of low value assets	5,413
Total	<u>5,792</u>

Notes to Financial Report
For the Year Ended 30 June 2020

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

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

Payable:

Within one year	1,479
Later than one year but not later than five years	4,313
Total lease commitments	<u>5,792</u>

i. Leases classified as operating leases under AASB 117 Leases

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

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

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

ii. Leases previously classified as finance leases

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

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

Impact on financial statements

On transition to AASB 16 Leases , Council have not recognised right-of-use assets and corresponding lease

	2019 \$'000
Operating lease commitment at 30 June 2019 as disclosed in Council's financial	344,517
Discounted using the incremental borrowing rate at 1 July 2019	-
Finance lease liability recognised as at 30 June 2019	<u>344,517</u>
- Recognition exemption for:	
short-term leases	(56,977)
leases of low-value assets	(9,407)
- Previously disclosed operating leases assessed to not meet the definition of a lease under AASB 16	<u>(278,133)</u>
- Lease liabilities recognised as at 1 July 2019	<u>-</u>

Notes to Financial Report
For the Year Ended 30 June 2020

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30-June-2019	Acquisitions	Contributions	Revaluations	Depreciation	Disposals	Transfers	At Fair Value 30-June-2020
	\$	\$	\$	\$	\$	\$	\$	\$
Land	48,655,353	250,852	36,953	781,661	-	(105,000)	-	49,619,819
Buildings	65,994,141	960,866	-	1,700,613	(2,293,320)	(295,611)	207,400	66,274,089
Plant and Equipment	5,108,325	1,293,620	-	-	(945,845)	(80,810)	22,651	5,397,941
Infrastructure	227,361,355	2,623,225	768,370	1,570,110	(5,263,743)	(889,509)	291,269	226,461,077
Works in Progress	1,056,747	2,882,483	-	-	-	-	(521,320)	3,417,910
Total	348,175,921	8,011,046	805,323	4,052,384	(8,502,908)	(1,370,930)	-	351,170,836

Notes to Financial Report
For the Year Ended 30 June 2020

6.1 Property, infrastructure, plant and equipment (Cont.)

Summary of Works in Progress

	Opening WIP \$	Additions \$	Transfers \$	Closing WIP \$
Buildings	362,202	754,119	(207,400)	908,921
Plant and Equipment	22,651	-	(22,651)	-
Infrastructure	671,894	2,128,364	(291,269)	2,508,989
Total	1,056,747	2,882,483	(521,320)	3,417,910

6.1 Property, infrastructure, plant and equipment (Cont.)

(a) Property

	Land - specialised \$	Land - non specialised \$	Land Under Roads \$	Total Land \$	Buildings - specialised \$	Buildings - non specialised \$	Total Buildings \$	Work In Progress \$	Total Property \$
At fair value 1 July 2019	-	33,994,048	14,661,305	48,655,353	96,695,267	-	96,695,267	362,202	145,712,822
Accumulated depreciation at 1 July 2019	-	-	-	-	(30,701,126)	-	(30,701,126)	-	(30,701,126)
	-	33,994,048	14,661,305	48,655,353	65,994,141	-	65,994,141	362,202	115,011,696
Movements in fair value									
Additions	-	268,620	19,185	287,805	960,866	-	960,866	754,119	2,002,790
Revaluation increments/decrements	-	545,614	236,047	781,661	2,581,764	-	2,581,764	-	3,363,425
Disposals	-	(105,000)	-	(105,000)	(801,089)	-	(801,089)	-	(906,089)
Transfers	-	-	-	-	207,400	-	207,400	(207,400)	-
	-	709,234	255,232	964,466	2,948,941	-	2,948,941	546,719	4,460,126
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	-	-	(2,293,320)	-	(2,293,320)	-	(2,293,320)
Accumulated depreciation of disposals	-	-	-	-	505,478	-	505,478	-	505,478
Revaluation increments/decrements	-	-	-	-	(881,151)	-	(881,151)	-	(881,151)
Transfers	-	-	-	-	-	-	-	-	-
	-	-	-	-	(2,668,993)	-	(2,668,993)	-	(2,668,993)
At fair value 30 June 2020	-	34,703,282	14,916,537	49,619,819	99,644,208	-	99,644,208	908,921	150,172,948
Accumulated depreciation at 30 June 2020	-	-	-	-	(33,370,119)	-	(33,370,119)	-	(33,370,119)
	-	34,703,282	14,916,537	49,619,819	66,274,089	-	66,274,089	908,921	116,802,829

Notes to Financial Report
For the Year Ended 30 June 2020

6.1 Property, infrastructure, plant and equipment (Cont.)

(b) Plant and Equipment

	Heritage plant and equipment \$	Plant machinery and equipment \$	Fixtures fittings and furniture \$	Library books \$	Works in Progress \$	Total plant and equipment \$
At fair value 1 July 2019	358,172	7,931,684	2,006,018	849,455	22,651	11,167,980
Accumulated depreciation at 1 July 2019	(37,071)	(4,128,726)	(1,493,767)	(377,440)	-	(6,037,004)
	321,101	3,802,958	512,251	472,015	22,651	5,130,976
Movements in fair value						
Additions	-	987,663	217,968	87,989	-	1,293,620
Disposals	-	(296,764)	(4,929)	-	-	(301,693)
Impairment losses recognised in operating result	-	-	-	-	-	-
Transfers	-	22,651	-	-	(22,651)	-
	-	713,550	213,039	87,989	(22,651)	991,927
Movements in accumulated depreciation						
Depreciation and amortisation	(5,005)	(669,335)	(175,088)	(96,417)	-	(945,845)
Accumulated depreciation of disposals	-	215,954	4,929	-	-	220,883
	(5,005)	(453,381)	(170,159)	(96,417)	-	(724,962)
At fair value 30 June 2020	358,172	8,645,234	2,219,057	937,444	-	12,159,907
Accumulated depreciation at 30 June 2020	(42,076)	(4,582,107)	(1,663,926)	(473,857)	-	(6,761,966)
	316,096	4,063,127	555,131	463,587	-	5,397,941

Notes to Financial Report
For the Year Ended 30 June 2020

6.1 Property, infrastructure, plant and equipment (Cont.)
(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Work In Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$
At fair value 1 July 2019	219,846,854	64,706,519	12,443,388	20,664,515	671,894	318,333,170
Accumulated depreciation at 1 July 2019	(58,249,855)	(22,057,037)	(4,526,945)	(5,466,084)	-	(90,299,921)
	161,596,999	42,649,482	7,916,443	15,198,431	671,894	228,033,249
Movements in fair value						
Additions	2,480,752	163,045	308,483	439,315	2,128,364	5,519,959
Revaluation increments/decrements	-	-	(224,780)	245,322	-	20,542
Disposals	(1,734,694)	(93,744)	(116,622)	(31,192)	-	(1,976,252)
Transfers	205,123	-	-	86,145	(291,269)	(1)
	951,181	69,301	(32,919)	739,590	1,837,095	3,564,248
Movements in accumulated depreciation						
Depreciation and amortisation	(3,868,474)	(718,602)	(451,279)	(225,388)	-	(5,263,743)
Accumulated depreciation of disposals	1,007,071	33,751	36,401	9,520	-	1,086,743
Revaluation increments/decrements	-	-	1,866,498	(316,930)	-	1,549,568
	(2,861,403)	(684,851)	1,451,620	(532,798)	-	(2,627,432)
At fair value 30 June 2020	220,798,035	64,775,820	12,410,469	21,404,105	2,508,989	321,897,418
Accumulated depreciation at 30 June 2020	(61,111,258)	(22,741,888)	(3,075,325)	(5,998,882)	-	(92,927,353)
	159,686,777	42,033,932	9,335,144	15,405,223	2,508,989	228,970,065

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 detailed below have been applied when recognising assets within an applicable asset class. These are consistent with the prior year.

Asset recognition thresholds and depreciation periods

	Depreciation Years	Threshold Limit
Land		1
Land under roads		1
Buildings	30 to 80	5,000
Plant and Equipment		
fixtures, fittings and furniture	4 to 20	2,000
computers and telecommunications	4 to 10	2,000
heritage and cultural	20 to 200	1,000
library materials	3 to 10	1,000
plant, machinery and equipment	3 to 15	2,000
Infrastructure		
bridges	30 to 100	7,500
drainage	50 to 100	5,000
footpaths and cycleways	20 to 70	5,000
road formations and earthworks	100 to 200	5,000
road pavements	20 to 40	5,000

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

Buildings, 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 infrastructure 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.

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

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

Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Notes to Financial Report
For the Year Ended 30 June 2020

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

Valuation of land and buildings

Valuation of land and buildings were undertaken at 30 June 2019 by a qualified independent valuers Lackaln Black APV Valuers and Asset Management valuer registration number 66132 and Josh Franklin valuer registration number 102257. 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.

Land under roads is valued at fair value. Fair value is based on valuations at 30 June 2018 for land under roads in existence at that date, using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement. Valuation of land under roads was undertaken by a qualified independent valuer Marcus Hann valuer registration number 62901.

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.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2020 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
	\$	\$	\$	
Land	-	34,703,282	-	30-June-2019
Land Under Roads	-	-	14,916,537	30-June-2018
Buildings	-	-	66,274,089	30-June-2019
Total	-	34,703,282	81,190,626	

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

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken as detailed in the following table. An indexed based revaluation was conducted using ABS data for all infrastructure asset classes not fully revalued in the current year. Infrastructure assets are fully revalued every 3-5 years.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2020 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Valuer
	\$	\$	\$		
Roads	-	-	159,686,777	01-July-2017	Council Officer John Canny A.A.I.Q.S
Bridges	-	-	42,033,932	30-June-2019	Jian Zhao MIE Aust
Footpaths and cycleway	-	-	9,335,144	31-March-2020	John Olson FIEAust (HDS Australia) & Jian Zhao MIE Aust
Drainage	-	-	15,405,223	31-March-2020	Richard Medhurst (HDS Australia) & Jian Zhao MIE Aust
Total	-	-	226,461,076		

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 25% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$295 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 cost is calculated on a square metre basis and range from \$100 to \$15,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 8 years to 80 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. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 20-200 years. Replacement cost are sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2020	2019
	\$	\$
Reconciliation of specialised land		
Land under roads	<u>14,916,537</u>	<u>14,661,305</u>
Total specialised land	<u>14,916,537</u>	<u>14,661,305</u>

6.2 Investment in associates and joint arrangements

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.

Notes to Financial Report
For the Year Ended 30 June 2020

Note 7 People and relationships

7.1 Council and key management remuneration

2020
No. 2019
No.

(a) Related Parties

Parent entity
Murrindindi Council is the parent entity

Subsidiaries and Associated
There are no subsidiaries and associates

(b) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors	Councillor - Leigh Dunscombe - Mayor Councillor - Margaret Rae - Deputy Mayor Councillor - Charlotte Bisset Councillor - Eric Lording Councillor - Jackie Ashe Councillor - Rebecca Bowles Councillor - Sandice McAulay
Officers	Chief Executive Officer - Craig Lloyd Director Community Engagement - Shivaun Brown Director Corporate and Community Services - Michael Chesworth Director Assets and Development Services - Stuart McConnell (1-7-2019 to 6-9-2019) Director Assets and Development Services - Vito Albicini (from 9-9-2019)

Total Number of Councillors	7	7
Chief Executive Officer and other Key Management Personnel	5	4
Total Key Management Personnel	<u>12</u>	<u>11</u>

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

Short-term benefits	920,455	902,163
Post-employment benefits including termination benefits	66,158	67,814
Long-term benefits	12,851	21,847
Total	<u>999,464</u>	<u>991,824</u>

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands

\$20,000 - \$29,999	5	5
\$30,000 - \$39,999	1	1
\$40,000 - \$49,999	1	-
\$60,000 - \$69,999	1	1
\$100,000 - \$109,999	1	-
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	1	1
\$200,000 - \$209,999	1	1
\$260,000 - \$269,999	1	1
	<u>12</u>	<u>11</u>

7.1 Council and key management remuneration (Cont.)

(d) Senior Officers Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$151,000

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

Income Range:	2020 No.	2019 No.
\$150,000 - \$159,999	3	1
\$160,000 - \$169,999	1	1
\$200,000 - \$210,999	1	-
\$230,000 - \$239,999	-	1
Total Senior Officers	5	3
	\$	\$

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

661,115	548,751
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7.2 Related party disclosure

(a) Transactions with related parties

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

1. Outdoor Education Group - 2 Transactions totalling \$27,500 relating to a Business & Tourism Innovation Grant for Fundraising Approaches, 1 transaction totalling \$110 relating to a leadership camp deposit, 1 transaction totalling \$1318.10 relating to a refund of a Planning Permit fee & 3 transactions totalling \$2,039.50 relating to refunds of health registration fees.

2. Fisher Leadership - 3 Transactions totalling \$60,588 relating to a contractor costs for temporary Director of Assets & Development, 1 Transaction totalling \$29,618 relating to permanent placement fee for Director of Assets & Development

All transactions relate to entities that are controlled or jointly controlled by Key Management Personnel or close family members. These transactions were made at arm's length with the appropriate delegation, and any conflict of interest appropriately declared and reported.

(b) Outstanding balances with related parties

No balances were outstanding at the end of the reporting period in relation to transactions with related parties

(c) Loans to/from related parties

No loans are in existence as at 30 June 2020 between Council and any related party, nor were any loan transactions entered into during the 2019/20 financial year.

(d) Commitments to/from related parties

No commitments are in existence as at 30 June 2020 between Council and any related party, nor were any commitments made during the 2019/20 financial year.

**Notes to Financial Report
For the Year Ended 30 June 2020**

Note 8 Managing uncertainties

8.1 Contingent liabilities and contingent assets

(a) Contingent assets

There were no contingent assets as at 30 June 2020 (2019 Nil)

Operating lease receivables

The Council has entered into commercial property leases of its Caravan Parks and other property assets. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 99 years.

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

	2020	2019
	\$	\$
Not later than one year	254,838	201,341
Later than one year and not later than five years	689,112	696,108
Later than five years	1,448,402	1,550,485
	<u>2,392,352</u>	<u>2,447,934</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 in note 9.3. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Legal Liabilities

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

Landfill

Council operates a landfill. Council will have to carry out site rehabilitation works in the future. At balance date Council is unable to accurately assess the financial implications of such works.

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

MAV Workcare

Council is a participant of the MAV WorkCare Scheme. The MAV WorkCare Scheme provides workers compensation insurance. The MAV WorkCare 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

8.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2020 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

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

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

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

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

8.3 Financial Instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables excluding statutory receivables and payables including bank borrowings but excluding statutory payables. Details of the significant accounting policies and methods are disclosed in Note 1 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 our financial instruments will fluctuate because of changes in market prices. The Council's exposures 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 does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure 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 been significant during the year but have not a material impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss.

Council has exposure to credit risk on all financial assets included in the balance sheet. To help manage this risk:

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

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provides a guarantee for another party. Details of our contingent liabilities are disclosed in note 8.1(b).

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

8.3 Financial Instruments (Cont.)

(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:

- has an investment policy which requires that only surplus funds are invested in financial assets;
- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitors budget to actual performance on a regular basis; and
- sets limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

Council's exposure to liquidity risk 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 amount 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, the Council believes that no movement is expected over the next 12 months.

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets 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 on the basis of the nature, characteristics and risks of the asset 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, furniture and equipment, library books and heritage assets, 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, 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 on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed in Note 6.2, Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings and infrastructure assets on a regular basis ranging from 3 to 5 years. The valuation is performed either by experienced council officers or an independent expert valuer.

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 this 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 to sell 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

In July 2020, the Victorian State Government imposed further lockdown restrictions on the state as a result of a second wave of the COVID-19 pandemic commencing. Due to the inherent uncertainty surrounding the duration of such restrictions it is not possible for Council to estimate the full impact on Council's operations, financial position and cashflow at this point in time. This being the case it is not considered practical to provide quantitative or qualitative estimates on the potential financial impacts of the second wave at this time. Accordingly, no adjustments have been made at balance date to reflect ongoing uncertainties surrounding the COVID-19 pandemic.

Council will continue to monitor both the financial and non-financial impacts of COVID-19 on its operations and has put in place mitigating strategies where possible to ensure Council is well positioned to respond to future events whilst continuing as a going concern.

Notes to Financial Report
For the Year Ended 30 June 2020

Note 9 Other Matters

9.1 Reserves	2020 \$	2019 \$
Asset revaluation reserves (a)	231,594,639	227,542,255
Other reserves (b)	20,176,517	19,338,515
	<u>251,771,156</u>	<u>246,880,770</u>

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
(a) Asset revaluation reserves	\$	\$	\$
2020			
Property			
Land	29,324,938	545,614	29,870,552
Land under roads	11,075,405	236,047	11,311,452
Buildings	31,207,036	1,700,613	32,907,649
	<u>71,607,379</u>	<u>2,482,274</u>	<u>74,089,653</u>
Infrastructure			
Bridges	11,119,518	-	11,119,518
Drainage	10,748,846	(71,608)	10,677,238
Footpaths and cycleways	5,961,092	1,641,718	7,602,810
Roads	128,105,420	-	128,105,420
	<u>155,934,876</u>	<u>1,570,110</u>	<u>157,504,986</u>
Total Asset revaluation reserves	<u>227,542,255</u>	<u>4,052,384</u>	<u>231,594,639</u>
2019			
Property			
Land	26,239,061	3,085,877	29,324,938
Land under roads	11,075,405	-	11,075,405
Buildings	28,398,304	2,808,732	31,207,036
	<u>65,712,770</u>	<u>5,894,609</u>	<u>71,607,379</u>
Infrastructure			
Bridges	8,638,425	2,481,093	11,119,518
Drainage	10,748,846	-	10,748,846
Footpaths and cycleways	5,961,092	-	5,961,092
Roads	128,105,420	-	128,105,420
	<u>153,453,783</u>	<u>2,481,093</u>	<u>155,934,876</u>
Total Asset revaluation reserves	<u>219,166,553</u>	<u>8,375,702</u>	<u>227,542,255</u>

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

Notes to Financial Report
For the Year Ended 30 June 2020

9.1 Reserves (cont.)	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves	\$	\$	\$	\$
2020				
Statutory Reserves				
Public Open Space	565,204	31,500	(40,374)	556,330
Discretionary Reserves				
Defined Benefits Superannuation	1,200,000	-	-	1,200,000
Gifted and Novated Assets	920,000	-	(219,052)	700,948
Infrastructure Contributions Parking	41,080	-	-	41,080
Infrastructure Balance MAP funding	498,428	-	-	498,428
Infrastructure Maintenance	1,040,130	-	-	1,040,130
Infrastructure	4,921,996	134,577	(141,095)	4,915,478
Landfill and Waste Management	9,687,748	1,752,678	(547,224)	10,893,202
Marysville Caravan Park	143,674	50,882	(42,999)	151,557
Marysville Community Fund	63,531	-	(63,531)	-
Shaw Avenue Redevelopment	43,752	-	-	43,752
Yea Caravan Park	33,593	28,872	(29,583)	32,882
Yea Saleyards	179,379	150,703	(227,352)	102,730
Total Other reserves	19,338,515	2,149,212	(1,311,210)	20,176,517

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$	\$	\$	\$
2019				
Statutory Reserves				
Public Open Space	487,004	78,200	-	565,204
Discretionary Reserves				
Defined Benefits Superannuation	1,200,000	-	-	1,200,000
Gifted and Novated Assets	920,000	-	-	920,000
Infrastructure Contributions Parking	41,080	-	-	41,080
Infrastructure Balance MAP funding	498,428	-	-	498,428
Infrastructure Maintenance	1,040,130	-	-	1,040,130
Landfill and Waste Management	7,784,511	3,797,894	(1,894,657)	9,687,748
Marysville Caravan Park	89,122	76,472	(21,920)	143,674
Infrastructure	4,830,511	75,441	-	4,905,952
Marysville Community Fund	63,531	-	-	63,531
Road Maintenance - Subdividers Contribution	16,044	-	-	16,044
Shaw Avenue Redevelopment	43,752	-	-	43,752
Yea Caravan Park	-	43,379	(9,786)	33,593
Yea Saleyards	62,176	536,731	(419,528)	179,379
Total Other reserves	17,076,289	4,608,117	(2,345,891)	19,338,515

Notes to Financial Report
For the Year Ended 30 June 2020

9.1 Reserves (cont.)

Public Open Space: represents payments from subdividers as specified under the Subdivisions Act, to fund future creation of areas of recreational land.

Defined Benefits: been created to assist in meeting obligations for future funding calls from the Vision Super Defined Benefits Superannuation Fund.

Gifted and Novated Assets ; contains the balance of funds that were held by (VBRRA) the Victorian Bushfire Recovery and Reconstruction Authority for reconstruction projects in Murrindindi Shire when the Authority closed. The funds (also known as VBBRA Cessation funds) were transferred by the State Government to Council as further assistance for the new assets gifted after the 2009 bushfires.

Infrastructure Contributions ; represents payments from Subdividers set aside for future infrastructure works relating to provision of car parking.

Infrastructure Balance MAP Funding; represents the final payment received from State Government related to the Murrindindi Assistance Package.

Infrastructure Maintenance; represents funds set aside for addressing council's long term infrastructure renewal obligations.

Infrastructure: has been established as an accumulation fund to plan for the future investment in community infrastructure. Any unallocated savings from the annual capital works program will be transferred to this reserve. The reserve is the consolidation of two previous reserves which had similar objectives – the Infrastructure Unexpended Capital Works reserve and the New and Expanded Assets Reserve.

Landfill and Waste Management; represents funds set aside for rehabilitation of Landfill site. The reserve is to be utilised for future works to maximise life of the landfill site (e.g. cell construction, cell capping and Leachate management over the next 10 years)re

Marysville Caravan Park; is surplus operational funds (rental) set aside for future capital works or operational requirements.

Marysville Community Fund contains funds set aside from the sale of Council land associated with the prior Marysville Retirement Village which are available for reinvestment in infrastructure or programs in Marysville.

Shaw Avenue; represents remaining funds from Council land sales at Shaw Avenue in 2003.

Yea Caravan Park; is surplus operational funds (rental) set aside for future capital works or operational requirements..

Yea Saleyards; is surplus operational funds set aside for future capital works or operational requirements.

9.2 Reconciliation of cash flows from operating activities to surplus

	2020	2019
	\$	\$
Surplus for the financial year	(761,994)	4,180,215
Depreciation and amortisation	9,268,082	9,651,368
Contributions - non-monetary	(805,323)	(1,649,478)
Finance Costs	39,453	58,422
(Gain)/loss on disposal of property, plant and equipment, infrastructure	1,293,184	855,328
Change in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	337,735	(93,267)
(Increase)/Decrease in inventories	6,146	(1,564)
(Increase)/Decrease in other current assets	145,942	(60,671)
Increase/(Decrease) in trade and other payables	1,227,884	(862,037)
Increase/(Decrease) in trust funds and deposits	267,415	86,256
Increase/(Decrease) unearned income	479,566	-
Increase/(Decrease) in provisions	333,580	(654,297)
Net cash provided by operating activities	11,831,670	11,510,275

9.3 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision My Super/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings for the year ended 30 June 2020, this was 9.5% as required under Superannuation Guarantee legislation.

Defined Benefit

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

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Murrindindi Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 is \$51,000.

Funding Arrangements

Murrindindi Shire Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

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

As at 30 June 2019, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 107.1%. The financial assumptions used to calculate the VBIs were:

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

Vision Super has advised that the estimated VBI at 30 June 2020 was 104.6%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 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.

Employer contributions

Regular contributions

On the basis of the results of the 2017 full actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate is expected to increase in line with any increase to the SG contribution rate and be reviewed as part of the 30 June 2020 triennial valuation.

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

9.3 Superannuation (Cont.)

Funding calls

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

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

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

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2019 interim actuarial investigation surplus amounts.

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

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

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2019. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of the expected future benefits and expenses as at June 2019.

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

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

Council was notified of the 30 June 2019 VBI during August 2019.

The 2020 triennial actuarial investigation

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

	2020 Triennial investigation	2017 Triennial Investigation
Net investment return	5.6% pa	6.5% pa
Salary inflation	2.5% pa for the first two years and 2.75% pa thereafter	3.5% pa
Price inflation	2.0% pa	2.5% pa

Enterprise bargaining agreement

Staff employed under Councils Enterprise Bargaining Agreement are entitled to additional superannuation depending on years of service as outlined below;

Years of service between 10- 15 1%

Years of service greater than 15 2%

9.4 Impact of COVID 19 pandemic

On 30 January 2020, COVID 19 was declared as a global pandemic by the world health organisation. The impacts were disruptive and significant, but do not cast any doubt on the ability of the entity to continue as a going concern. Various measures were taken to reduce the spread of COVID-19. Initiatives were implemented to assist the community to mitigate the financial and social impacts. Council operations for the financial year ended 30 June 2020 were impacted in the following areas:

Libraries and community halls were closed. These closures resulted in a decrease in the council user fee revenue by \$10,000.

Commercial rent agreements were paused from 1/3/2020. This resulted in a decrease in rent revenue of \$45,000.

Health registration fees for the year were waived. This resulted in an expense of \$70,000.

Deferral of rates revenue collection and the introduction of an interest free period cost an estimated \$20,000. This has contributed to the rate debtor balance as at 30 June 2020 increasing by \$530,000 compared to last year.

An additional \$300,000 of expenses were incurred for extra items including, extra cleaning, erection and maintaining of barriers around closed facilities, vehicle rental to ensure appropriate social distancing, software, hardware and telecommunications to enable working from home.

The COVID 19 pandemic was a consideration to judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates particularly in relation to the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1). At reporting date any material impact was not apparent. Council's largest asset class, roads will be revalued during 2020/21.

Note 10 Change in accounting policy

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

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

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

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

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

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

b) AASB 16 Leases

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

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

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

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

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

d) Transition impacts

The following table summarises the impact of transition to the new standards on retained earnings at 1 July 2019.

	2019
	\$
Retained earnings at 30 June 2019	133,160,468
Revenue adjustment - impact of AASB 15 <i>Revenue from Contracts with Customers</i>	-
Income Adjustment - impact of AASB 1058 <i>Income of Not-for-Profit Entities</i>	-
Retained earnings at 1 July 2019	<u>133,160,468</u>

Murrindindi Shire Council
Performance Statement
For the Year Ended
30-June-2020

Description of Municipality

Murrindindi Shire Council ("the Council") is situated 150 kms or 90 minutes north-east of Melbourne.

The Wurundjeri tribe and the Taungurung language speakers are the traditional owners of the land known as the Shire of Murrindindi. European settlement followed Hume and Hovell's overland exploration in December 1824. Many local towns were established during the 1850s and 1860s following the discovery of gold.

The Murrindindi Shire Council was declared on 18 November 1994 by the amalgamation of the former municipalities of Alexandra and Yea, and the addition of parts of the former municipalities of Healesville, Broadford, Eltham, Whittlesea and Euroa.

The main industries of the Shire include agriculture, aquaculture, horticulture, forestry and timber processing, tourism and hospitality, light manufacturing and engineering, retail and trades services, education and public services.

The council covers an area of 3,873 square kilometres, of which 48% is Crown land, and has a population of 14,570 as of the most recent Australian Bureau of Statistics update.

PERFORMANCE STATEMENT

Sustainable Capacity Indicators

<i>Indicator / measure</i> [formula]	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations
Population					
C1 <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,336.32	\$2,308.21	\$2,494.86	\$2,636.22	
C2 <i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$19,937.14	\$21,943.37	\$21,700.64	\$20,696.71	
C3 <i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	11.25	11.43	11.68	12.03	
Own-source revenue					
C4 <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,701.02	\$1,737.85	\$1,805.32	\$1,765.15	
Recurrent grants					
C5 <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$731.86	\$610.62	\$584.98	\$569.74	
Disadvantage					
C6 <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	6	6	6	6	
Workforce turnover					
C7 <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	11.8%	9.1%	13.3%	31.8%	Increase in staff turnover in 2019/20 was due to Council's decision to withdraw from providing Aged & Disability Services.

PERFORMANCE STATEMENT

Service Performance Indicators

Service/indicator /measure	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations
Aquatic Facilities Utilisation AF6 <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.30	1.42	1.53	0.97	The 19/20 season was impacted by higher percentage of pool closure days due to storm damage, EPA smoke warnings and mechanical faults. These issues account for the decline in participation.
Animal Management Health and safety AM7 <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	New in 2020	New in 2020	New in 2020	0%	There were no animal prosecutions in 2019/20.
Food Safety Health and safety FS4 <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	100.00%	100.00%	100.00%	
Governance Satisfaction G5 <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	41.00	45.00	55.00	53.00	This community satisfaction rating has reduced slightly but is still substantially higher than past results in 2016, 2017 and 2018.
Libraries Participation LB4 <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	40.25%	20.61%	22.08%	20.04%	Physical visits to the libraries are down overall due to pandemic-related closures, and this has resulted in less borrowing and therefore fewer active users.

PERFORMANCE STATEMENT

Service/indicator /measure	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations
<p>Maternal and Child Health (MCH) Participation</p> <p>MC4 <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</p> <p>Participation</p> <p>MC5 <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</p>	98.36%	100.00%	86.75%	82.11%	Client participation rate has varied, largely due to the impact of COVID-19. Telehealth consultations have been occurring across all non-critical KAS consultations.
<p>Roads Satisfaction</p> <p>R5 <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]</p>	46.00	42.00	48.00	50.00	
<p>Statutory Planning Decision making</p> <p>SP4 <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</p>	66.67%	66.67%	100.00%	0.00%	Council did not have any planning decisions referred to VCAT in 2019/20.
<p>Waste Collection Waste diversion</p> <p>WC5 <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</p>	36.30%	34.92%	34.09%	33.59%	

PERFORMANCE STATEMENT

Financial Performance Indicators

Dimension/indicator /measure	Results	Results	Results	Results	Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Efficiency									
Expenditure level									
E2 Expenses per property assessment [Total expenses / Number of property assessments]	\$3,331.23	\$3,358.70	\$3,645.23	\$3,848.67	\$3,539.28	\$3,522.39	\$3,555.19	\$3,574.26	
Revenue level									
E4 Average rate per property assessment [General rates and Municipal charges / Number of property assessments]	New in 2020	New in 2020	New in 2020	\$1,801.56	\$1,803.01	\$1,835.75	\$1,868.75	\$1,901.79	
Liquidity									
Working capital									
L1 Current assets compared to current liabilities [Current assets / Current liabilities] x100	537.67%	471.11%	590.22%	520.81%	468.17%	439.82%	445.89%	451.24%	The trend in working capital has remained strong across the 4 years of reporting. The current year result reflects council holding cash to fund carried over capital works and projects. Council also has sufficient cash to pay liabilities on time. Council has significant cash holding in term deposits, which are classified as 'financial assets' in our Balance Sheet (\$22.0 million). Although these term deposits are liquid, these cash holdings are excluded from the calculation which understates Council's actual unrestricted cash position. The significant increase the unrestricted cash result for 2019-20 is due to Council having less cash in term deposits at 30 June than the previous year.
Unrestricted cash									
L2 Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	53.47%	73.14%	12.91%	186.28%	397.14%	368.40%	373.35%	378.17%	

PERFORMANCE STATEMENT										
Dimension/indicator /measure	Results 2017	Results 2018	Results 2019	Results 2020	Forecasts				Material Variations	
					2021	2022	2023	2024		
Obligations										
Loans and borrowings										
O2	Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	7.06%	4.98%	3.25%	2.24%	1.40%	0.72%	0.15%	0.00%	The trend continues to decrease as Council pays off existing loans while not taking out any new loans.
O3	Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	4.12%	2.28%	1.84%	1.07%	0.95%	0.71%	0.58%	0.15%	The trend continues to decrease as Council pays off existing loans while not taking out any new loans.
Indebtedness										
O4	Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	29.47%	27.74%	22.86%	24.55%	24.02%	21.84%	20.15%	18.70%	
Asset renewal and upgrade										
O5	Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	New in 2020	New in 2020	New in 2020	80.03%	83.04%	106.06%	91.12%	72.05%	
Operating position										
Adjusted underlying result										
OP1	Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	6.25%	3.11%	1.63%	-7.53%	-4.83%	-2.38%	-3.36%	-3.35%	Council's underlying deficit in 2019/20 is due to an increase in the landfill provision and the written down value of assets disposed. With out these two accounting adjustments, Council would have had an underlying surplus.
Stability										
Rates concentration										
S1	Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	55.45%	58.66%	55.94%	59.89%	63.81%	63.67%	64.74%	65.46%	
Rates effort										
S2	Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.47%	0.48%	0.44%	0.41%	0.41%	0.41%	0.41%	0.41%	
Retired measures										
Service / indicator / measure										
Animal Management										
Health and safety										
AM4	Animal management prosecutions [Number of successful animal management prosecutions]	0	0	1	Retired in 2020					This measure was replaced by AM7 from 1 July 2019.
Efficiency										
Revenue level										
E1	Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,076.61	\$1,102.16	\$1,108.27	Retired in 2020					This measure was replaced by E4 from 1 July 2019.
Obligations										
Asset renewal										
O1	Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100	81.63%	53.19%	43.31%	Retired in 2020					This measure was replaced by O5 in 1 July 2019.
Comments										

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 based on the assumptions adopted by council in its budget and strategic resource plan on 24 June 2020. The budget and 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. Council's budget and strategic resource plan are available on Council's website (www.murrindindi.vic.gov.au) or copies are available in all three of Council's offices.

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

"adjusted underlying revenue" means total income other than -

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

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

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

"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

"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

"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 the 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 the 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

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

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

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

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

"local road" means a sealed or unsealed road for which 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 Council to support the health and development of children within the municipality from birth until school age

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

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

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

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

"population" means the resident population estimated by Council

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

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

"relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA

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

"restricted cash" means cash and cash equivalents, within the meaning of the 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

"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its website

"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

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

"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*.

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 (Finance and Reporting) Regulations 2014.



Graham Haylock CPA
Principal Accounting Officer

Date: 7 October 2020
Alexandra

In our opinion, the accompanying performance statement of Murrindindi Shire Council for the year ended 30 June 2020 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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

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

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



Leigh Dunscombe
Mayor

Date: 7 October 2020
Alexandra



Margaret Rae
Councillor

Date: 7 October 2020
Alexandra



Michael Chesworth
Acting Chief Executive Officer

Date: 7 October 2020
Alexandra

Independent Auditor's Report

To the Councillors of Murrindindi Shire Council

Opinion I have audited the accompanying performance statement of Murrindindi Shire Council (the council) which comprises the:

- description of municipality for the year ended 30 June 2020
- sustainable capacity indicators for the year ended 30 June 2020
- service performance indicators for the year ended 30 June 2020
- financial performance indicators for the year ended 30 June 2020
- other information and
- the certification of the performance statement.

In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2020 in accordance with the performance reporting requirements of Part 6 of the *Local Government Act 1989*.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the performance statement* section of my report.

My independence is established by the *Constitution Act 1975*. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Councillors' responsibilities for the performance statement The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 1989* and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the performance statement As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.

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

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

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

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

MELBOURNE
15 October 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria