



Annual Report

2019/20

Some of what we've done in 2019/2020



Strategies and plans adopted:

- Arts and Culture Strategy
- Economic Development Strategy
- Community Safety Strategy extension
- Heatwave Plan review
- Municipal Emergency Management Plan review
- Roadside Weed & Pest Animal Control Plan
- Community plans for Waaia & Nathalia

Grants to our Community:

Community Strengthening Grants	\$186,379
Arts and Culture Grants	\$60,900
Quick Response Grants	\$12,080

Customer enquiries:

47,505 enquiries received from customers.

Most popular enquiries:

 Rates 6,272	 Planning 3,400
 Building 4,051	 Waste 3,078
 Animals 3,573	

Programs during 2019/20:

- Kerb and Channel renewal program
- Resealing program
- Resheeting program
- Drainage renewal programs
- Culvert renewal program
- Major patching program
- Shade sails renewal program

Some of our projects completed:

- ✓ Nathalia Showgrounds Lighting Tower
- ✓ Cobram Apex Soccer Pavilion
- ✓ Cobram Piazza development
- ✓ Mobile Visitor Information Centre
- ✓ New shire and town entrance signage
- ✓ Barmah Punt Restoration
- ✓ The Point – River Road Yarrowonga Foreshore development

- ✓ Gilmore Street Yarrowonga Education Precinct works
- ✓ Wallala & Mahoneys Bridges renewal/replacement works
- ✓ Playground & BBQ renewals in various locations.
- ✓ Anchorage Way drainage works
- ✓ Blake Street lighting upgrade Stage 2
- ✓ Forges Pump Lane intersection treatment
- ✓ Shade sail Tungamah Lions Park
- ✓ Wadeson Street Cobram kerb & channel

For our environment:

- **90kgs of soft plastics** from our offices recycled through REDcycle.
- Recycled rubber tyres and rubber asphalt **used in 80% of sealed roads.**
- Approximately **10,400 native trees, shrubs and grasses** planted at various locations within the shire.
- **79% of properties** with a kerbside service now have an additional organics service.
- **Four e-waste sheds** at our major transfer stations have been constructed and are all now in use.
- A **commercial waste sorting facility** is under construction.
- Introduction of a **Moira Noise App.**
- **410 food premises** inspections / assessments conducted.
- **15** food complaints investigated
- **172** temporary and mobile food premises registered.
- **74** Public Health and Wellbeing Act premises registered and inspected.
- **48** Public Health nuisance complaints investigated.
- **LED lighting upgrades** at several Council buildings.

Other snapshots:

- **\$5.591 million*** in grants received by Council in 2019/20 (*\$3.75 million for the Yarrowonga library project)
- **213 planning applications** received
- **53 public tender processes conducted** during the 2019/20 financial year resulting in over 89 new contracts.

Annual Report 2019/20

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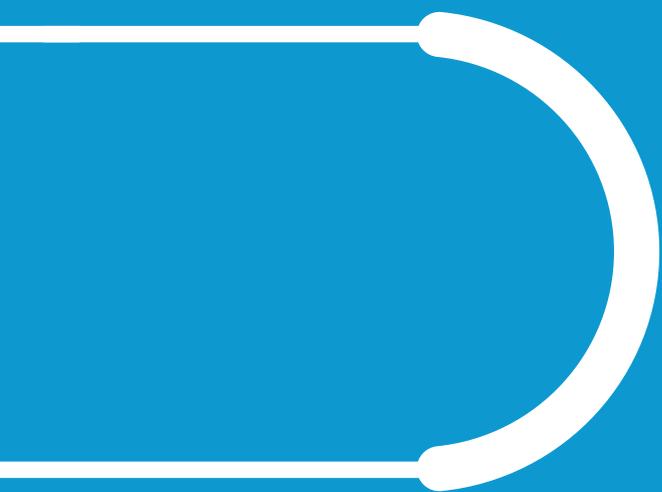
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Report of Operations



Welcome to the Report of Operations 2019/20

Council is committed to transparent reporting and accountability to the community and the Report of Operations 2019/20 is the primary means of advising the Moira Shire Council community about Council's operations and performance during the financial year.

Demographic Profile

- Moira Shire is located in the Hume region of Victoria and stretches across 4,045 square kilometres from Bundalong in the east to the Barmah National Park to the west.
- Moira Shire's northern boundary is defined by the Murray River and shares boundaries with the municipalities of Campaspe, Greater Shepparton, Benalla, Wangaratta and Indigo.
- Moira Shire includes four major towns; Cobram, Nathalia, Numurkah and Yarrawonga and 22 smaller communities: Barmah, Bearii, Bundalong, Burramine, Invergordon, Kaarimba, Katamatite, Katunga, Koonoomoo, Kotupna, Lake Rowan, Peechelba, Picola, St James, Strathmerton, Tungamah, Waaia, Wilby, Wunghnu, Yabba North, Yalca and Yarraweyah.
- It has an estimated residential population of 29,925 people with 81% born in Australia.
- Approximately three quarters of residents live and work in the Shire.

Vision

Working together to be a vibrant and prosperous rural community.

Core Values

We will provide local leadership underpinned by a governance framework comprising these guiding values and behaviours. Ethical leadership underpins our decision-making and operations. At all levels, we seek to ensure there is an appropriate balance between the values-based organisational culture described by our Values and underlying behaviours.

- Respect
- Honesty
- Accountability
- Teamwork
- Integrity

Principles

We will govern in the best interests of the entire Moira Shire.

We will consider the community, our economy and our environment in everything we do.

We will seek to make decisions that are sustainable and reflect the interests of current and future generations.

The diversity of our community and our economy is reflected in our service delivery, planning and our workforce.

Fast Facts

- 47,505 enquiries received from customers.
- 10,400 native trees, shrubs and grasses planted.
- Approximately 18,000 rateable properties.
- 360 births notices received.
- 80 bridges and major culverts, with more than 1080 km of sealed roads, 1660 km of gravel roads, 900 km of farm access tracks, 169 km of footpaths, 294km of kerb and channel (including traffic Islands and splitter islands).
- Nine waste transfer stations and a landfill site.
- A total of 102 parks and gardens (open spaces), 77 playgrounds and 43 public toilet blocks.
- 673 buildings that range from town halls to sporting pavilions, public toilets, coaching boxes, pump sheds and bush shelters.
- Financial support to nine preschools, four libraries and a mobile library service for our smaller towns.
- Five maternal and child health centres and outreach services to our smaller centres; Immunisation services are delivered from four of these venues.
- 1859 clients vaccinated.
- Five outdoor swimming pools, an indoor swimming pool and gymnasium, a water slide and splash park, two sports stadiums, and 23 recreation reserves and showgrounds.

Challenges and Future Outlook

Challenges

- Compared with equivalent Victorian Councils, Moira Shire covers a large geographic area with multiple service locations and a relatively small, slower growing, dispersed and ageing population. This combination means Moira Shire has relatively higher costs to deliver the equivalent range and standard of Council services.
- Moira Shire's financial resources and our ability to fund our existing range, standard and location of services will decline over coming years as rate capping progressively impacts on Council's financial resources.
- The competition for grant funding is expected to increase significantly as rate capping forces Councils to seek alternative funding options to maintain existing infrastructure and invest in new programs and services.
- Our community's capacity to pay has peaked and there is limited scope to supplement rate revenue through other income streams.
- Many of Moira Shire's assets are in the latter stage of their useful life and community use is declining but community service standards along with public use, safety and construction standards are increasing.
- The COVID-19 pandemic has placed some restrictions on the services that Council can offer to its community at present.

The Future

- Council needs to continue to deliver a substantial shire wide drainage improvement program. The works are required to upgrade existing drainage to meet growth in key centres and to repair existing drainage infrastructure that is approaching the end of its useful life. Council anticipates it will need to take on additional debt and/or apply for an above-cap rate increase to fund these works.
- Continuing to implement Council strategies including:
 - Economic Development Strategy
 - Arts and Culture Strategy
 - Aquatic Facilities Strategy
 - Waste Management & Services Strategy
 - Environmental Sustainability Strategy
 - Community Safety Strategy
 - Recreation Strategy
 - Wellbeing for All Ages Strategy
- Completing and progressing key projects, some of which include:
 - Cobram East Levee investigation and design
 - Numurkah Flood Protection design project
 - Rowe Street Retarding basin upgrade
 - Campbell Road Blackspot works
 - Community lighting projects
 - Gemmell Street basin outfall pipe renewal
 - Leah Drive – Jane Road drainage upgrade
 - Federation Park Cobram & Numurkah Apex Park playground upgrades
 - Picola Hall Toilet upgrade
 - Wunghnu Recreation Reserve building facilities upgrade
 - Nathalia outdoor gym equipment

Message from the Mayor and Chief Executive Officer

This Annual Report reviews Moira Shire Council's achievements from the 2017-2021 Council Plan strategic objectives and details the Council's financial position for the 2019 / 20 financial year.

The role of Council includes:

- Acting as a representative government by taking into account the diverse needs of the local community
- Providing leadership by establishing strategic objectives and monitoring achievements and progress;
- Maintaining the viability of Council by ensuring resources are managed in a responsible and accountable manner;
- Advocating for the interests of the local community to other communities and governments'
- Acting as a responsible partner in government by taking into account the needs of other communities;
- Fostering community cohesion and encouraging active participation in civic life.

Emergency Response

While the Shire has well-developed emergency management plans our recent experience has largely related to major weather events, namely floods and drought. Late in 2019, we had our drought plan rolled out, then over summer we assisted our neighbours with bushfires; as the COVID 19 outbreak took hold we turned to our pandemic plan. As COVID continued to affect our whole region, we refocused our attention on representing business and community views to Government and preparing for longer-term recovery once restrictions are lifted. Council staff have done excellent work to maintain vital services during this period to support community cohesion and wellbeing.

It is vital, especially during times of global uncertainty, that Council provides a solid framework from which our communities will be able to rebuild quickly therefore we will play an important supporting role in the recovery phase of the pandemic to support business and community engagement.

Highlights

During 2019/20 we yet again committed to delivering our largest ever capital works program to improve community infrastructure and create local jobs.

We completed several significant projects including the Cobram Piazza, the Gilmore Street, Yarrawonga reconstruction and the Cobram soccer pavilion. New rural bridges were constructed in the west of the shire as well as substantial drainage works in Numurkah and Nathalia. The much-anticipated Wilby Hall upgrade was completed along with the installation of vibrant shire and town entrance signage.

The planning of major projects advanced with detailed design work underway for a new library and sports stadium in Yarrawonga and a flood mitigation project for Numurkah. Council endorsed its first ever Arts and Culture Strategy, which heralded a new era for the funding of the region's vibrant arts sector and a specially designed mobile visitor information van was commissioned.

The enormous volunteer contribution of our Section 86 committees was recognised through the development of guiding principles to support their transition to new management arrangements caused by changing legislation. The Council's advocacy for Federal drought funding was finally successful and will enable many projects to progress around the shire that would otherwise be difficult to fund.

Continued advocacy for a new bridge across Lake Mulwala in conjunction with our neighbouring Federation Shire moved forward through the Councils reaching a united position on the best alignment and the launch of stunning plans that will one day transform Yarrawonga's foreshore.

Private sector investment in the shire continued to broaden the local economy with transport, renewable energy and resort accommodation projects creating new jobs and lifting the regions

profile.

Drought conditions eased as we moved into 2020 and at the time of preparing this annual report the seasonal conditions were being described by our farming community as one of the best that they can remember.

Organisational performance

This annual report is the fifth year of reporting under the Victorian Government's Local Government Performance Framework.

Our steady improvements each and every year have translated to significant gains for our ratepayers and service users.

Highlights include –

- The expansion of our kerbside organic service to include most residential-zoned properties throughout the shire, bringing Moira Shire to the forefront of waste management in the state.
- Our strong levels of maternal and child health participation remained steady, despite the restrictions due to the COVID-19 pandemic.
- Road repair requests remain at relatively low levels.

Council ends 2019/20 with an operating surplus of \$12.89 million.

This result includes \$5.21 million of non-cash developer contributions, for example assets such as footpaths, roads and public parks that are constructed by developers and transferred to Council, and \$5.83 million of the Financial Assistance Grant received in advance of the 20/21 year.

Council's cash balance at year-end was \$39.98 million, much of which is allocated to projects approved by Council that are underway or dependent on external grant funding. Our future funding priorities have been detailed in our updated Strategic Resource Plan 2020-2024. The plan confirms our intention to invest more than \$74 million across the next four years to renew existing council roads, buildings and facilities.

Thankyou

We would like to thank Councillors and staff for their commitment to Moira Shire and their efforts

on behalf of residents during this difficult year of drought, bushfires and pandemics. The excellent working relationship established between Councillors and management has enabled us to deliver vital services and major capital works whilst improving our community satisfaction ratings across many indicators.

We also want to also thank the businesses, community groups and volunteers that contribute to the shires diversity and prosperity and collectively help to make Moira a wonderful part of our fabulous Murray River location.



Cr Libro Mustica
Mayor



Mark Henderson
Chief Executive Officer

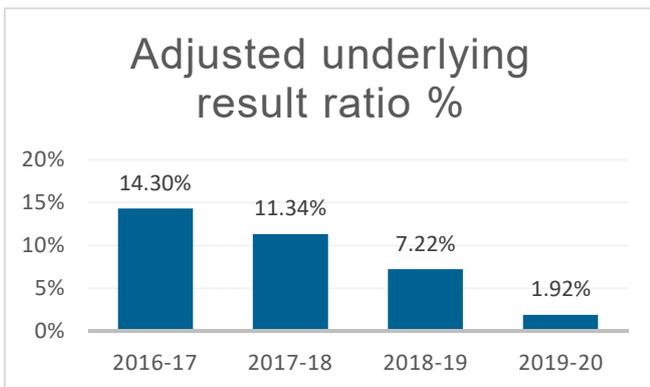
Financial Summary

Council's financial position remains sound. A summary of the 2019/20 performance outlined below. Detailed information relating to Council's financial performance is included within the Financial Report and Performance Statement sections of this report.

Operating Position

Council achieved a surplus of \$12.89 million in 2019/20. This surplus is higher than the prior year surplus of \$8.39 million, mainly due to the recognition of capital grants income for Capital Works projects completed in 2019/20.

The adjusted underlying surplus (surplus after removing non-recurrent capital grants, cash and non-monetary capital contributions) is 1.92% when compared to adjusted underlying revenue. This is lower than the 2018-19 result of 7.22% mainly due to the impact of higher non-recurrent capital grants to total income, the ratio is within the expected performance target band of -20% to 20%. Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$585 million of community assets under Council's control.

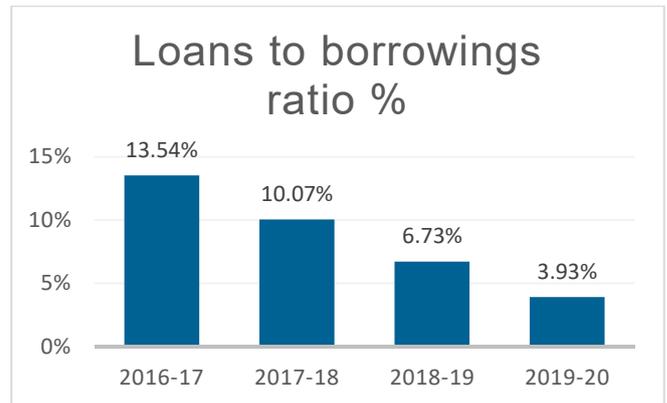


Obligations

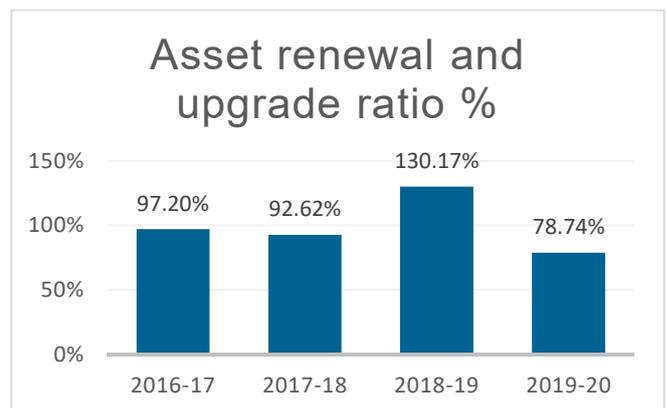
Council aims to ensure that it can maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. To bridge the infrastructure gap, Council invested \$6.07 million

in renewal works during the 2019/20 year. This was funded from operational income.

At the end of 2019/20 Council's debt ratio measured by comparing interest-bearing loans and borrowings to rate revenue was 3.93%, which is well within the expected performance target band of 0% to 70%.



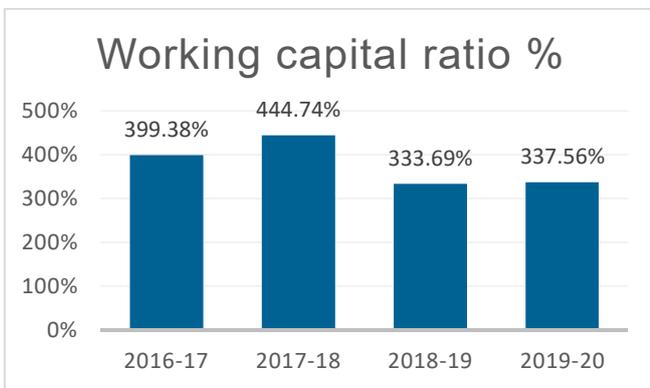
Council's asset renewal and upgrade ratio measured by comparing asset renewal and upgrade expenditure to depreciation was 78.74%, this is lower than the 2018/19 result of 130.17% due to delays in renewal and upgrade capital works, the result is within the expected performance target band of 40% to 130%.



Liquidity

Cash and other financial assets as at 30 June 2020 are \$39.98 million which is higher when compared to the 30 June 2019 figure of \$36.61 million mainly due to cash held to fund approved 2019/20 capital works projects to be completed in 2020/21.

The working capital ratio assesses Council's ability to meet current commitments is calculated by measuring Council's current assets as a percentage of current liabilities. Council's liquidity ratio level of 337.56% is an indicator of our satisfactory financial position, the ratio falls within performance target band of 100% to 400%.

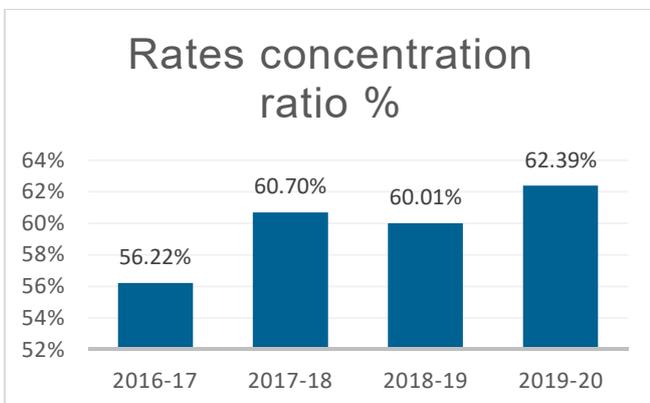


Council continues to focus on broadening its revenue base and for 2019/20 kept within the rate cap of 2.00%, which applies to the general rate in the dollar and the municipal charge. This resulted in an average charge per assessment of \$1,673.



Stability and Efficiency

Council raises a wide range of revenue including rates, statutory fee, user fees, fines, grants and contributions. Council's rates concentration, which compares rate revenue to adjusted underlying revenue, was 62.39% for the 2019/20 year, which is within the expected performance target band of 30% to 80%.



Description of operations

Moira Shire Council is responsible for 49 major services, from family and children's services, traffic regulation, open space, youth facilities, waste management and community building; to matters concerning business development, planning for appropriate development and ensuring accountability for Council's budget. This broad range of community services and infrastructure for residents support the wellbeing and prosperity of our community. Details of these services can be found in this annual report.

Council's vision, strategic objectives and strategies to further improve services and facilities are described in our Council Plan and the associated Budget 2019/20 and reported upon in this document. Refer to the section on Our Performance for more information about Council services.

The delivery of services, facilities, support and advocacy to achieve the Strategic Objectives is measured by a set of service performance indicators and measures. Council also has a wide range of responsibilities under the Victorian and Australian legislations.

Economic Factors

- The COVID-19 Pandemic is continuing to affect our whole region, who is facing unprecedented hardship, both financially and emotionally.
- Rate capping commenced 1 July 2016 and is progressively impacting on Council's ability to fund service delivery and capital works.

Major Capital Works

During the year Council continued to invest in the maintenance and upgrade of community assets and services as Council delivered its capital works program.

Capital Works highlights included:

- Reconstruction and widening of road sections including Boomahmoomoonah Road Boomahmoomoonah, Campbell Street Numurkah, Sandmount Road Muckatah, Walshs Bridge Road Mundoona to the value of \$943,000.
- More than \$2.5 million invested in our local roads through road resealing and

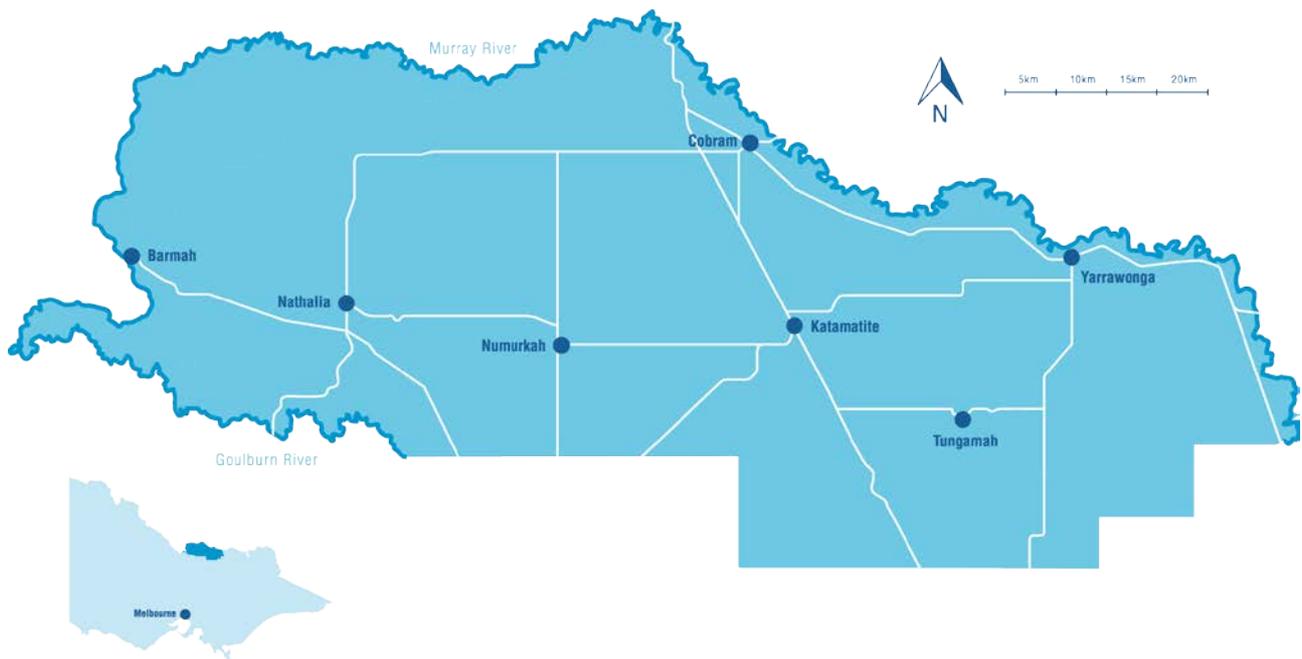
asphalting, gravel road and shoulder resheeting.

- \$261,000 on intersection upgrades at Forges Pump Lane and Murray Valley Highway.
- \$105,000 on traffic safety improvements at William Street Cobram.
- More than \$700,000 on kerb and channel renewals.
- \$350,000 on footpath renewals and connecting footpath missing links in all major towns.
- More than \$1.2 million in upgrading and renewing our drainage infrastructure across the shire.
- \$942,000 on major bridge replacements and works at Stewarts Bridge Road and Yambuna Bridge Road.
- \$242,000 on upgrades, renewals and safety improvements at Councils Parks and Open Spaces facilities.
- More than \$1.2 million on upgrades, renewals, electrical safety and essential services on Councils buildings assets.
- New Pavilion at Apex Park recreation reserve, Cobram at the cost of \$1.9m.
- Upgrade of Gilmore Street, Yarrowonga, between Dunlop Street and Woods Road at a cost of \$1.94m. These works include new drainage, new kerb & channel, new footpaths and asphalt road pavement.
- Renewal of kerb & channel in Wadeson Street Cobram at a cost of \$275,000.
- Cobram Piazza Project including upgrade of Federation Park for car parking at a cost of \$840,000.
- Construction of E-Waste storage facilities at the Cobram, Nathalia, Numurkah and Yarrowonga Transfer Stations for a total cost of \$400,000.
- Completion of The Point / River Road Foreshore Development Project by GMW
- Completion of Stage 2 of the Nathalia West project, which involved renewal of kerb & channel in Hawker Street and Pearce Street, renewal of the road pavement and seal, plus new drainage works. Cost of works \$490,000.

Major Achievements

- Council adopted its Economic Development Strategy in August 2019.
- During the reporting period, Council developed, sought feedback and subsequently adopted its first Arts and Culture Strategy.
- Expansion of the organic waste collection in the shire. 79% of properties in the shire with a kerbside service now have an additional organics service.
- Rollout of an online Community Portal for building, planning and changes to animal registrations.

Our Council



Our Profile

Moira Shire is located in the Hume region of Victoria and stretches across 4,045 square kilometres from Bundalong in the east to the Barmah National Park to the west. Our northern boundary is defined by the Murray River and our south-west, southern and south east regions share boundaries with the municipalities of Campaspe, Greater Shepparton, Benalla, Wangaratta and Indigo. Moira is centrally located to the regional cities of Shepparton, Wangaratta and Albury-Wodonga.

Moira Shire includes four major towns; Cobram, Nathalia, Numurkah and Yarrawonga and 22 smaller communities: Barmah, Bearii, Bundalong, Burramine, Invergordon, Kaarimba, Katamatite, Katunga, Koonoomoo, Kotupna, Lake Rowan, Peechelba, Picola, St James, Strathmerton, Tungamah, Waaia, Wilby, Wunghnu, Yabba North, Yalca and Yarroweyah.

There is no single dominant major town within the Shire and importantly, each major town has a unique combination of economic and livability advantages.

Our Community

Moira Shire's current population of 29,925 people includes:

- 49.8% male and 50.2% female. Aboriginal and Torres Strait Islander people make up 1.7% of the population.
- 81.7% of people were born in Australia, which is considerably higher than the state and national result. 79.1% of people had both parents born in Australia and 12.6% of people had both parents born overseas.
- 87.9% of people speak only English at home, with Italian, Arabic and Punjabi the most common non-English languages.
- The median age of Moira's population is 47 years, which is higher than the state and national medians of 37 and 38 years. Children aged 0 - 14 years make up 17.7% of the population and people aged 65 years and over make up 25% of the population.

Our Economy

The Moira Shire encompasses an area of 404,637 hectares with an estimated residential population of 29,925. Understanding the population by life stage and age group within Moira provides valuable insights into the region's requirements for, services, infrastructure, investment and education and employment opportunities. The largest "Working Age" group is 45 to 54 years representing 24.5% per cent of the working population and our largest age group is 60-69 years representing 15.5% of the population. The Shire's median age is 47 years and the median weekly personal income is \$524 (\$27,275pa).

Moira Shire's total employment is estimated at 10,913 jobs (2018), with over 700 jobs added in the five-year period between 2011 and 2018. Three quarters of those working in the Shire live in the Shire.

The major contributors to employment are:

- Agriculture, Forestry & Fishing 2,131 jobs (19.5%)
- Manufacturing 1,519 jobs (13.9%)
- Health Care & Social Assistance 1,280 jobs (11.7%).

Health services are an important sector and the Moira Shire community served well by local hospitals in each of the major towns (Yarrawonga, Cobram, Numurkah and Nathalia) along with a wide range of medical and allied providers.

The Tourism sector, an amalgam of activities across various industry sectors such as retail, accommodation, cafes & restaurants, cultural and recreational services, provides 587 jobs, or 5.4% of the Shire's workforce. By comparison, tourism employs 5.7% of the Murray River region workforce.

Moira Shire's Gross Regional Product is \$1.760 billion, \$60.481per capita. Manufacturing (mostly agriculturally derived) accounts for \$1.148billion (or 30.0% of total output), followed by Agriculture, Forestry and Fishing (\$723million) and Construction (\$459million). These are also the three largest sectors by output in the Hume and Murray River regions.

Manufacturing and Agriculture, Forestry and Fishing together comprise 90% of the Moira Shire's \$1.426 billion in regional exports.

COVID-19 Impact

As noted above, prior to COVID-19 and the introduction of social lockdown measures to manage the pandemic, the total employment in Moira Shire was estimated at 10,913. For May 2020, total employment is estimated at 9,584, a fall of 1,329 (12.2%). Please note this is a monthly estimate and should not be annualised.

The industries that appear to have suffered the largest decrease in employment were:

- Retail trade, down 265 (22.5%) from 1,177 in February to 912 in May 2020
- Accommodation and Food Services down 206 (34.5%) from 596 in February to 390 in May 2020.

Our Council Offices

Cobram Service Centre
44 Station Street, Cobram

Yarrawonga Service Centre
100 Belmore Street, Yarrawonga

Email: info@moira.vic.gov.au
Website: www.moira.vic.gov.au

Postal Address:

PO Box 578
COBRAM VIC 3643

Our Councillors

The Council was elected to provide leadership for the good governance of the municipal district and the local community. On 22 October 2016 the Moira Shire Council community elected this Council for a four-year term. The municipality is unsubdivided with the nine Councillors elected to represent all residents and ratepayers across the Shire. They have responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation.

A special meeting of Council is held each November to elect the Mayor for the following 12-month period. On 6 November 2019 Councillor Libro Mustica was re-elected Mayor with Councillor Peter Lawless re-elected Deputy Mayor. The elected Councillors at 30 June 2020 are listed below.



CR LIBRO MUSTICA
Mayor

Date elected: 22 October 2016
Mobile: 0437 344 601
lmustica@moira.vic.gov.au



CR PETER LAWLESS
Deputy Mayor

Date elected: 22 October 2016
Mobile: 0418 546 242
plawless@moira.vic.gov.au



CR JOHN BEITZEL

Date elected: 22 October 2016
Mobile: 0437 621 893
jbeitzel@moira.vic.gov.au



CR KEVIN BOURKE

Date elected: 22 October 2016
Mobile: 0428 662 839
kbourke@moira.vic.gov.au



CR WENDY BUCK

Date elected: 22 October 2016
Mobile: 0438 052 630
wbuck@moira.vic.gov.au



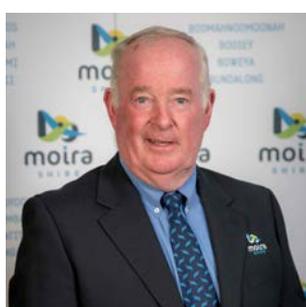
CR GARY CLEVELAND

Date elected: 22 October 2016
Mobile: 0419 211 027
gcleveland@moira.vic.gov.au



CR ED COX

Date elected: 22 October 2016
Mobile: 0400 564 885
ecox@moira.vic.gov.au



CR PETER MANSFIELD

Date elected: 22 October 2016
Mobile: 0428 574 433
pmansfield@moira.vic.gov.au



CR MARIE MARTIN

Date elected: 22 October 2016
Mobile: 0407 858 269
mmartin@moira.vic.gov.au

Our People

Organisational structure

Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO has responsibility for the day to day management of operations in accordance with the strategic directions of the Council Plan. The organisational structure and the senior officers reporting directly to the CEO are described below.



MARK HENDERSON
Chief Executive Officer

Corporate Leadership
Organisational Development



ANDREW CLOSE
General Manager Infrastructure

Construction and Assets
Operations
Building, Safety and Amenity
Planning



SALLY RICE
General Manager Community

Community Development
Economic Development
Sustainability



SIMON RENNIE
General Manager Corporate

Governance and Risk
Customer Experience
Information Services
Finance
Revenue (Rates)
Communications

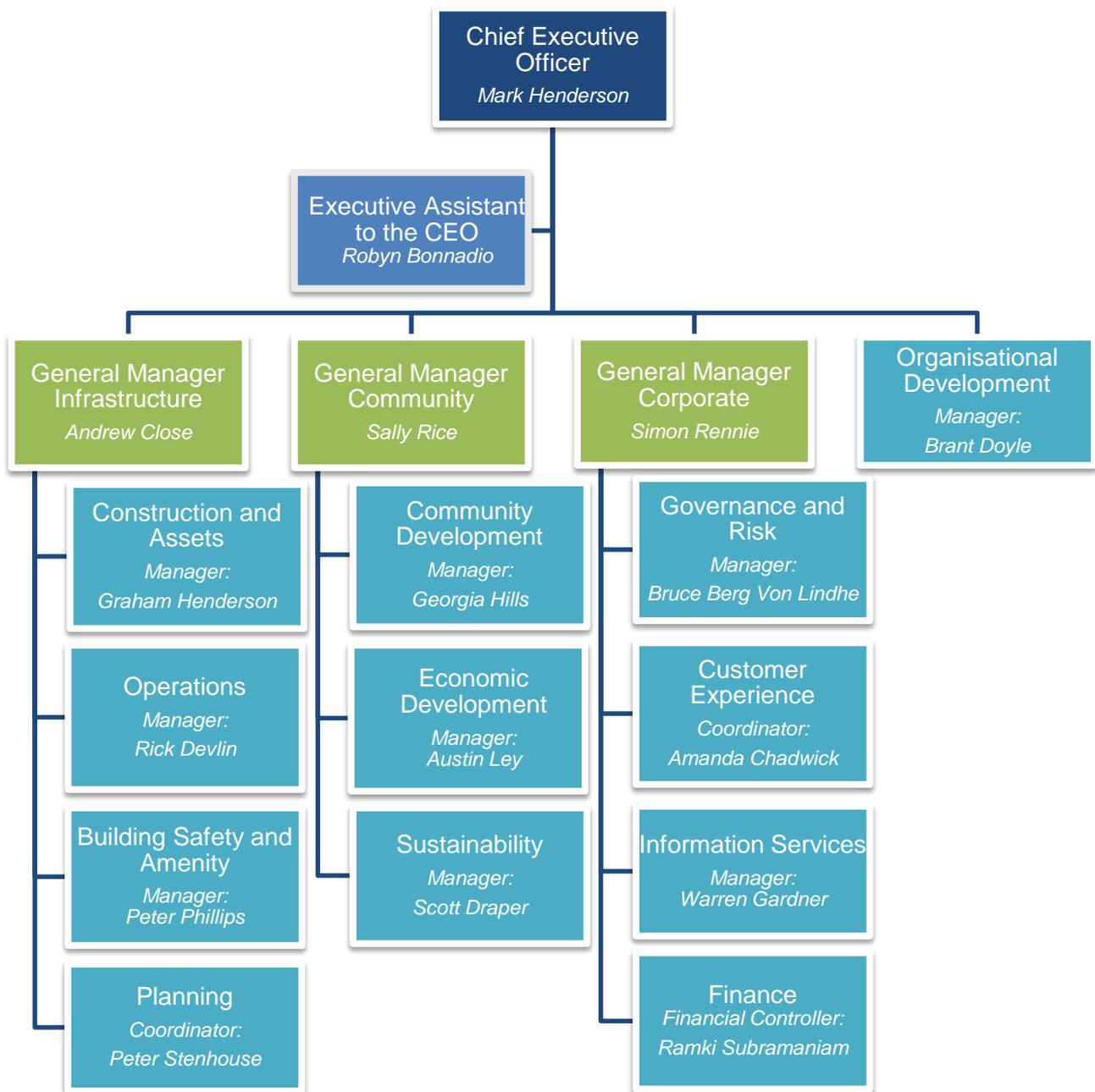


BRANT DOYLE
Manager Organisational
Development

Human Resources
Employee and Industrial Relations
Learning and Organisational
Development
Occupational Health and Safety
Payroll Services

Council Staff

A chart setting out the organisational structure of Council at 30 June 2020 is shown below.

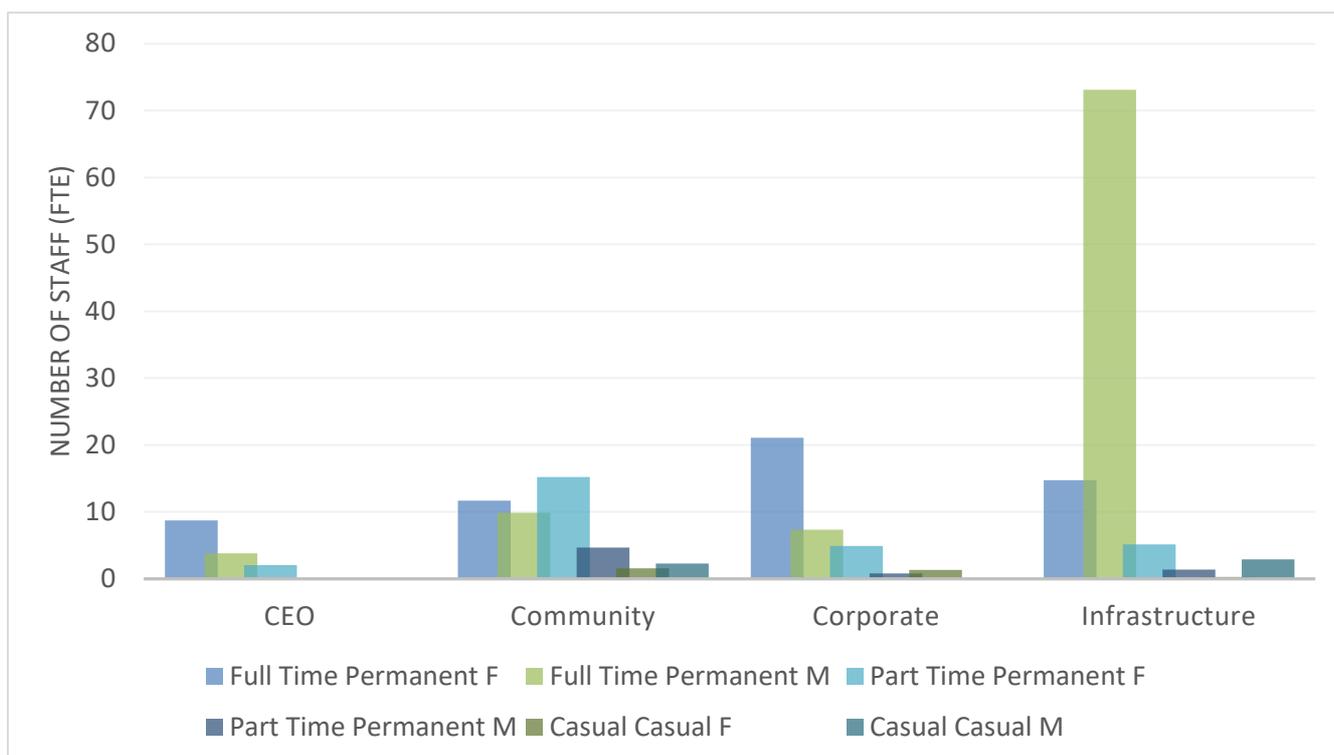


Council Staff

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

Employee type/gender	CEO FTE	Community FTE	Corporate FTE	Infrastructure FTE	Total FTE
Full Time Permanent F	8.7	11.7	21.1	14.7	56.3
Full Time Permanent M	3.8	9.9	7.3	73.1	94.1
Part Time Permanent F	2.1	15.2	4.9	5.2	27.4
Part Time Permanent M	-	4.7	0.8	1.4	6.9
Casual F	-	1.6	1.4	0.3	3.2
Casual M	-	2.3	-	2.9	5.2
Total	14.6	45.4	35.6	97.5	193.1

FT-Full time PT-Part time F-Female M-Male

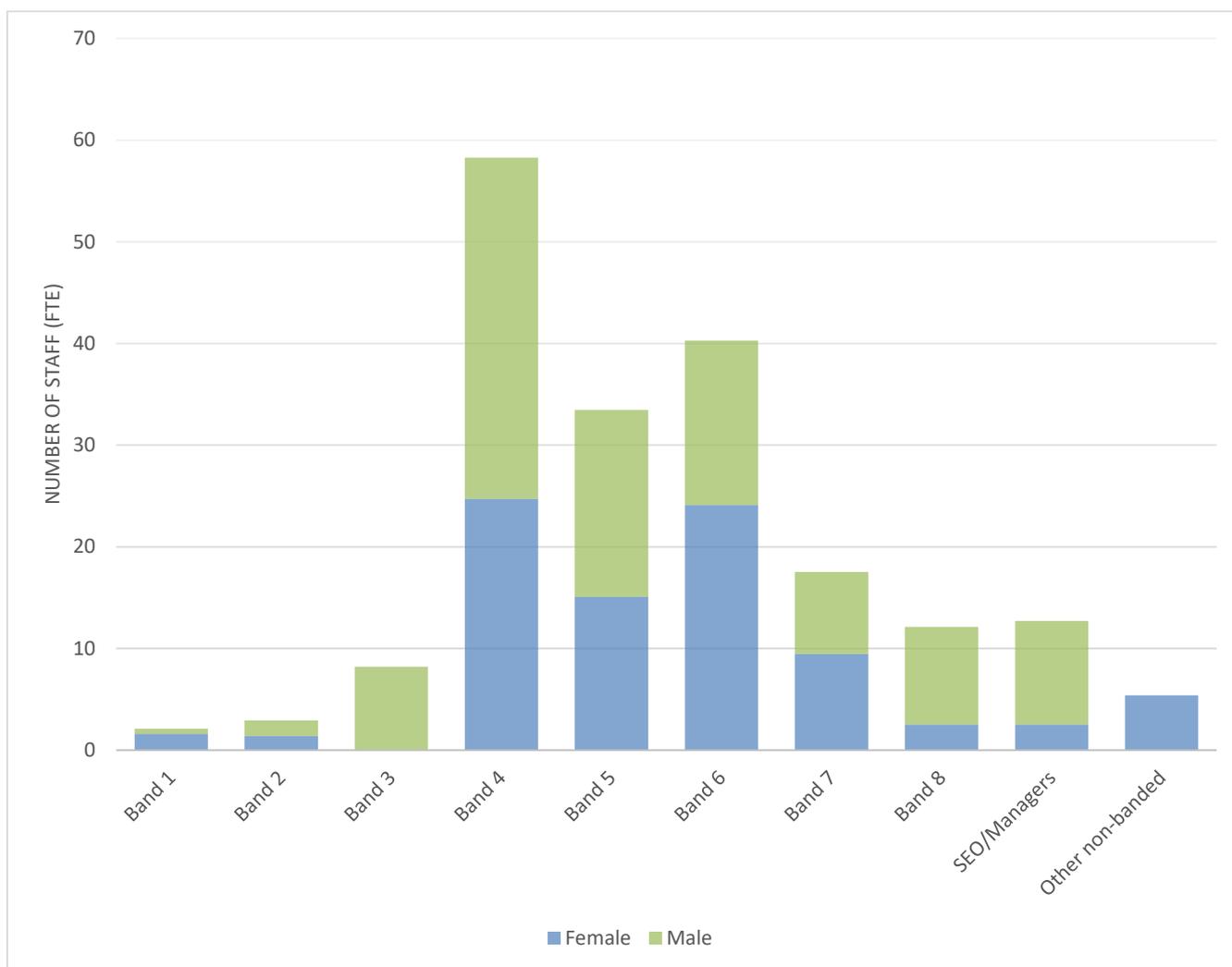


Council Staff

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

Sum of FTE Structure Classification	Female	Male	Total
Band 1	1.6	0.5	2.1
Band 2	1.4	1.5	2.9
Band 3	-	8.2	8.2
Band 4	24.7	33.6	58.3
Band 5	15.1	18.5	33.5
Band 6	24.1	16.2	40.3
Band 7	9.5	8.1	17.5
Band 8	2.5	9.6	12.1
SEO/Managers	2.5	10.2	12.7
Other non-banded	5.4	-	5.4
Total	86.8	106.4	193.1

FT-Full time PT-Part time F-Female M-Male



Equal Employment Opportunity Program

A Council with 40 or more members of staff must have developed and implemented an equal opportunity program. Moira Shire Council has implemented an equal employment opportunity program, which is designed to eliminate discrimination against and promote equal opportunity for women and persons in designated groups in relation to employment matters.

The objective of Council's Equal Employment Opportunity Program is to ensure there is no discrimination relating to the characteristics listed under the Equal Opportunity Act 2010 such as race, colour, sex, marital status, parenthood, physical or mental impairment, age, religious or political affiliation, gender identity and sexual orientation. Further objectives include ensuring the workplace is free from bullying and harassment.

The actions taken to implement the Program include the provision of Respectful Workplace Behaviours training for all employees and leaders, to ensure they are fully aware of their responsibilities in maintaining a workplace of equal employment opportunity, free of bullying and harassment.

The indicators that measure the effectiveness of the Program and the results for the year are:

Indicator	Target	2019/20 Result
Percentage of new employees receiving equal opportunity training with 6 months of commencement.	100%	100%
Percentage of existing employees receiving refresher equal opportunity training at least every 2 years.	100%	93%
Number of contact officers per number of Council employees.	1:50	1:51

The Employee Consultative Committee monitors the indicators on an ongoing basis. This Committee meets regularly to promote employee and management awareness, consider relevant issues and contribute to resolution and advice.

Council's assessment of the achievement of the program's objectives is that there were no breaches of the *Equal Opportunity Act 2010*.

Other Staff Matters

Organisational culture

Moira Shire Council is committed to strengthening culture by providing an environment that engages our people and provides the support that enables employees to contribute to the overall goals and ambitions of the Council. Council continues to value a diverse and skilled workforce and is committed to maintaining an inclusive and collaborative workplace culture.

Moira Shire Council continues to survey all staff on organisational culture, including during 2019/2020 on the values and behaviours of the organisation.

Council further does this by:

- Maintaining a safe and inclusive working environment through the delivery of staff training and workplace health and safety training sessions.
- Ensuring that recruitment processes adhere to equal employment opportunity requirements.
- Attracting and retaining talented people with a broad range of skills and experiences.
- Growing the Council's trainee, apprenticeship and graduate program, including providing targeted opportunities.
- Actively promoting the range of flexible work options available at Council.

Health and Safety representatives and the Committee continue to play a key role in promotion of safety programs and managing and minimising OHS risks.

Gender equity

As one of the largest employers in the Moira Shire, we are taking a lead role in improving gender equity in our workplace, encouraging a culture of respect and creating a safe and supportive workplace. Our future success is dependent upon attracting and retaining the best employees and providing them with an inclusive workplace culture where all employees are valued and included.

Council continues to commit to creating an inclusive workplace where assumptions are questioned and barriers are removed to ensure equitable outcomes regardless of gender. Council recognises that addressing gender inequity is crucial to achieving improved organisational performance, better health and social wellbeing and the prevention of violence against women.

Workforce planning & talent management

As part of the implementation of our Workforce Plan, we approved and implemented a Talent and Development Framework to ensure Council is able to achieve its strategic directions and goals, by seeking and implementing best practice talent management, to provide the ability to recruit, retain and develop our workforce.

Values and behaviours

The Council is a values-driven organization, providing leadership based on guiding values and behaviours, underpinning decision-making and operations. Council's values are: Respect, Honesty, Accountability, Team Work; and Integrity. We continue to work towards integrating our values and behaviours into our day-to-day work, including how this contributes to our preferred organisational culture, and our service provision to the community.

Investing in the Future

Moira Shire Council invests in its people, with a broad suite of opportunities to ensure staff are appropriately trained and skilled to deliver services now and into the future. Council also provides a comprehensive learning and

development program that supports a broad range of staff professional, compliance and development needs. The program is developed in alignment with strategic priorities as well as in response to needs identified through performance and development plans. A variety of learning methodologies are used including e-learning and facilitated workshops.

Several senior officers completed the Australian Institute of Company Directors course, and a number of staff undertook study (vocational, undergraduate and postgraduate level), obtaining educational assistance under Council's policy. In the past year, eight staff received support, including seven staff who continued to study from the previous year.

Council supports its staff to undertake leadership programs such as LG Pro Emerging Leaders and the Fairley Leadership Program. This encourages the development of a network of leaders by offering an intensive annual program that explores the major issues and opportunities, providing an environment where emerging leaders can develop links and understanding to meet and learn from existing leaders and to be a continuing resource of skills and influence to further enrich the sector and community.

Employee Assistance Program

Moira Shire Council provides an Employee Assistance Program (EAP) for Councillors, employees and family members, and volunteers. The EAP aims to ensure that all staff who experience hardship are able to discuss in confidence matters either work related or personal that may be impacting on their lives. The EAP provides a confidential professional service at no cost to the Councillor, staff, family members or volunteer.

Health and safety

Council continued to focus on the physical and mental wellbeing of its staff, utilising the Work Health Program to focus on sustainable proactive programs, guiding further improvements in injury management, while creating significant positive opportunities for Council, including improved productivity, engagement, retention and the ability to attract the best employees. The program encompasses a range of initiatives to support and improve employee wellbeing. The initiatives covered include ergonomics and manual handling, injury prevention, healthy living, nutrition, mental resilience, financial wellbeing, depression, and physical activity.

Council also continued to utilise the pre-employment screening process as part of the recruitment and onboarding process to ensure that all new employees have the ability to carry out the inherent requirements of the role and ensure that no potential employee is put at risk. It also enables Council to make reasonable adjustments to the role or workplace to ensure the best person for the role is not disadvantaged in any way.

Council implemented actions from the Workplace Health, Safety and Wellbeing Strategy to support a strong safety culture, leading to an incident and injury-free workplace for all employees, Councillors, contractors, visitors and the community.

Council supported the workforce, contractors and volunteers during Covid-19, including development of policies and procedures, safety systems, and the supply of personal protective equipment.

Council aims to secure the health, safety and welfare of employees and other persons at work by eliminating hazards from the workplace, ensuring workplace inspections are carried out in accordance with annual plans. Council also ensures that Health and safety compliance training requirements for staff are identified and added to the annual training calendar, ensuring plant and equipment is compliant to Australian Standards, maintaining a Confined Space Register and; maintaining a Chemicals Risk Register.

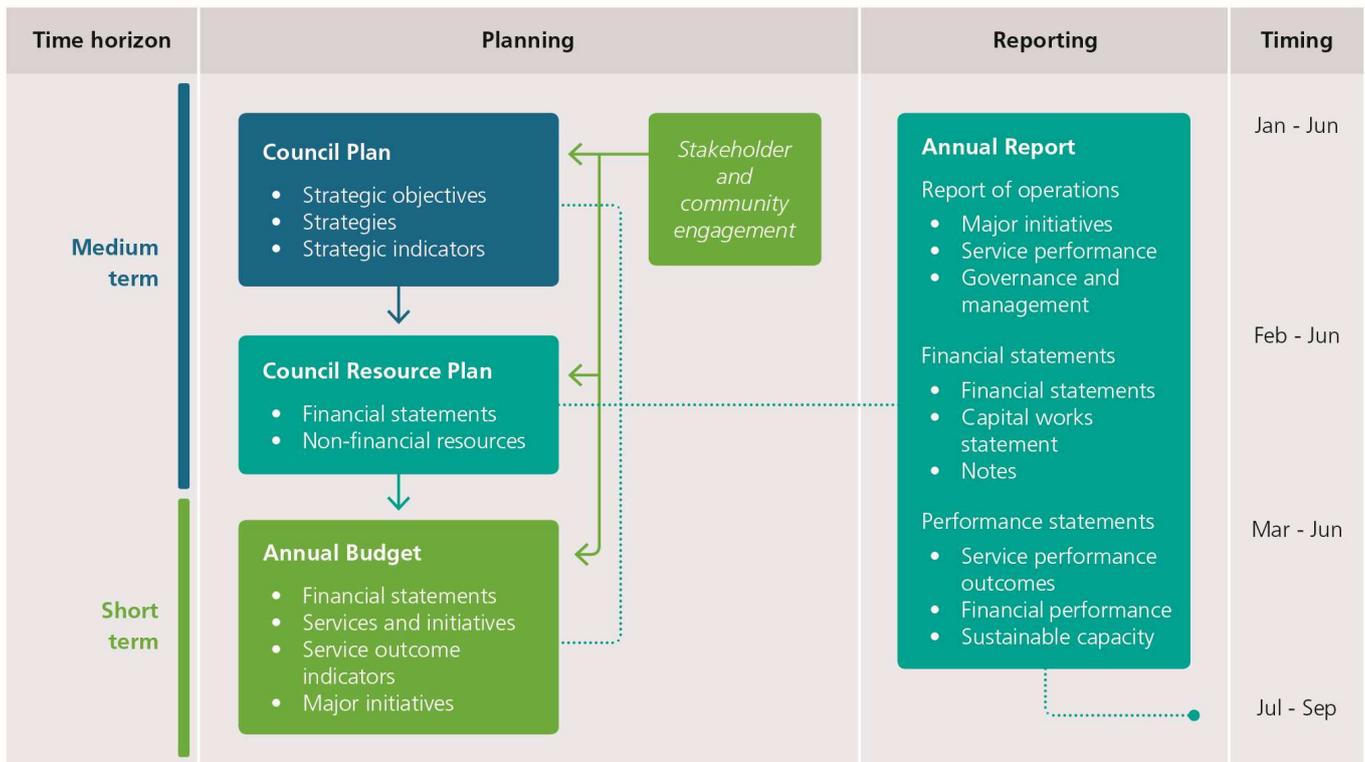
Our performance

Planning and Accountability Framework

The Planning and Accountability Framework is found in part 6 of *Local Government Act 1989* (the Act). The Act requires Councils to prepare the following planning and reporting documents:

- a Council Plan within the six months after each general election or by 30 June, whichever is later;
- a strategic resource plan for a period of at least four years and include this in the Council Plan;
- a budget for each financial year, and; an annual report in respect of each financial year.

The following diagram shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.



Community Satisfaction

An independent research company on behalf of the Department of Environment, Land, Water and Planning conducts the Community Satisfaction Survey annually. The Survey report is available at www.moira.vic.gov.au.

2020 Community Satisfaction Survey	%
Overall performance	54
Community consultation (community consultation and engagement)	53
Advocacy (lobbying on behalf of the community)	52
Making community decision (decisions made in the interest of the community)	50
Sealed local roads	51
Customer Service	62
Overall Council direction	48

Council Plan

Strategic Objectives

The Moira Shire Council Plan 2017-2021 centres around four key strategic objectives. These strategic objectives assist Council to make the most of our regional advantages and include aspects both internal to Council as well as those that are community aspirations.

Strategic Objective	Description
1. A great place to live	We will have a connected and welcoming Shire for all by providing well planned places and quality services.
2. A thriving local economy	We will support local businesses and attract new investment to generate employment opportunities.
3. A clean green environment	We will work with our community and stakeholders for an environmentally sustainable future.
4. A well run Council	We will implement a transparent, engaging and accountable governance structure for current and future generations.

Performance

Council's performance for the 2019/20 year has been reported against each strategic objective to demonstrate how Council is performing in achieving the 2017-2021 Council Plan. Performance has been measured as follows:

1. results achieved in relation to the strategic indicators in the Council Plan
2. progress in relation to the major initiatives identified in the budget
3. services funded in the 2019/20 Budget and the persons or sections of the community who are provided those services
4. results against the prescribed service performance indicators and measures

Strategic objective 1: A great place to live

Strategic indicators

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

Strategic Indicator/measure	Comments
<p>Our communities feel safe and are proud to live in Moira.</p>	<ul style="list-style-type: none"> - During the reporting period, Council continued to deliver a range of programs to the community including Maternal and Child Health and Immunisation services, environmental health services, mosquito monitoring and syringe disposal programs. - During the reporting period, Goulburn Murray Valley Regional Fruit Fly Project was first place in the Prime Super Agricultural Innovation Awards and was also voted overall winner of the Victorian Regional Achiever of the Year Awards. - Community events and activities such as Youth Council and Freeza events delivered where possible, given the COVID-19 pandemic. Delivery of these activities and programs has been in a revised format due to the pandemic, such as the Citizenship Ceremonies. - Council endorsed a range of initiatives in response to the COVID-19 Global Pandemic. These include measures to assist individuals and community groups through rate and user-group fee relief and implement the Community Activation and Social Isolation Program (CASI). - Council continues to provide support and funding to various community programs and organisations including Neighbourhood Watch, Senior Citizens, Community Houses, MHA Care and Moira Food Share. During the reporting period Council also opened an Innovative Services are Better Services funding program. - Council continues to work with communities by offering the opportunity to participate in community planning. During 2019/20 community planning was completed for Waaia and Nathalia. Both

Strategic Indicator/measure	Comments
	<p>Numurkah and Wunghnu & District are currently in progress.</p> <ul style="list-style-type: none"> - Council's Community Safety Strategy has been extended to 2021 to provide a 5-year planning horizon. - Council adopted its first Arts and Culture Strategy in December 2019 and implementation of the strategy is now underway, with the expressions of interest for four Creative Hubs opening during the reporting period. - Council continues to provide financial support to community groups through its Community Strengthening Grants program. The grants program allocated funds to 18 sporting groups, and funded another 28 projects or programs across our grant categories. A special arts and culture grant program allocated funds to eight organisations across the shire.
<p>Our communities are better connected as a result of improved access to digital and transport services.</p>	<ul style="list-style-type: none"> - Council, through Goulburn Valley Libraries, continues to operate library services throughout the Shire. While service provision was disrupted due to the COVID-19 pandemic, online services remained operational and people were able to continue to access the collection. - Throughout the year, Council was successful in obtaining a Community Infrastructure Loan and awarding a contract for the detailed design of the new Yarrawonga Library, Events and Performance Precinct. - Council continues to work with agencies and service providers to understand community transport needs and advocate for service improvements.
<p>Recreational and sports facilities and clubs are accessible and welcome female participation.</p>	<p>Completion of the following projects during the reporting period:</p> <ul style="list-style-type: none"> o Nathalia Showgrounds Lighting Tower o Cobram Apex Soccer Pavilion o Tungamah Jubilee Park Recreation Reserve Changerooms Design o Nathalia Sports and Community Centre Renewal Design o Wunghnu Recreation Reserve – Community Building – Detailed Design o Yarrawonga Multisport stadium - detailed design phase underway. <ul style="list-style-type: none"> - Implementation of the Aquatic Facilities Strategy has commenced. - Council constructed an Adult Change Facility with State Government funding in Yarrawonga. - Council purchased an all-terrain aqua wheelchair for access to the current splash park in Yarrawonga. - Significant progress in transitioning Section 86 Committees of Management

Strategic Indicator/measure	Comments
	<ul style="list-style-type: none"> - The 2019/20 Community Strengthening Grants program allocated funds to 18 sporting groups across the shire to improve their facilities or program offering.
There is improved flood protection for urban areas.	<ul style="list-style-type: none"> - Upper Broken Boosey Creek Flood Study is underway in partnership with Goulburn Broken Catchment Management Authority, SES and Benalla Rural City Council, with community engagement being the next step in the project; however, this has been on hold due to the COVID-19 pandemic. - Numurkah Floodplain Management Study is complete and we have now moved into the design stage for the flood mitigation infrastructure. - Cobram East Levee is in initial planning stages with flood modelling being undertaken of the various levee alignment options.

Services

The following statement provides information in relation to the services funded in the 2019/20 budget and the persons or sections of the community who are provided the service.

Service Areas	Description of Services provided	Net Cost
		Actual Budget ----- Variance \$'000
Animal Control Service	To provide for the administration and enforcement of legislation regulating domestic animals and livestock to maintain a safe and orderly community.	339
		278
		<u>(61)</u>
Arts and Culture	Service committed to improving the livability and actively shaping the future for Moira residents through arts and culture activities and programs.	271
		341
		<u>70</u>
Community Grants Program	This grants program provides funds that strengthen the involvement of community organisations by developing services, management of facilities, coordination of events and promotion of tourism and health in the community	253
		220
		<u>(33)</u>
Community Development (Services & Planning)	This service is responsible for working with the community, stakeholders and partner agencies to develop long-term community plans. This also includes services to promote and support disability, positive ageing, early years, and community safety as well as ensuring Council fulfils its obligations under its Municipal Public Health and Wellbeing plan.	1,047
		1,141
		<u>94</u>
Drainage	This program provides drainage as part of its network of rural and urban roads service provided to the community.	504
		294
		<u>(210)</u>

Service Areas	Description of Services provided	Net Cost
		Actual Budget ----- Variance \$'000
Environmental Health	This service undertakes inspections and registers premises in accordance with health and food legislation.	240 212 <hr/> (28)
Events	Supporting community events across the Shire including Australia Day events, Cultural Diversity Week, International Women's day.	100 122 <hr/> 22
Library	Provision of financial contribution to the operation of the Goulburn Valley Regional Library that provides library service at four locations and a mobile library service.	825 793 <hr/> (32)
Local Laws Enforcement	To regulate, control and enforce breaches of legislation and local laws with the aim to maintain a safe and orderly environment within the municipality.	213 379 <hr/> 166
Maternal and Child Health	Provision of maternal & child health services across the Shire at five locations and an outreach program, also including immunisation programs for infants and school children.	398 398 <hr/> -
Parks and Gardens	This program involves the maintenance and upgrade of Council's parks and gardens, reserves, town entrances and open spaces.	4,086 4,183 <hr/> 97
Recreation and Safety	Council operates six outdoor aquatic facilities, one indoor aquatic facility and two sports centres, along with 19 recreation reserves and four showgrounds.	1,905 1,957 <hr/> 52
Roads and Bridges	This program provides a network of rural and urban roads, urban footpaths and drainage to the community.	6,179 4,636 <hr/> (1,543)
School Crossing Supervision	To provide for the safe passage of children and adults when using school crossings during nominated hours.	79 112 <hr/> 33
Street Cleaning and Bin Collection	A seven-week cycle sweeping 240km of kerb and channel on urban roads, footpaths and drainage. Daily sweeping and cleaning of parking areas, footpaths and CBD areas. Bi-annual sweeping of main intersections to ensure safety for the travelling public. Council operates a garbage compactor to collect rubbish from street bins in CBD areas, park and recreation areas, road reserves, and butt bins.	644 658 <hr/> 14
Youth	This manages youth services and events that connect and engage Moira's younger citizens.	103 114 <hr/> 11

Major initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2019/20 budget for the year.

Major Initiatives	Progress
\$6.6 million for the construction of the Yarrowonga Multisport Stadium.	<ul style="list-style-type: none">- Detailed design phase has commenced. Design is due for completion early in the New Year.
\$900,000 for the redevelopment of the Tungamah recreation reserve changerooms.	<ul style="list-style-type: none">- Design has been completed.
\$400,000 for the redevelopment of the Wunghnu recreation reserve community building.	<ul style="list-style-type: none">- This project is now being funded with drought funding as well as Council and community funding. The project is expected to be completed during the 2020/21 year.
\$100,000 for works at the Nathalia Sports and community building.	<ul style="list-style-type: none">- This project has been completed.
\$1.1million for land improvements including irrigation systems, levee banks, signage and bollard renewals.	<ul style="list-style-type: none">- Town signage project is progressing and will be completed in the first half of the 2020/21 year.- The Bollard renewal program has been completed with Bollards renewed at Cox Park and Scotts Reserve in Cobram.- Irrigation upgrades occurred at Villa Park, Levings Park and Pioneer Park in Cobram.- BBQ renewals occurred at Katamatite, Dan Cronin Reserve in Bundalong, Strathmerton Recreation Reserve and Yarroweyah Recreation Reserve.
\$8.4 million for roads, drainage and kerb and channel works across the shire including Gilmore Street Yarrowonga, Station Street Numurkah and accessible car parking in Yarrowonga and Numurkah.	<ul style="list-style-type: none">- Gilmore Street works scheduled for completion end of July 2020.- Station Street Numurkah is not proceeding now due to GrainCorp deciding not to support the project financially. This was a requirement of Council that Graincorp make a financial contribution to the works.- Complete. New assessable parking bay provided in Melville Street Numurkah. No further works identified for Yarrowonga as we upgraded the assessable parking bays in front of the town hall the previous year.
More than \$1 million to deliver the Barmah Boat Ramp master plan, netball court works in Katunga & Katamatite and improvements to Tweddle Park Numurkah.	<ul style="list-style-type: none">- Barmah Punt Master Plan is still waiting on external funding opportunities.- Katamatite courts have been re-linemarked to complying standards. Tweddle Park is on hold as the land is going through a Planning Scheme Amendment process.

Service Performance Indicators

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

Service/Indicator/measure	Results				Material Variations
	2017	2018	2019	2020	
Libraries					
Utilisation Physical library collection usage [Number of physical library collection item loans / Number of physical library collection items]	2.94	3.07	2.98	2.44	Due to Social Distancing impacts of Covid-19, including temporary closure of libraries, it was expected that usage would be less than previous years.
Resource standard Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	45.72%	48.19%	49.95%	51.31%	No material variation.
Service cost Cost of library service per population [Direct cost of the library service / Population]	\$18.19	\$18.99	\$19.71	\$20.34	No material variation.
Participation Active library members in the municipality [Number of active library members in the last three years / The sum of the population for the last three years] x 100	18.07%	15.47%	15.71%	15.61%	No material variation.
Food Safety					
Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.00	2.43	2.25	1.38	Council has focussed its efforts on implementing system and operational efficiencies to deliver a more cost effective whilst fully compliant food safety service.

Service/Indicator/measure	Results				Material Variations
	2017	2018	2019	2020	
Service standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	100.00%	100.00%	106.39%	117.33%	Council has focussed its efforts on implementing system and operational efficiencies to deliver a more cost effective whilst fully compliant food safety service.
Health and safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	44.00%	21.43%	100.00%	100.00%	No material variation.
Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$565.43	\$535.67	\$482.06	\$443.99	Council has focused its efforts on implementing system and operational efficiencies to deliver a more cost effective whilst fully compliant food safety service.
Animal Management					
Timeliness Time taken to action animal requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.00	1.00	1.00	1.01	No material variation.

Service/Indicator/measure	Results				Material Variations
	2017	2018	2019	2020	
Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected]	19.03%	23.72%	24.12%	30.37%	Council continues to promote community awareness on responsible pet ownership in its endeavour to reunite impounded pets with their owners. This proactive approach has attributed to a continual increase in registered pets being returned to their owners.
Service standard Animals rehomed [Number of animals rehomed / Number of animals collected] x100	New in 2020	New in 2020	New in 2020	49.74%	A proactive media campaign promotes re-housing of suitable pets with their new forever home through Council's Pet Adoption Program or Foster Care program. This is a new indicator introduced in the 2019/20 reporting period.
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	100.00%	Council were successful in 2 animal management prosecutions during the reporting period. Council aims at reducing the number of dog attacks within the community by implementing various prevention activities. These activities are detailed in our Domestic Animal Management Plan.

Service/Indicator/measure	Results				Material Variations
	2017	2018	2019	2020	
Service cost Cost of animal management service per population [Direct cost of the animal management service / Population]	\$12.56	\$11.70	\$8.81	\$11.23	New indicator introduced in the 2019/20 reporting period. Costing is calculated against shire population, where previous costings were calculated against registered animals. An additional FTE Safety and Amenity Officer was employed during this period.
Roads					
Satisfaction of use Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	24.01	26.66	16.33	17.01	No material variation.
Condition Sealed local roads below the intervention level [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	93.70%	89.81%	91.00%	94.65%	No material variation.
Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$40.46	\$26.50	\$75.44	\$50.64	2018/19 result included costs that reflected the significant nature of the projects undertaken.
Service cost Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$5.02	\$4.98	\$4.26	\$4.46	No material variation.

Service/Indicator/measure	Results				Material Variations
	2017	2018	2019	2020	
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	44.00	44.00	49.00	51.00	Satisfaction with sealed local roads continues to improve.
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	0.86	1.00	1.14	All aquatic facilities were inspected during this reporting period, 1 facility requiring a follow up.
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	\$11.70	New indicator introduced in the 2019/20 reporting period, combines both indoor and outdoor facilities cost. Previously this costings were identified individually.
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	2.79	3.01	2.99	2.11	Outdoor pool attendances were negatively impacted by unexpected closures to 3 of Council's outdoor pools due to maintenance issues and cold weather. COVID-19 restrictions forced the closure of Council's indoor pool and splash park.
Maternal and Child Health (MCH)					
Satisfaction Participation in 4-week Key Age and Stage visit [Number of 4-week key age and stage visits / Number of birth notifications received] x100	New in 2020	New in 2020	New in 2020	98.62%	Moirā Shire Council monitor and actively engage clients to participate in 4-week Key Age and Stage visit assessments. This is a new indicator introduced in the 2019/20 reporting period replacing previous indicator 'participation in first MCH home visits'.

Service/Indicator/measure	Results				Material Variations
	2017	2018	2019	2020	
Service standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	100.81%	101.62%	101.85%	100.55%	No material variation.
Service cost Cost of the MCH service ⁱ [Cost of the MCH service / Hours worked by MCH nurses]	\$91.62	\$87.52	\$93.35	\$85.97	During COVID 19 Maternal & Child Health Services continued to offer consultations initially face to face for families with babies up to 8 weeks of age as required. Other consultations continued via Telehealth which also included New Parent's Group run across three MCH centres.
Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	74.18%	80.35%	80.61%	81.89%	Council Maternal & Child Health services were maintained during COVID-19 restrictions. Consultations were held by Telehealth unless there was a need for the family to be seen face to face. Moira Shire Council also commenced a New Sleep and Settling program.
Participation Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	85.59%	93.27%	93.10%	94.81%	As well as routinely monitoring the attendance of aboriginal children at Key Age and Stage MCH visits, Moira has implemented an Outreach program where nurses attend the home when a family requires short term assistance.

Strategic objective 2: A thriving local economy

Strategic indicators

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

Strategic Indicator/measure	Result & highlights
Increased business investment and job creation.	<ul style="list-style-type: none"> - Council continues to maintain regular contact with business and industry stakeholders throughout the shire. Throughout the COVID-19 pandemic Council has checked in with more than 200 businesses to provide information on any support that can be provided. - Council has offered a number of workshops, courses and mentoring to support business during the pandemic. - Council endorsed a range of initiatives in response to the COVID- 19 Global Pandemic. These include measures to assist businesses by waivering rents for businesses that operate on Council land and Environmental Health fee relief. - Moira and Berrigan Shire Councils hosted the SEGRA conference in the region in August 2019, which provided the opportunity to source and identify the knowledge, practices and skills regions require to achieve successful economic growth and development.
Increased planning permit processing times with 90 per cent of planning permits processed within 60 days.	<ul style="list-style-type: none"> - 213 planning applications were received during the reporting period - 60 day time frame has been sitting at around 65%. - The Better Approvals Project has been implemented which includes a concierge based approach to the regulatory and planning approval process for local business.
Implementation of the Economic Development Plan.	<ul style="list-style-type: none"> - Economic Development Strategy adopted by Council in August 2019. Implementation of the Strategy is underway.
Access to commercial and industrial land that meets current and 10 year forecast demand.	<ul style="list-style-type: none"> - Priority areas of industrial land have been determined and are being examined for viability. These include areas in Cobram, Strathmerton, Nathalia & Yarrawonga. - A rezoning from Commercial 2 to 1 of a 2 ha site at 2-6 Colgan Street Cobram to facilitate a shopping mall is still awaiting Ministerial approval.

Strategic Indicator/measure	Result & highlights
Council representation on regional water and business forums.	<ul style="list-style-type: none"> - Ongoing. Council continues to promote and advocate the interests of Moira Shire business, industry and community through its participation in the GMID Water Leadership Forum, the Murray River Group of Councils and the Murray Darling Association.
Improved accessibility and digital connectivity.	<ul style="list-style-type: none"> - Ongoing. Council continues its involvement in a group of Councils (Food Bowl Inland Rail Alliance) working together to lobby to standardise the rail route. Council is hopeful that this will occur in the next 5 years.
The GMW Connections Project is complete and enabling agricultural diversity.	<ul style="list-style-type: none"> - Goulburn Murray Water continues to progress the Connections Project.
Increased year round tourism visitation and yield across the Shire.	<ul style="list-style-type: none"> - Councils strategy for tourism has been incorporated into the Economic Development Strategy adopted by Council in August 2019. - A Mobile Visitor Information Centre (van) was completed and delivered during the reporting period. - Cobram Piazza development has been completed.
Increased indigenous and local youth employment.	<ul style="list-style-type: none"> - The GMLLEN initiative, supported by Moira Shire Council has been instrumental in providing connections between local businesses and schools in the shire. - Taking groups of students out to the businesses to see them in action and running. Speed Careering workshops provided in that means of communication. - Local students are now either working full-time or doing an Australian School-based Apprenticeship and Traineeship (SBAT) and others doing structured workplace learning (SWL) or work experience. All without having to leave the shire and at businesses they may not have been aware offered these programs.

Services

The following statement provides information in relation to the services funded in the 2019/20 budget and the persons or sections of the community who are provided the service.

Service Areas	Description of Services provided	Net Cost
		Actual Budget ----- Variance \$'000
Aerodrome	Operational management of the Yarrawonga Aerodrome used by general aviation industry.	73 85 <hr/> 12
Building Control	To administer the legislative requirements of the Building Act, Building Regulations and associated Australian Standards in relation to building work, building standards, illegal building work and related safety matters, including Places of Public Entertainment, swimming pools and Essential Safety Measures.	359 468 <hr/> 109
Business and Industry Development	This service supports the attractions, growth and innovation of existing and prospective businesses across the Shire. Council provides a wide range of training and development opportunities for local businesses.	710 732 <hr/> 22
Planning	Undertakes statutory and strategic land use planning as well as enforcement of the planning scheme.	110 652 <hr/> 542
Tourism	This service supports our tourism sector by developing Moira Shire and the wider Sun Country on the Murray Region as a sustainable year round tourism destination, through marketing, industry and product development.	628 728 <hr/> 100
Visitor Services	This service supports the visitor economy and our local tourism businesses. It ensures visitors are aware of all our region has to offer and are inspired to stay longer, spend more and return frequently.	408 492 <hr/> 84

Service performance indicators

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

Service/Indicator/measure	Results				Material Variations
	2017	2018	2019	2020	
Statutory Planning					
Timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	56.50	51.00	57.00	56.00	No material variation.
Service standard Planning applications decided within required timeframes [(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	69.80%	79.75%	69.45%	64.23%	Small drop due to changed planning practices as a result of COVID-19.
Service cost Cost of statutory planning service [Direct cost of statutory planning service / Number of planning applications received]	\$3,687.12	\$1,457.47	\$1,474.46	\$1,447.26	No material variation.
Decision making Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	85.71%	66.67%	75.00%	100.00%	5 appeals lodged with VCAT of which 3 were withdrawn and 2 were varied.

Strategic objective 3: A clean and green environment

Strategic indicators

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

Strategic Indicator/measure	Result and highlights
<p>More efficient water and energy use by Council.</p>	<ul style="list-style-type: none"> - Implementation of Councils Environmental Sustainability Strategy and Corporate Emissions Reduction Plan continues. - Council continues to upgrade to more energy efficient options, including LED lighting at the Numurkah Aquatic Centre, Cobram Service Centre, and Numurkah Senior Citizens building as well as a new air conditioner at the Cobram office. - Council endorsed a new project management framework that is in use across the organisation. Environmental considerations are embedded within this framework. - Council is involved in a Local Government Renewable Energy Power Purchasing Project. The project has had some recent delays, and as a result the start date of the project is now scheduled for 1 July 2021.
<p>Reduced volumes of waste into landfill.</p>	<ul style="list-style-type: none"> - Implementation of the Waste Management and Services Strategy continues. - Construction of four E-Waste storage facilities at Cobram, Nathalia, Numurkah and Yarrawonga Transfer Stations. - Rolled out the kerbside organics service to all the towns in the Shire. 79% of properties with a kerbside service now have an additional organics service. - 90% of soft plastics from our offices have been recycled through REDcycle.
<p>Achieve a net gain in native vegetation for Council activities.</p>	<ul style="list-style-type: none"> - Council continues to apply the 'avoid and minimize' principle in relation to vegetation removal for all Council projects. Council offsets any loss. - Approximately 10,400 native trees, shrubs and grasses planted at various locations in the shire.

Strategic Indicator/measure	Result and highlights
<p>Business and community confidence in their readiness to respond to change.</p>	<ul style="list-style-type: none"> - Webinars and workshops held for social media platforms on how to utilise them to assist businesses adapt and change – almost all sold out within days. - Program for business owners / manager to “Build people skills – Leadership for the “New Normal” including developing a new local business network - 'Moira Business Owners & Leaders Group’ - Crisis management / counselling offered to businesses
<p>Business, community and environment resilience and recovery from natural disasters including flood and fires.</p>	<ul style="list-style-type: none"> - A review of Councils water assets and storm water assets has been conducted. Implementing the recommendations of these reviews will be progressed. - Upper Broken Boosey Flood Study is underway.
<p>Business, community and Council awareness of and compliance with environmental regulatory and legislative obligations.</p>	<ul style="list-style-type: none"> - Significant activity has occurred over the 2019/2020 financial year to ensure our sites and operations continue to meet compliance with ongoing changes in legislation which includes the new Management and Storage of combustible waste material guidelines, E Waste legislation, the pending circular economy policy and the review of the Environment Protection Legislation. - Moira Shire Council offers Environmental Upgrade Agreements to assist businesses invest in environmental initiatives. - New statutory requirements for pools and spas in Victoria mean that swimming pools and spas are required to be registered. Council launched its online pool register earlier in the year with more than 800 pools being registered within the shire to date. - Introduction of a Moira Noise App to assist with noise complaints.
<p>Council services and infrastructure are sustainable in design and operation.</p>	<ul style="list-style-type: none"> - Council's waste facilities continue to meet the needs of Council, our community and commercial customers. - Four e-waste sheds at our major transfer stations have been constructed and are in use. - Construction of the new Commercial Waste Sorting Facility at the Cobram Landfill is underway.

Services

The following statement provides information in relation to the services funded in the 2019/20 budget and the persons or sections of the community who are provided the service.

Service Areas	Description of Services provided	Net Cost Actual Budget ----- Variance \$'000
Environmental Sustainability	Development of environmental policy, implementation of environmental projects and delivery of educational programs.	804 770 <hr/> (34)
Kerbside Garbage Service	This service provides collection of kerbside recyclable materials from households.	(2,589) (2,469) <hr/> 120
Landfill / Transfer Stations	Operational management of Council's landfill site at Cobram and nine transfer stations including monitoring to maintain environmental standards.	(147) 62 <hr/> 209
Natural Resources	Responds to planning and other referrals relating to natural resource management, including (with other agencies) management of Kinniards Wetlands.	53 55 <hr/> 2
Organic Waste Service	This service provides collection of kerbside organic waste materials from households.	44 (44) <hr/> (88)
Recycling Service	This service provides collection of kerbside recyclable materials from households.	(752) (560) <hr/> 192

Service performance indicators

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

Service/Indicator/measure	Results				Material Variations
	2017	2018	2019	2020	
Waste Collection					
Satisfaction Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000	23.51	18.47	19.28	36.04	Increase due to implementation of organics program (2000 extra bins) and the associated change in routes. Council still remains significantly under All Council Average
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	0.63	0.40	0.55	1.14	Increase due to implementation of organics program (2000 extra bins) and the associated change in routes. Council still remains significantly under All Council Average.
Service cost Cost of kerbside garbage collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$126.78	\$128.77	\$128.08	\$128.71	No material variation.
Service cost Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$41.74	\$49.53	\$58.35	\$57.48	No material variation.
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	54.81%	54.39%	53.41%	54.64%	Moira Shire continues to show a strong result diverting waste at higher level than all Council average.

Strategic objective 4: A well run Council

Strategic indicators

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

Strategic Indicator/measure	Results and Highlights
<p>Community satisfaction with Council is better than for peer Councils as measured by Local Government Performance Reporting Framework (STET) compulsory indicators:</p> <ul style="list-style-type: none"> • Overall view of direction of Council • Community consultation and engagement • Lobbying on behalf of the community • Decisions made in the interest of the community • Overall feeling about performance of Council • Rating of Council for customer service 	<ul style="list-style-type: none"> - Council is continuously improving its customer services by increasing its online capabilities. Council has rolled out an online Community Portal for building, planning and changes to animal registrations. - Council participates in the Victorian Government commissioned Community Satisfaction Survey annually. An improvement consistent with other large rural Councils has been seen this year. - Council adopted a new Audit & Risk Committee Charter, revised Fraud Prevention and Control Policy and a revised Risk Management Policy and Fraud Prevention & Control Policy during the reporting period. - Community Engagement Strategy, in line with the new Local Government Act 2020 currently under development. - The vast majority of Council services continued to be provided during the COVID 19 restrictions.
<p>An increase in grants secured</p>	<ul style="list-style-type: none"> - Grants are reported separately in the Financial Statements.
<p>A pipeline of shovel ready projects for grant applications</p>	<ul style="list-style-type: none"> - A list of shovel ready projects has been prepared. This list is being used to seek Federal and State funding.
<p>Community understanding and acceptance of the rationalisation of underutilised assets and services.</p>	<ul style="list-style-type: none"> - Council reviewed its municipal Emergency Management Plan and Council endorsed the revised plan in July.
<p>Consistently achieve our financial performance indicators that are determined by Council will reference to the Victorian Auditor General's Office (VAGO) acceptable range parameters.</p>	<ul style="list-style-type: none"> - Councils financial performance indicators are reported in the Local Government Financial Reporting Framework.

Strategic Indicator/measure	Results and Highlights
We establish and deliver shared services with regional partners such as neighbouring Councils.	<ul style="list-style-type: none"> - Council is an active member of the Murray River Group of Councils and the Hume Region Local Government Network, Goulburn Valley Regional Libraries, the Goulburn Broken Greenhouse Alliance, Goulburn Valley Waste and Resource Recovery Group.
Improved awareness of capital works progress and delivery.	<ul style="list-style-type: none"> - Council continues to improve and expand its use of social media and its website to provide updates on major projects.
Satisfied and happy Councillors and Staff with access to appropriate and relevant career development.	<ul style="list-style-type: none"> - Council has delivered leadership development, both internally and externally, and continues to implement workforce succession plans across the organisation.

Services
The following statement provides information in relation to the services funded in the 2019/20 budget and the persons or sections of the community who are provided the service.

Service Areas	Description of Services provided	Net Cost Actual Budget ----- Variance \$'000
Accounting Services	Financial based services to both internal and external customers responsible for financial management, control and reporting expenses include accounting of non-cash items including depreciation and amortisation charges.	(1,404) 6,976 <hr/> 8,380
Asset Management	Management of Council's property and infrastructure assets, including design, construction and delivery of capital works projects. Management of Council's asset database including periodic updating of valuations.	(7,973) (7,978) <hr/> (5)
Civic Building Maintenance	This program ensures that Council's building assets are well maintained and serviceable.	1,108 1,079 <hr/> (29)
Communications	This service is responsible for the management and provision of advice on external and internal communications. Including management of Council's website and social media platforms.	711 899 <hr/> 188
Contract Compliance	The systems used to manage the procurement and tendering processes of Council to ensure best value outcomes are obtained, includes the systems used to manage contracts in accordance with the agreed terms and conditions.	198 184 <hr/> (14)

Service Areas	Description of Services provided	Net Cost Actual Budget ----- Variance \$'000
Customer Service	The Customer Service team located in Cobram and Yarrawonga support the organization in resolving customer enquiries, lodging requests for service, operating the Call Centre, receipting payments, greeting incoming customers, processing applications and managing the hire of various Council facilities.	569 580 <hr/> 11
Emergency Management	To maintain preparedness and responsiveness and to implement recovery processes in the event of an emergency occurring within the municipality, with an objective that contributes to community safety through the reduction of the impact of emergency related events that can cause death, injury, loss of property and community disruption.	(59) 62 <hr/> 121
Fire Prevention	Implement actions as defined in the municipal fire management strategy in partnership with all stakeholders to reduce the likelihood of the loss of life and property by fire to enhance community safety.	17 34 <hr/> 17
Fleet Management	The purpose of this program is to ensure appropriate plant is available to meet service levels. Council is committed to providing quality plant and vehicles to assist employees in carrying out their duties and operational requirements in a safe and efficient manner within reasonable bounds of affordability. Running costs of fleet are charged to the service incurring the cost.	309 796 <hr/> 487
Governance	The processes used by Council to operate and control the administration, ethics and compliance of the organisation.	2,354 2,491 <hr/> 137
Help Desk	IT Help Desk provides 'break/fix' support for all IT systems and equipment including coordinating vendor support.	166 224 <hr/> 58
Information Technology Systems	Information Technology Services ensures Council's IT systems and equipment is properly maintained and working as required by the business including providing support for business system improvements, IT training and Geospatial Information System support.	1,787 2,312 <hr/> 525

Service Areas	Description of Services provided	Net Cost Actual Budget ----- Variance \$'000
Learning and Development	To continually improve the effectiveness of the organisation through employee education to support organisational goals and compliance requirements.	345 304 <hr/> (41)
OH&S	Provide systems and support for a workplace which is safe, so that the health and safety of our employees are not put at risk.	732 867 <hr/> 135
Payroll	Deliver and administer the payroll function to the organisation and ensure that the Council's legal, award and industrial obligations are met.	355 260 <hr/> (95)
Property Management	Systems used to manage Council leases, tenure arrangements, disposal and acquisition of property.	31 (3) <hr/> (34)
Records Management	Records Management is responsible for maintaining and supporting Council's Documents Management system and documents management practices within Council including the secure storage and retrieval of physical documents.	191 189 <hr/> (2)
Recruitment	Attract and engage a diverse range of suitably qualified people to join our organisation.	363 319 <hr/> (44)
Revenue and Property Services	Raising and collection of municipal rates and charges, maintenance of Council rating information and valuation of properties throughout the municipality.	(29,896) (29,494) <hr/> 402
Risk Management	Processes used to proactively manage the risks that affect Council, includes the identification, assessment and prioritising of risks to ensure Council's operations are effectively maintained.	175 218 <hr/> 43
Service Centres	The Customer Service team located at the Yarrawonga Service Centre.	142 145 <hr/> 3

Service performance indicators

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

Service/Indicator/measure	Results				Material Variations
	2017	2018	2019	2020	
Governance					
<p>Transparency Council resolutions 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>	21.11%	20.61%	8.14%	7.38%	Council continued to hold their meetings during the COVID-19 restrictions, and continued to improve decisions made in open Session of Council.
<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>	53.00	50.00	53.00	53.00	No material variation.
<p>Attendance Council 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) x (Number of Councillors elected at the last Council general election)] x100</p>	94.44%	94.44%	96.83%	90.74%	Council commenced live streaming of their Council meetings in March 2020, and Councillors were still able to attend via Zoom.

Service/Indicator/measure	Results				Material Variations
	2017	2018	2019	2020	
Service cost Cost of governance [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$38,629.89	\$40,509.56	\$41,403.44	\$40,190.89	No material variation.
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]	51.00	48.00	49.00	50.00	No material variation.

Governance, management and other information

Governance

The Moira Shire Council is constituted under the Act to provide leadership for the good governance of the municipal district and the local community. Council has a number of roles including:

- Taking into account the diverse needs of the local community in decision-making
- Providing leadership by establishing strategic objectives and monitoring achievements
- Ensuring that resources are managed in a responsible and accountable manner
- Advocating the interests of the local community to other communities and governments
- Fostering community cohesion and encouraging active participation in civic life.

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that Council and its administration meet the community's priorities. The community has many opportunities to provide input into Council's decision-making processes including community meetings and public forums and the ability to make submissions to Council.

Council's formal decision-making processes are conducted through Council meetings. Council delegates the majority of its decision-making to Council staff. These delegations are exercised in accordance with adopted Council policies.

Meetings of Council

Council conducts open public meetings in the fourth week of each month (except where a public holiday is in the fourth week). Members of the community are usually welcome to attend these meetings and observe from the gallery, however due to the pandemic the meetings have been closed to the public, and were streamed live via Council's Facebook page and could be viewed on Council's website.

For the 2019/20 year Council held the following meetings:

- 11 ordinary Council meetings
- 1 special Council meeting.

The following table provides a summary of Councillor attendance at Council meetings and special Council meetings during 2019/20 where the Councillor was eligible to attend. Absence is recorded if the Councillor did not seek leave prior to the meeting.

Councillors	Council Meeting	Special Council Meeting	Total
Cr Libro Mustica (Mayor)	11/11	1/1	12
Cr Peter Lawless (Deputy Mayor)	11/11	1/1	12
Cr Ed Cox	7/11	1/1	8
Cr Gary Cleveland	11/11	1/1	12
Cr Peter Mansfield	10/11	1/1	11
Cr Kevin Bourke	9/11	1/1	10
Cr Wendy Buck	9/11	1/1	10
Cr John Beitzel	11/11	1/1	12
Cr Marie Martin	10/11	1/1	11

Special Committees

The *Local Government Act 1989* allows Councils to establish one or more special committees comprising:

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

The following table contains a list of all special committees established by Council as defined in the *Local Government Act 1989* section 86, in operation during the reporting period.

Special Committee	Councillor	Officer	User Groups / Community Representatives		Purpose - To exercise Council's functions and powers and to perform Council's duties in relation to the management of
			Positions Available	Number Appointed	
Baulkamaugh Recreation Reserve Committee of Management	1	1	12	11	Baulkamaugh Recreation Reserve
Bundalong Dan Cronin Recreation Reserve and Public Hall Committee of Management	1	1	9	6	Bundalong Dan Cronin Recreation Reserve and Public Hall
Cobram Historical Precinct Committee of Management	1	1	12	12	Cobram Historical Precinct
Cobram Scott Reserve Committee of Management	1	1	17	13	Cobram Scott Reserve
Cobram Showgrounds Apex Reserve Committee of Management	1	1	7	6	Cobram Showgrounds Apex Reserve
Floridan Park Recreation Reserve Committee of Management	1	1	8	8	Floridan Park Recreation Reserve
Invergordon Recreation Reserve and Community Hall Committee of Management	1	1	14	13	Invergordon Recreation Reserve and Community Hall
Katamatite Public Hall Committee of Management	1	1	13	10	Katamatite Public Hall
Katamatite Recreation Reserve Committee of Management	1	1	11	8	Katamatite Recreation Reserve

Special Committee	Councillor	Officer	User Groups / Community Representatives		Purpose - To exercise Council's functions and powers and to perform Council's duties in relation to the management of
			Positions Available	Number Appointed	
Katunga Recreation Reserve and Community Centre Committee of Management	1	1	8	8	Katunga Recreation Reserve and Community Centre
Koonoomoo Recreation Reserve Committee of Management	1	1	12	12	Koonoomoo Recreation Reserve
Lake Rowan Hall Committee of Management	1	1	10	10	Lake Rowan Hall
Nathalia Historical Precinct Committee of Management	1	1	6	4	Nathalia Historical Precinct
Nathalia Showgrounds and Recreation Reserve Committee of Management	1	1	17	17	Nathalia Showgrounds and Recreation Reserve
Numurkah Showgrounds Reserve Committee of Management	1	1	12	10	Numurkah Showgrounds Reserve
Numurkah Town Hall Committee of Management	1	1	9	9	Numurkah Town Hall
Picola Public Hall Committee of Management	1	1	14	7	Picola Public Hall
Picola Recreation Reserve Committee of Management	1	1	14	10	Picola Recreation Reserve
St James Public Hall Committee of Management	1	1	15	13	St James Public Hall
St James Recreation Reserve Committee of Management	1	1	9	9	St James Recreation Reserve
Strathmerton Public Hall Committee of Management	1	1	11	9	Strathmerton Public Hall
Strathmerton Recreation Reserve Committee of Management	1	1	13	13	Strathmerton Recreation Reserve
Tungamah Jubilee Park Recreation Reserve Committee of Management	1	1	9	6	Tungamah Jubilee Park Recreation Reserve
Waaia Recreation Reserve Committee of Management	1	1	15	10	Waaia Recreation Reserve

Special Committee	Councillor	Officer	User Groups / Community Representatives		Purpose - To exercise Council's functions and powers and to perform Council's duties in relation to the management of
			Positions Available	Number Appointed	
Wilby Memorial Hall Committee of Management	1	1	9	9	Wilby Memorial Hall
Wilby Racecourse and Recreation Reserve Committee of Management	1	1	11	11	Wilby Racecourse and Recreation Reserve
Wunghnu Recreation Reserve Committee of Management	1	1	8	8	Wunghnu Recreation Reserve
Yalca North Recreation Reserve Committee of Management	1	1	12	8	Yalca North Recreation Reserve
Yarrowonga Eastern Foreshore Committee of Management	1	1	11	11	Yarrowonga Eastern Foreshore
Yarrowonga JC Lowe Oval Reserve Committee of Management	1	1	8	8	Yarrowonga JC Lowe Oval Reserve
Yarrowonga Showgrounds Reserve / Victoria Park Committee of Management	1	1	26	22	Yarrowonga Showgrounds Reserve / Victoria Park
Yarroweyah Memorial Hall Committee of Management	1	1	12	11	Yarroweyah Memorial Hall
Yarroweyah Recreation Reserve Committee of Management	1	1	8	7	Yarroweyah Recreation Reserve
Wilby Racecourse and Recreation Reserve Committee of Management	1	1	11	11	Wilby Racecourse and Recreation Reserve

Other committees

Council has established committees to assist its understanding specific interests and needs within the community. The committees are not decision-making bodies on behalf of Council but play a vital role in assisting more informed and inclusive decision making by Council.

Committees (at 30 June 2019)	Councillor
Moira Shire Tourism Advisory Committee	1
Moira Shire Disability Advisory Committee	3
Moira Shire Environment Sustainability Advisory Committee	2
Moira Shire Youth Council	4
Moira Shire Community Safety Committee	2
Moira Shire Municipal Public Health and Wellbeing Plan Advisory Committee	2
Moira Shire Council Audit Committee	3
Numurkah Flood Mitigation Implementation Committee	1
Barmah Forest Heritage and Education Centre Advisory Committee	1
Yarrawonga Multipurpose Sports Stadium Steering Committee	3
Yarrawonga Library Project Steering Committee	3
Cobram East Flood Mitigation Design Steering Committee	1
Upper Broken Boosey Flood Study Committee	1

Code of Conduct

The Act requires Councils to develop and approve a Councillor Code of Conduct within 12 months after each general election. On 8 February 2017, Council adopted a revised Councillor Code of Conduct to:

- Assist Councillors to maintain the highest standards of conduct and behaviour as well as provide a means to deal with problems they may encounter
- Attract the highest level of confidence from Council's stakeholders
- Assist the mayor and Councillors to discharge the responsibilities of their public office appropriately.

In addition to setting out the Councillor Conduct Principles, the Code also outlines:

- Other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest
- Roles and relationships
- Dispute resolution procedures.

Councillor-Staff Interaction Protocol

Councillor-Staff interaction protocol continues to support the Councillor and staff codes of conduct and provide guidance and support for the interaction between Councillors, Council staff and contractors in performance of their duties. Specifically, the protocol aims to

- Guide professional, courteous and productive working relations between Councillors and Council Staff;
- Recognise the respective roles and responsibilities of Councillors and Council Staff, in particular the Chief Executive Officer (CEO), and their obligations contained in the Codes of Conduct;
- Maintain transparent decision making and governance arrangements;
- Support compliance with the provisions of the Local Government Act 1989, and
- Recognise the responsibilities of the Council under the Occupational Health and Safety Act 2004 and the Equal Opportunity Act 2010 to protect people from risks to their health and

safety including harassment, bullying, violence and discrimination.

Conflict of Interest

Councillors are elected by the residents and ratepayers to act in the best interests of the community. This is a position of trust that requires Councillors to act in the public interest. When a Council delegates its powers to a Council officer or a committee, the committee or officer also needs to act in the public interest. A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it. Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all Council and committee meetings.

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflict of interests. During 2019/20, 14 conflicts of interest were declared at Council and special committee meetings.

Councillor Allowances

In accordance with Section 74 of the Local Government Act 1989, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The mayor is also entitled to receive a higher allowance.

The State Government sets the upper and lower limits for all allowances paid to Councillors and mayors. Councils are divided into three categories based on the income and population of each Council. In this instance Moira Shire Council is recognised as a category two Council.

For the period 1 July 2019 to 30 November 2019, the Councillor annual allowance for a category 2 Council (as defined by the Local Government Act 1989) was fixed at \$25,730 per annum and the

allowance for the mayor was \$79,612 per annum.

The Minister for Local Government approved an annual adjustment of 2 per cent to take effect as from 1 December 2019.

The annual allowances were adjusted for the period 1 December 2019 to 30 June 2020 at \$26,245 per annum excluding superannuation for the Councillor allowance and \$81,204 per annum for the mayoral allowance.

The following table contains a summary of the allowances paid to each Councillor during the year and the portion of the year an individual Councillor was Mayor.

Councillors	Allowance \$
Cr Libro Mustica (Mayor)	88,865
Cr Peter Lawless (Deputy Mayor)	28,720
Cr John Beitzel	28,720
Cr Kevin Bourke	28,720
Cr Wendy Buck	28,720
Cr Gary Cleveland	28,720
Cr Ed Cox	28,720
Cr Peter Mansfield	28,720
Cr Marie Martin	28,720

Councillor Expenses

In accordance with Section 75 of the Act, Council is required to reimburse a Councillor for expenses incurred whilst performing his or her duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the mayor and Councillors to enable them to discharge their duties.

Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each Councillor and member of a Council committee paid by the Council. The details of the expenses including reimbursement of expenses for each Councillor and member of a Council committee paid by the Council for the 2019/20 year are set out in the following table.

Councillors	TR	CM	CC	IC	CT	Total
	\$	\$	\$	\$	\$	\$
Cr Libro Mustica (Mayor)	-	-	-	534	350	884
Cr Peter Lawless (Deputy Mayor)	-	2,041	-	1,138	-	3,179
Cr John Beitzel	-	-	-	158	-	158
Cr Kevin Bourke	960	2,693	-	158	1,194	5,006
Cr Wendy Buck	40	1,070	-	158	997	2,266
Cr Gary Cleveland	-	-	-	534	350	884
Cr Ed Cox	-	1,565	-	534	2,291	4,390
Cr Peter Mansfield	120	2,994	-	158	3,187	6,459
Cr Marie Martin	40	2,893	-	534	477	3,945
TOTAL	1,160	13,257	-	3,909	8,846	27,172

Legend: TR – Travel, CM – Car Mileage, CC – Childcare, IC – Information and Communication Expenses, CT – Conferences and Training Expenses.

During the reporting period, individual Councillors were appointed by Council to represent Moira Shire on the following organisations.

Appointed Representatives Bodies	
Goulburn Broken Green House Alliance	Cr Martin
Goulburn Valley Community Road Safety	Cr Bourke, Cr Cox
Goulburn Valley Regional Library Corporation Board	Cr Cleveland
Goulburn Valley Waste and Resource Group	Cr Buck
Goulburn Valley Highway Bypass Action Group	Mayor Cr Mustica
Lake Mulwala Community Reference Group	Cr Mansfield
Municipal Association of Victoria	Cr Buck
Murray River Group of Councils	Mayor Cr Mustica
Murray Darling Association Inc	Cr Mansfield
Barmah Forest Heritage and Education Centre	Cr Bourke
Numurkah Flood Study Community Reference Group	Cr Bourke

Management

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks lead to better decision making by Council. The Act requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations. Council's Governance and Management Checklist results are set out in the section below. The following items have been highlighted as important components of the management framework.

Audit & Risk Committee

The Audit and Risk Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment.

The Audit and Risk Committee consists of three independent members, Ms. Lisa Ford (Chair), Ms. Julie Guest and Mr Fred Douglas and two appointed Councillors, Cr Marie Martin and Cr Ed Cox. As Mayor, Cr Libro Mustica is an ex-officio member of the Audit and Risk Committee.

Independent members are appointed for a three-year term, with a maximum of two terms. The chair is elected from among the independent members.

The Audit and Risk Committee met five times during 2019/20. The Internal Auditor, Chief Executive Officer, General Manager Corporate and Manager Governance and Risk attend the meetings. Other management representatives and staff attend as required to present reports. The external auditors attend as required each year to present the external audit plan, management letter and independent audit reports.

Recommendations from each Audit and Risk Committee meeting are subsequently reported to, and considered by Council.

Internal Audit

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. In April 2019 Council appointed AFS Chartered Accountants to provide internal audit services to Council for a period of four years.

In line with the Internal Audit program for 2019/20 the following reviews were conducted:

- Waste Management;
- Event Management;
- Occupational Health, Safety and Wellbeing Risk Management;
- Maternal Child Health;
- Tree Management;
- Credit Card Usage;
- Past Issues Review.

The review process considers Council's risk framework, the Council Plan, the impact of any change on operations, systems or the business environment; prior audit coverage and outcomes and management input.

The Internal Auditor attends each Audit and Risk Committee meeting to provide independent risk and financial commentary and to present findings of completed reviews.

All audit issues identified are risk rated and recommendations for improvement are assigned to responsible managers/officers and tracked in Council's risk register. Managers and officers provide quarterly status updates for consideration by the Corporate Management Team then reported to the Audit and Risk Committee and Council.

External Audit

Council is externally audited by the Victorian Auditor-General with the external audit of Council's Financial Statements and Performance Statement conducted by the Victorian Auditor-General's representative. The external auditors

attend as required to present the annual audit plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit and Risk Committee.

Risk Management

Council adopted the Risk Management Policy and the Fraud Prevention and Control Policy in September 2016 which form the basis of Council's Risk Management Framework together with the corporate and fraud risk registers, Audit and Risk Committee Charter, Councillor and Staff Codes of Conduct and a number of other instruments that direct Council's current risk management practices in accordance with ISO 31000 guidelines. Council's risk management framework addresses items such as:

- risk management culture, communication and training;
- best practice in risk management;
- responsibilities of and to internal and external stakeholders;
- risk registers and risk management software development;
- the Council Planning cycle, budget cycle and annual audit cycle, and
- a performance measurement system to determine the effectiveness of the framework.

A review of the Risk Management and Fraud Prevention and Control Policies was conducted in May 2020.

Governance and Management Checklist

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

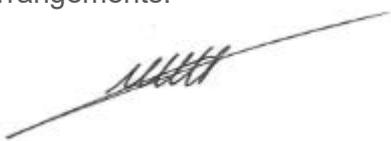
Governance and Management Items	Assessment
<p>1. Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)</p>	<p>The new Local Government Act 2020 requires a policy to be developed and adopted by 1 March 2021. A working group has been set up to engage with the community in line with the requirements of the new act to develop this policy.</p>
<p>2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)</p>	<p>Communication Engagement Strategy: 06/2007. Communication Strategy amended 09/2011.</p> <p>The guidelines will be updated and new practices established during the development of the Community Engagement Policy.</p>
<p>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)</p>	<p>Adopted in accordance with Section 126 of the Act Date of Adoption : 24 June 2020</p>
<p>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)</p>	<p>Adopted in accordance with section 130 of the Act Date of Adoption: 24 June 2020</p>
<p>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)</p>	<p>Plans Date of operation of current plans: 17 August 2009</p>
<p>6. Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)</p>	<p>Plans 27 March 2019</p>

Governance and Management Items	Assessment
<p>7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)</p>	<p>Policy Date of operation of current policy: 23 October 2019</p>
<p>8. Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)</p>	<p>Policy Date of operation of current policy: 27 May 2020</p>
<p>9. Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)</p>	<p>Municipal Emergency Management Plan prepared: 6 July 2016, Reviewed Plan presented to Council meeting 24 July 2019</p>
<p>10. Procurement policy (Policy under section 186A of the Act outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)</p>	<p>Prepared and approved in accordance with section 186A of the Local Government Act 1989 Date of approval: 10 December 2019</p>
<p>11. Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)</p>	<p>Business Continuity Plan: Date of Approval: 23 January 2018</p>
<p>12. Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)</p>	<p>Plan Date of operation of the current plan: 22 May 2018 Updated May 2019</p>
<p>13. Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)</p>	<p>Framework consists of Council Risk Policy 23 October 2019, Fraud Management Policy 27 May 2020, Risk Management Plan (under review) and Audit & Risk Committee Charter 27 May 2020</p>

Governance and Management Items	Assessment
<p>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)</p>	<p>Established in accordance with section 139 of the Act Date of establishment: March 1997 Audit & Risk Committee Charter adopted: 27 May 2020</p>
<p>15. Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)</p>	<p>Engaged Date of engagement of current provider: 22 January 2020</p>
<p>16. Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)</p>	<p>Framework Date of operation of current framework: 10 December 2019</p>
<p>17. Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)</p>	<p>Report Report prepared: 26 February 2020</p>
<p>18. Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)</p>	<p>Annual Report 25 September 2019, Quarterly Statements: 23 October 2019 18 December 2019 22 April 2020</p>
<p>19. Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)</p>	<p>Reports: 20 February 2020 7 May 2020</p>

Governance and Management Items	Assessment
<p>20. Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)</p>	<p>Annual report: 25 September 2019 Six monthly report: 27 February 2019</p>
<p>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 and performance statements)</p>	<p>Considered at meeting of Council in accordance with section 134 of the Act. Date considered: 25 September 2019</p>
<p>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)</p>	<p>Reviewed in accordance with section 98(6) of the Act Date of review: 8 February 2017</p>
<p>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)</p>	<p>Reviewed in accordance with section 98(6) of the Act Date of review: 25 October 2017 Instruments updated: 18 December 2019</p>
<p>24. Meeting procedures (a local law governing the conduct of meetings of Council and special committees)</p>	<p>Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 24 May 2017</p>

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



Mark Henderson
Chief Executive Officer

Dated: 17 September 2020



Cr Libro Mustica
Mayor

Dated: 17 September 2020

Statutory information

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

Documents Available for Public Inspection

In accordance with regulation 12 of the *Local Government (General) Regulations 2015* the following are prescribed documents that are available for public inspection or copies of the documents can be obtained for the purposes of section 222 of the Act at Moira Shire Council Office, 44 Station Street, Cobram, with some available via Council's website:

- a document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by Councillor or any member of Council staff in the previous 12 months
- the agenda for, and minutes of ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- the minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- a register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act
- 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 maintained under section 224(1A) of the Act of authorised officers appointed under that section

- a list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

Best Value

In accordance with section 208B(f) of the Act, at least once every year a Council must report to its community on what it has done to ensure that it has given effect to the Best Value Principles. Council incorporates best value principles through regular business planning and performance monitoring processes and through a commitment to continuous improvement.

Contracts

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

Disability Action Plan

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

Council's Disability Action Plan was endorsed in late 2017. The following actions were achieved in the 2019/20 financial year:

- Engagement with community members by celebrating International Day of People with Disability, including an all abilities fishing carnival and business engagement.
- Completion of an adult Changing Places Facility with State Government funding in Yarrawonga.
- Increased community presence and awareness of Disability Advisory Committee through individual attendance to self-advocate.
- New disability advisory committee members endorsed, including an increase of three community member representatives.
- Inclusive Volunteering forum hosted.
- Support and advocacy work, including

support local service providers to seek funding and grants for disability advocacy roles and programs; examples include the Women’s Hub and Here We Are Project through Women with Disability Victoria.

- Partnership launch of Access at a Glance to promote and improve accessibility to businesses and public facilities.
- Facilitated four new employee orientation sessions to new Moira Shire Council staff.
- Purchased an all-terrain aqua wheelchair for access to the current splash park.
- Review and prioritisation of future programmed works for disabled car parking bays for Townships of Nathalia and Cobram.
- Customer services renewed Communication Accessibility Training and accreditation.

Food Act Ministerial Directions

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year in its annual report.

No such Ministerial Directions were received by Council during the financial year.

Domestic Animal Management Plan

In accordance with the *Domestic Animals Act 1994* (“the Act”), Council is required to prepare a Domestic Animal Management Plan at four yearly intervals and evaluate its implementation in the annual report.

A 4-year Domestic Animal Management Plan for the period 2018 -2021 was adopted by Council at the ordinary meeting held on 25 October 2017. The plan addresses all the requirements of section 68A of the Act.

Council has formed a partnership with ‘National De-sexing Network’ to provide low-income earners with the ability to have their cats de-sexed at an affordable cost. This partnership endeavours to promote responsible pet ownership within the community by reigning in the feral cat population.

2019/20 Domestic Animal Management activity at 30 June 2020		
	Dogs	Cats
Impounded	165	217
Claimed/returned to owner	95	21
Rehoused	40	151
Euthanised Aggressive/unsuitable	29	42
In pound	0	2
Escaped from pound	0	1
Stolen from pound	1	0

Freedom of Information

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the *Freedom of Information Act 1982*, Council is required to publish certain statements in their annual report or separately such as on its website, concerning its functions and information available. Council has chosen to publish the statements separately however provides the following summary of the application and operation of the *Freedom of Information Act 1982*.

Access to documents may be obtained through written request to the Freedom of Information Officer, as detailed in section 17 of the *Freedom of Information Act 1982* and in summary as follows:

- it should be in writing
- it should identify as clearly as possible which document is being requested
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of Council should be addressed to the Freedom of Information Officer. Requests can also be lodged online or by email.

Access charges may also apply once documents have been processed and a decision on access is made (e.g. photocopying and search and retrieval charges).

Further information regarding FOI can be found at www.foi.vic.gov.au and at www.moira.vic.gov.au.

Public Interest Disclosures Act 2012

The *Public Interest Disclosures Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available from Council's website.

Under Moira Shire Council's procedures, individuals are encouraged to make disclosures directly to IBAC. IBAC then determines whether the disclosure comes under the scope of the Act and may commence investigation of the matter at which point Council may be advised of a disclosure. If the matters do not meet the scope of Act the individual may be advised to raise the matter under alternative workplace provisions.

During the reporting period IBAC did not advise Council of any protected disclosures.

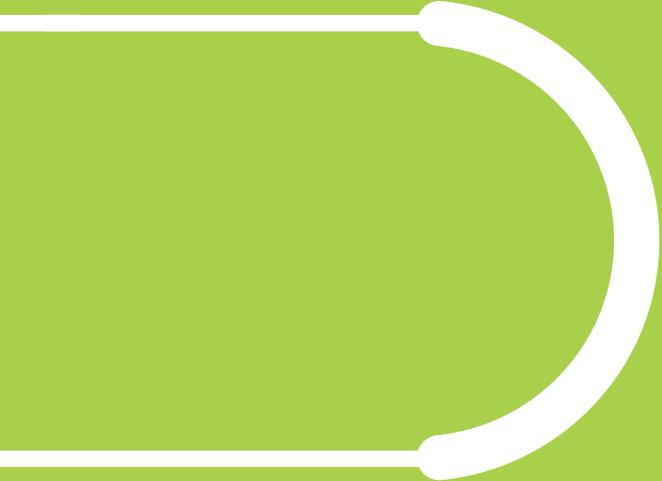
Road Management Act Ministerial direction

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

Infrastructure and development contributions

In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987*, a Council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in a Council's annual report.

In 2019/20 Council had no infrastructure and development contributions.



Performance Statement



Description of municipality

Moira Shire is located in the Hume region of Victoria and stretches across 4,045 square kilometres from Bundalong in the east to the Barmah National Park to the west. The Shire's northern boundary is defined by the Murray River and the south-west, southern and south east regions share boundaries with the municipalities of Campaspe, Greater Shepparton, Benalla, Wangaratta and Indigo. Moira is centrally located to the regional cities of Shepparton, Wangaratta and Albury-Wodonga.

Moira includes four major towns; Cobram, Nathalia, Numurkah and Yarrawonga and 22 smaller communities with a total population of 29,925 residents.

Moira's population median age is 47 years, which is higher than the state and national medians of 37 and 38 years. In July 2018 total employment in the area was estimated at 10,913 jobs. The major contributors to employment are Agriculture, Forestry and Fishing (19.5%), Manufacturing (13.9%) and Health Care & Social Assistance (11.7%).

The Moira Shire community is serviced by local hospitals in each of the major towns (Yarrawonga, Cobram, Numurkah & Nathalia) along with a wide range of medical and allied health service providers.

Operational summary

A number of different and varying circumstances has influenced this year's performance results. The coronavirus pandemic (COVID-19) restrictions have affected our ability to provide business as usual (see commentary under COVID-19). First time recognition of three new accounting standards also influenced our operating revenue and expenditure with \$0.29 million in volunteer services and \$0.67 million in amortisation charges on right of use assets. The application of the new accounting standards added to our balance sheet \$1.94 million in right of use assets and \$1.94 million in lease liabilities.

COVID-19

The COVID-19 pandemic has affected everyone in our community including front-line workers who deliver our services. To keep everyone safe, some council services such as community events, community centres, libraries and playgrounds were closed, while others were able to take their work online. Fortunately, many of the council's front-line services, such as maternal and child health, maintenance, waste services, and capital works projects were able to continue as normal with little impact. Some results in this report were affected by the COVID-19 pandemic in some way, mostly as the result of some operations being closed and scheduled community events being cancelled. However, nearly all actions and services were able to continue through a shift to remote delivery.

Sustainable Capacity Indicators

For the year ended 30 June 2020

<i>Indicator/measure</i>	Results				Material Variations
	2017	2018	2019	2020	
POPULATION					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,797.90	\$1,758.39	\$1,888.82	\$2,005.38	No material variation.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$15,118.98	\$15,188.70	\$15,451.76	\$16,299.72	No material variation.
<i>Population density per length of road</i> [Municipal population / Kilometers of local roads]	7.89	8.08	8.15	8.20	No material variation.
OWN-SOURCE REVENUE					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,380.72	\$1,419.52	\$1,484.38	\$1,516.15	No material variation.
RECURRENT GRANTS					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$696.02	\$519.94	\$472.90	\$514.39	No material variation.
DISADVANTAGE					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	2.00	2.00	2.00	2.00	No material variation.

Results					
Indicator/measure	2017	2018	2019	2020	Material Variations
WORKFORCE TURNOVER					
Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	9.1%	9.7%	15.6%	12.9%	2018/19 year included higher than average retirements, also impact of COVID-19 has slowed turnover rate in the second half.

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

"population" means the resident population estimated by council

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

"relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

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

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

Service Performance Indicators

For the year ended 30 June 2020

Service/indicator/measure	Results				Material Variations
	2017	2018	2019	2020	
AQUATIC FACILITIES					
Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	2.79	3.01	2.99	2.11	Outdoor pool attendances were negatively impacted by unexpected closures to 3 of Council's outdoor pools due to maintenance issues and cold weather. COVID-19 restrictions forced the closure of Council's indoor pool and splash park.
ANIMAL MANAGEMENT					
Health and safety					
<i>Animal management prosecutions</i> [Percentage of successful animal management prosecutions]	New in 2020	New in 2020	New in 2020	100%	Council were successful in 2 animal management prosecutions during the reporting period. Council aims at reducing the number of dog attacks within the community by implementing various prevention activities. These activities are detailed in our Domestic Animal Management Plan. This is a new indicator introduced in the 2019/20 reporting period, replacing the previous 'Animal management prosecutions' indicator.
FOOD SAFETY					
Health and safety					
<i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	44.00%	21.43%	100.00%	100.00%	No material variation.

Service/indicator/measure	Results				Material Variations
	2017	2018	2019	2020	
GOVERNANCE					
Satisfaction					
<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	51.00	48.00	49.00	50.00	No material variation.
LIBRARIES					
Participation					
<i>Active borrowers in the municipality</i> [Sum of the number of active library members in the last three years / The sum of the population for the last three years] x100	18.07%	15.47%	15.71%	15.61%	No material variation.
MATERNAL AND CHILD HEALTH					
Participation					
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	74.18%	80.35%	80.61%	81.89%	Council Maternal & Child Health services were maintained during COVID-19 restrictions. Consultations were held by Telehealth unless there was a need for the family to be seen face to face. Moira Shire Council also commenced a New Sleep and Settling program.
<i>Participation</i>					
<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	85.59%	93.27%	93.10%	94.81%	As well as routinely monitoring the attendance of aboriginal children at Key Age and Stage MCH visits, Moira Shire Council has implemented an Outreach program where nurses attend the home when a family requires short term assistance.

Service/indicator/measure	Results				Material Variations
	2017	2018	2019	2020	
ROADS					
Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	44.00	44.00	49.00	51.00	Satisfaction with sealed local roads continues to improve.
STATUTORY PLANNING					
Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	85.71%	66.67%	75.00%	100.00%	5 appeals lodged with VCAT of which 3 were withdrawn and 2 were varied.
WASTE COLLECTION					
Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	54.81%	54.39%	53.41%	54.64%	Moira Shire Council continues to show a strong result diverting waste at higher level than All Council Average.

Definitions

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

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

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

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

"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 that Act

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

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

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

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

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

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

"population" means the resident population estimated by council

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

Financial Performance Indicators

For the year ended 30 June 2020

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
EFFICIENCY									
Expenditure level									
Expenses per property assessment [Total expenses / Number of property assessments]	\$2,976.28	\$2,962.66	\$3,196.56	\$3,368.75	\$3,302.02	\$3,295.66	\$3,334.87	\$3,400.32	No material variation.
Revenue level									
Average rate per property assessment [General rates and Municipal charges / Number of property assessments]	New in 2020	New in 2020	New in 2020	\$1,673.01	\$1,707.88	\$1,743.64	\$1,780.14	\$1,817.41	New indicator in 2019/20 replacing the previous average residential rate per property assessment.
LIQUIDITY									
Working capital									
Current assets compared to current liabilities [Current assets / Current liabilities] x100	399.38%	444.74%	333.69%	337.56%	375.13%	396.86%	369.13%	363.78%	No material variation.
Unrestricted cash									
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	318.30%	360.82%	268.14%	265.77%	292.73%	297.98%	270.33%	259.90%	No material variation.

Dimension/ <i>indicator/measure</i>	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
OBLIGATIONS									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i>	13.54%	10.07%	6.73%	3.93%	15.57%	13.12%	10.75%	9.23%	Continuation of debt reduction program in 2019/20, forecasted 2020/21 result includes budgeted borrowings of \$5.2 million.
[Interest bearing loans and borrowings / Rate revenue] x100									
Loans and borrowings									
<i>Loans and borrowings repayments compared to rates</i>	3.98%	3.82%	3.73%	2.88%	1.85%	2.17%	2.14%	1.33%	Continuation of debt reduction program in 2019/20, forecasted 2021/22 result includes commencement of payment of 2020/21 budgeted borrowings of \$5.2 million.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i>	37.29%	33.41%	29.91%	31.23%	41.01%	39.71%	37.45%	36.66%	No material variation.
[Non-current liabilities / Own source revenue] x100									
Asset renewal and upgrade									
<i>Asset renewal and upgrade compared to depreciation</i>	New in 2020	New in 2020	New in 2020	78.74%	93.26%	102.34%	104.71%	109.88%	New indicator adding asset upgrades to asset renewals, COVID-19 restrictions caused delays in the commencement of some capital works projects.
[Asset renewal and asset upgrade expense / Asset depreciation] x100									

Dimension/ <i>indicator/measure</i>	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
OPERATING POSITION									
Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	14.30%	11.34%	7.22%	1.92%	-6.91%	-0.27%	0.70%	0.78%	2019/20 actuals due to early receipt of income for 2020/21 Financial Assistance Grants, this also negatively impacts the 2020/21 result.
STABILITY									
Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	56.22%	60.70%	60.01%	62.39%	70.73%	68.03%	68.23%	68.50%	No material variation.
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.63%	0.64%	0.60%	0.59%	0.59%	0.60%	0.62%	0.63%	No material variation.

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

Other Information

For the year ended 30 June 2020

Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 12 June 2019 and which forms part of the Council Plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

Certification of the Performance Statement

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



Simon Rennie CPA
Principal Accounting Officer
Dated: 17.09.2020

In our opinion, the accompanying performance statement of the Moira 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.



Councillor Libro Mustica - Mayor
Councillor
Dated: 17.09.2020



Councillor Peter Lawless – Deputy Mayor
Councillor
Dated: 17.09.2020



Mark Henderson
Chief Executive Officer
Dated: 17.09.2020

Independent Auditor's Report

To the Councillors of Moira Shire Council

<p>Opinion</p>	<p>I have audited the accompanying performance statement of Moira Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2020 • sustainable capacity indicators for the year ended 30 June 2020 • service performance indicators for the year ended 30 June 2020 • financial performance indicators for the year ended 30 June 2020 • notes to the performance statement and • the certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2020 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<p>Basis for Opinion</p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p>Councillors' responsibilities for the performance statement</p>	<p>The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<p>Auditor's responsibilities for the audit of the performance statement</p>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance</p>

Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

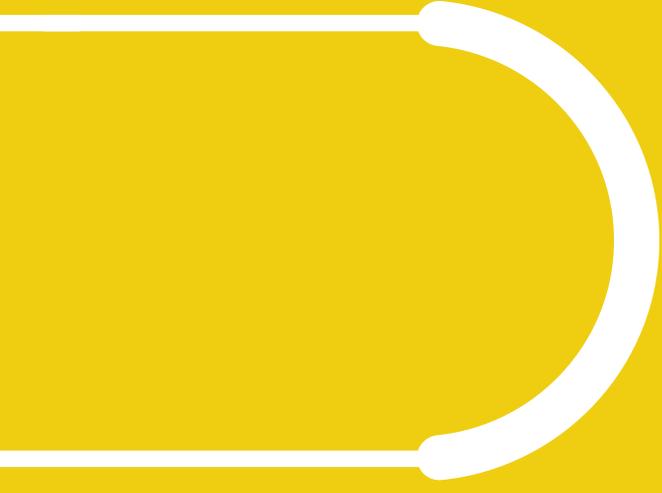
I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
25 September 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria



Financial Report



**Moira Shire Council
Financial Report
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Certification of the Financial Statements

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



Simon Rennie, CPA

Principal Accounting Officer

Date : 17 September 2020

Cobram

In our opinion the accompanying financial statements present fairly the financial transactions of Moira 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.



Libro Mustica

Mayor

Date : 17 September 2020

Cobram



Peter Lawless

Deputy Mayor

Date : 17 September 2020

Cobram



Mark Henderson

Chief Executive Officer

Date : 17 September 2020

Cobram

Independent Auditor's Report

To the Councillors of Moira Shire Council

Opinion	<p>I have audited the financial report of Moira 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 report.
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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 *Local Government Act 1989* and applicable Australian Accounting Standards.

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
25 September 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Rates and charges	3.1	38,174	36,555
Statutory fees and fines	3.2	1,468	1,511
User fees	3.3	1,979	2,249
Grants - operating	3.4(a)	13,134	14,643
Grants - capital	3.4(b)	8,876	2,896
Contributions - monetary	3.5	315	489
Contributions - non monetary	3.5	5,213	2,411
Net gain on disposal of property, infrastructure, plant and equipment	3.6	84	243
Share of net profit of associates and joint ventures	6.2	25	-
Other income	3.7	3,641	3,675
Total income		72,909	64,672
Expenses			
Employee costs	4.1	20,357	20,284
Materials and services	4.2	25,634	25,495
Depreciation	4.3	12,182	9,453
Amortisation - right of use assets	4.4	670	-
Bad and doubtful debts	4.5	37	142
Borrowing costs	4.6	151	234
Finance costs - leases	4.7	111	-
Share of net loss of associates and joint ventures	6.2	12	53
Other expenses	4.8	857	624
Total expenses		60,011	56,285
Surplus/(deficit) for the year		12,898	8,387
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.1	(10,851)	664
Total comprehensive result		2,047	9,051

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

Balance Sheet As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1(a)	8,975	9,609
Other financial assets	5.1(b)	31,000	27,000
Trade and other receivables	5.1(c)	4,572	4,286
Inventories	5.2(a)	981	944
Other assets	5.2(b)	752	846
Total current assets		46,280	42,685
Non-current assets			
Property, infrastructure, plant and equipment	6.1	584,726	586,968
Investments in associates and joint arrangements	6.2	1,106	1,093
Intangible assets	5.2(c)	3,041	2,523
Right-of-use assets	5.8	2,023	-
Total non-current assets		590,896	590,584
Total assets		637,176	633,269
Liabilities			
Current liabilities			
Trade and other payables	5.3(a)	2,510	1,879
Trust funds and deposits	5.3(b)	2,471	1,318
Unearned income	5.3(c)	3,725	4,616
Interest-bearing liabilities	5.4	618	988
Provisions	5.5	3,710	3,991
Lease liabilities	5.8	676	-
Total current liabilities		13,710	12,792
Non-current liabilities			
Interest-bearing liabilities	5.4	882	1,461
Provisions	5.5	11,899	11,768
Lease liabilities	5.8	1,390	-
Total non-current liabilities		14,171	13,229
Total liabilities		27,881	26,021
Net assets		609,295	607,248
Equity			
Accumulated surplus		198,036	191,620
Reserves	9.1	411,259	415,628
Total Equity		609,295	607,248

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

2020	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserves \$'000	Other Reserves \$'000
Balance at beginning of the financial year		607,248	191,620	401,190	14,438
Impact of changes in accounting policy - AASB 16 Leases		-	-	-	-
Surplus/(deficit) for the year		12,898	12,898	-	-
Net asset revaluation increment/(decrement)	9.1(a)	(10,851)	-	(10,851)	-
Transfers to other reserves	9.1(b)	-	(6,502)	-	6,502
Transfers from other reserves	9.1(b)	-	20	-	(20)
Balance at end of the financial year		609,295	198,036	390,339	20,920

2019		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserves \$'000	Other Reserves \$'000
Balance at beginning of the financial year		598,197	190,714	400,526	6,957
Surplus/(deficit) for the year		8,387	8,387	-	-
Net asset revaluation increment/(decrement)	9.1(a)	664	-	664	-
Transfers to other reserves	9.1(b)	-	(7,593)	-	7,593
Transfers from other reserves	9.1(b)	-	112	-	(112)
Balance at end of the financial year		607,248	191,620	401,190	14,438

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) \$'000	2019 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		38,078	36,114
Statutory fees and fines		1,531	1,517
User fees		2,263	2,474
Grants - operating		12,185	14,011
Grants - capital		7,988	6,095
Contributions - monetary		133	677
Interest received		610	883
Trust funds and deposits taken		5,220	4,311
Other receipts		1,541	377
Net GST (payment)/refund		2,295	4,243
Employee costs		(20,421)	(22,513)
Materials and services		(25,809)	(26,635)
Trust funds and deposits repaid		(4,067)	(4,037)
Other payments		(942)	(839)
Net cash provided by / (used in) operating activities	9.2	20,605	16,678
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(15,837)	(14,941)
Proceeds from sale of property, infrastructure, plant and equipment		437	1,037
Net cash provided by / (used in) investing activities		(15,400)	(13,904)
Cash flows from financing activities			
Finance costs		(151)	(234)
Repayment of borrowings		(949)	(1,123)
Interest paid - lease liability		(111)	-
Repayment of lease liabilities		(627)	-
Net cash provided by / (used in) financing activities		(1,838)	(1,357)
Net increase / (decrease) in cash and cash equivalents		3,367	1,417
Cash and cash equivalents at the beginning of the financial year		36,608	35,191
Cash and cash equivalents at the end of the financial year		39,975	36,608
	Note		
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

Statement of Capital Works
For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
Property		
Land	-	64
Land improvements	-	1,864
Total land	<u>-</u>	<u>1,928</u>
Buildings	3,348	1,561
Total buildings	<u>3,348</u>	<u>1,561</u>
Total property	<u>3,348</u>	<u>3,489</u>
Plant and equipment		
Plant, machinery and equipment	1,333	1,865
Fixtures, fittings and furniture	-	73
Computers and telecommunications	-	203
Total plant and equipment	<u>1,333</u>	<u>2,141</u>
Infrastructure		
Roads	6,468	5,348
Bridges	911	1,748
Footpaths and cycle ways	476	329
Drainage	1,532	589
Recreational, leisure and community facilities	210	481
Waste management	493	202
Parks, open space and streetscapes	-	11
Aerodromes	-	7
Other infrastructure	1,065	596
Total infrastructure	<u>11,155</u>	<u>9,311</u>
Total capital works expenditure	<u>15,836</u>	<u>14,941</u>
Represented by:		
New asset expenditure	6,000	4,499
Asset renewal expenditure	6,085	7,779
Asset expansion expenditure	245	-
Asset upgrade expenditure	3,506	2,663
Total capital works expenditure	<u>15,836</u>	<u>14,941</u>

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

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

OVERVIEW

Introduction

The Moira 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 44 Station Street, Cobram.

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

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

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

**Notes to the 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 \$200,000 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 12 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 income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and Expenditure

	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref
Income					
Rates and charges	37,524	38,174	650	1.7	1
Statutory fees and fines	1,347	1,468	121	9.0	
User fees	1,997	1,979	(18)	(0.9)	
Grants - operating	6,255	13,134	6,879	110.0	2
Grants - capital	9,713	8,876	(837)	(8.6)	3
Contributions - monetary	854	315	(539)	(63.1)	4
Contributions - non monetary	200	5,213	5,013	2506.5	5
Net gain on disposal of property, infrastructure, plant and equipment	-	84	84	100.0	6
Share of net profit of associates and joint ventures	-	25	25	100.0	7
Other income	1,095	3,641	2,546	232.5	8
Total income	58,985	72,909	13,924	23.6	
Expenses					
Employee costs	21,939	20,357	(1,582)	(7.2)	9
Materials and services	22,950	25,634	2,684	11.7	10
Bad and doubtful debts	10	37	27	270.0	11
Depreciation	10,262	12,182	1,920	18.7	12
Amortisation - Right of use assets	-	670	670	100.0	13
Borrowing costs	154	151	(3)	(1.9)	
Net loss on disposal of property, infrastructure, plant and equipment	117	-	(117)	(100.0)	6
Share of net loss of associates and joint ventures	10	12	2	20.0	7
Finance costs - leases	-	111	111	100.0	14
Other expenses	816	857	41	5.0	15
Total expenses	56,258	60,011	3,753	6.67	
Surplus/(deficit) for the year	2,727	12,898	10,171	373.0	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Rates and charges	Rollout of expanded Organic Waste service (\$160k), revenue from Solar Farms (\$180k) and other supplementary rates and charges income.
2	Grants - operating	50% of 2020/21 Financial Assistance Grant received early (\$5.7m), continuation of the Regional Fruit Fly program (\$975k) and receipt of NDRAA funding for September 2016 flood event (\$131k).

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

Variance Ref	Item	Explanation
3	Grants - capital	Yarrowonga Sports Stadium \$4.9m not received due to lack of external funding, grant for Gilmore Street Yarrowonga project \$993k not recognised as project not yet completed. These are offset by recognition of grants for completed projects including: Yarrowonga Tourism Trail (The Point) (\$2.7m), Cobram Piazza and Federation Park development (\$500k), Stewarts Road Bridges (\$500k) and eWaste storage facilities at four waste locations (\$400k).
4	Contributions - monetary	Community contributions not received due to delays in commencing projects including: Tungamah Recreation Reserve Changerooms, Wunghnu Recreation Reserve Community Building, Barnah Boat Ramp and Power Street Nathalia sealed road upgrade.
5	Contributions - non monetary	Developer contributions of Roads, Kerb and Channel, Footpaths and Drainage from new developments primarily in Yarrowonga (Silverwoods) and Cobram.
6	Net gain/loss on disposal of property, infrastructure, plant and equipment	Profit on sale of land at Schubert Street Cobram and from sale of retired fleet and heavy plant in 2019/20.
7	Share of net profit/ net loss of associates and joint ventures	Net profit on Moira Shire's share of the Goulburn Valley Regional Library Corporation, offset by net loss on Creekside Estate Nathalia joint venture.
8	Other income	Recognition of drainage assets not previously recognised (\$1.7m), increase in value of Water Shares held by Council (\$518k) and recognition of Volunteer Services provided by volunteers to Council services (\$293k), this is matched by recognition of a contra other expenditure item.
9	Employee costs	Savings in Fringe Benefits Tax (\$90k) and Workcover premium (\$56k), writeback of Annual Leave and Long Service Leave provisions (\$348) following audit of leave balances and savings from salary and wages costs due to delays in replacing staff during the year and specifically during the Covid19 lockdowns.
10	Materials and services	Cost of the Yarrowonga Tourism Trail (The Point) project \$2.7m, originally planned in capital expenditure now treated as operating expenditure, this is matched by the matching in grants capital.
11	Bad and doubtful debts	Higher doubtful debt charges in accordance with AASB 9 <i>Financial Instruments</i> adopted in 2018/19.
12	Depreciation	Higher depreciation charges against fixed assets, budget calculated using lower asset value estimates prior to revaluation on fixed assets being finalised.
13	Amortisation - Right of use assets	Adoption of AASB 16 <i>Leases</i> requires separate recognition of amortisation of lease payments on qualifying rights of use assets.
14	Finance costs - leases	Adoption of AASB 16 <i>Leases</i> requires separate recognition of finance costs of lease payments on qualifying rights of use assets.
15	Other Expenses	Recognition of cost of Volunteer Services provided by volunteers to Council services (\$293k), this is matched by recognition of a contra other income item, offset by savings in discounted interest on Landfill provision.

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

Note 1 Performance against budget (cont.)

1.2 Capital Works

	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref.
Property					
Land improvements	1,012	-	(1,012)	(100.0)	1
Total Land	1,012	-	(1,012)	(100.0)	
Buildings					
Buildings	10,162	3,348	(6,814)	(67.1)	2
Total Buildings	10,162	3,348	(6,814)	(67.1)	
Total Property	11,174	3,348	(7,826)	(70.0)	
Plant and Equipment					
Plant, machinery and equipment	1,187	1,333	146	12.3	3
Fixtures, fittings and furniture	3	-	(3)	-	
Total Plant and Equipment	1,190	1,333	143	12.0	
Infrastructure					
Roads	6,532	6,468	(64)	(1.0)	
Bridges	90	911	821	912.2	4
Footpaths and cycle ways	300	476	176	58.7	5
Drainage	1,360	1,532	172	12.6	6
Recreational, leisure and community facilities	692	210	(482)	(69.7)	7
Waste management	310	493	183	59.0	8
Parks, open space and streetscapes	60	-	(60)	(100.0)	9
Other infrastructure	580	1,065	485	83.6	10
Total Infrastructure	9,924	11,155	1,231	12.4	
Total Capital Works Expenditure	22,288	15,836	(6,452)	(28.9)	
Represented by:					
New asset expenditure	9,478	6,000	(3,478)	(36.7)	
Asset renewal expenditure	8,193	6,085	(2,108)	(25.7)	
Asset expansion expenditure	505	245	(260)	(51.5)	
Asset upgrade expenditure	4,112	3,506	(606)	(14.7)	
Total Capital Works Expenditure	22,288	15,836	(6,452)	(28.9)	

(i) Explanation of material variations

Variance Ref.	Item	Explanation
1	Land improvements	Land Development and Levee Bank renewal program deferred to 2020/21.
2	Buildings	Yarrowonga Sports Stadium (\$6.6m) and Tungamah Recreation Reserve (\$900k) not commenced due to lack of external funding, Yarrowonga Library (\$370k) still in design stage and on hold due to heritage application.
3	Plant, machinery and equipment	Purchase of mobile Visitor Information vehicle (\$170k) originally budgeted in financial year 2018/19.

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

Variance Ref.	Item	Explanation
4	Bridges	Works for Stewart Bridge Road bridges renewal works completed, originally budgeted in 2019/19.
5	Footpaths and cycle ways	Works for Gilmore Street Yarrowonga Footpath (\$160k), originally budget in 2018/19.
6	Drainage	Drainage on Anchorage Way Yarrowonga completed in 2019/20, \$150k funded in 2018/19 budget.
7	Recreational, leisure and community facilities	Barmah Boat Ramp (\$200k) deferred due to lack of external funding opportunities.
8	Waste Management	Cell 9 Cobram Landfill construction deferred until 2020/21.
9	Parks, open spaces and streetscapes	Tweddle Park Numurkah upgrade on hold due to planning rezoning of the land.
10	Other Infrastructure	Cobram Piazza and Federation Park redevelopment completed in 2019/20, originally budgeted in 2018/19.

Note 2.1 Analysis of Council results by program

2.1 (a) Council programs

Council delivers its functions and activities through the following programs.

Office of CEO

The Office of CEO provides leadership guidance to the business and Council and guides the development and delivery of Council's representation and advocacy efforts. The service includes Councillor entitlements.

Organisational Development

Organisational Development provides Council with strategic and operational organisational development support including occupational health and safety obligations. The service develops and implements strategies, policies and procedures through the provision of human resources and industrial relations services.

Customer and Communications

Customer and Communications is responsible for the management and provision of advice on external and internal communication, in consultation with relevant stakeholders on behalf of Council and is the main customer interface with the community and includes face-to-face and online customer service.

Governance and Risk

Governance and Risk ensures Council complies with the governance obligations under the Local Government Act and other legislation, it manages Council's enterprise risk and insurances, and oversees Council's contracting of procurement of goods and services. It is also responsible for the management and strategic planning for Council's buildings, land and property leases.

Finance and Revenue

Finance and Revenue provides financial based services to both internal and external customers including the management of Council's finances, payment of invoice payments to suppliers, salaries and wages to Council employees, raising and collection of rates and charges and valuation of properties throughout the municipality.

Information Services

Information Services provides, supports and maintains reliable and cost effective communications and computing systems, facilities and infrastructure to Council staff enabling them to deliver services in a smart, productive and efficient way. The service also manages all Council's records.

Community Development

Community Development is responsible for working with the community, stakeholders and partner agencies to develop long-term community plans that inform Council's land use planning, asset management, service delivery and investment decision-making across the Shire. Services include: sports and recreation; community health, safety and wellbeing; children, youth and families; and library services.

Economic Development

Economic Development supports the attraction, growth and innovation of existing and prospective businesses across the Shire. It also provides support to the business plans of local tourism associations, and plans for future tourism opportunities and infrastructure needs.

Sustainability

Sustainability provides waste collection services including kerbside garbage, recyclables and organic waste from households and some commercial properties within the Shire. It operates nine transfer stations and a landfill site, including monitoring to maintain environmental standards. It develops environmental policy, implements environmental projects, delivers educational programs to the Moira community and works with other agencies to improve environment sustainability and natural resource management.

Note 2.1 Analysis of Council results by program (cont.)

2.1 (a) Council programs (cont.)

Operations

Operations is responsible for maintaining existing infrastructure across a diverse range of assets that underpin the wellbeing of the community. These services include; roads; bridges; kerbs and channels; parks and gardens; streets and streetscapes; and civic buildings.

Construction and Assets

Construction and Assets is responsible for constructing new infrastructure across a diverse range of assets that underpin the wellbeing of the community. These services include: infrastructure planning; asset management; and capital works engineering design and management.

Building, Safety and Amenity

Building, Safety and Amenity provides statutory building services to the Moira Shire community including processing of building permits, emergency management responsibilities, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works. The service also provides a safe and orderly environment within the municipality through the regulation, control and enforcement of legislation and local laws. Services provided include school crossing supervisors, domestic animal management services and fire prevention enforcement program.

Planning

Planning processes all planning applications, provides advice and makes decisions about development proposals that require a planning permit, it also prepares and processes amendments to the Council Planning Scheme as well as preparing major policy documents shaping the future of the Shire.

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

Note 2.1 Analysis of Council results by program (cont.)

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

	Operating Income	Operating Expenses	Operating Surplus/ (Deficit)	Capital Expenses	Grants included in income	Total Assets
	\$'000	\$'000	\$'000		\$'000	\$'000
2020						
Office of CEO	-	2,118	(2,118)	-	-	-
Organisational Development	6	1,801	(1,795)	-	5	-
Customer and Communications	-	1,477	(1,477)	-	-	-
Finance and Revenue	44,611	14,492	30,119	-	7,267	52,450
Governance and Risk	364	1,334	(970)	-	-	-
Information Services	-	2,143	(2,143)	-	-	-
Community Development	725	5,756	(5,031)	-	519	-
Economic Development	1,057	2,762	(1,705)	-	976	-
Sustainability	9,345	6,759	2,586	-	95	-
Operations	4,422	15,857	(11,435)	-	4,148	-
Construction and Assets	10,878	2,847	8,031	15,836	8,914	584,726
Building, Safety and Amenity	837	1,891	(1,054)	-	86	-
Planning	664	774	(110)	-	-	-
	72,909	60,011	12,898	15,836	22,010	637,176
	Operating Income	Operating Expenses	Operating Surplus/ (Deficit)	Capital Expenses	Grants included in income	Total Assets
	\$'000	\$'000	\$'000		\$'000	\$'000
2019						
Office of CEO	1	1,951	(1,950)	-	-	-
Organisational Development	16	1,637	(1,621)	-	15	-
Commercial Services	480	1,174	(694)	-	-	-
Finance and Revenue	40,747	11,615	29,132	-	7,271	46,301
Governance and Communications	13	1,342	(1,329)	-	-	-
Information Services	-	2,651	(2,651)	-	-	-
Community Development	705	5,817	(5,112)	-	472	-
Economic Development	813	2,556	(1,743)	-	598	-
Environmental Services	124	832	(708)	-	-	-
Waste Management	11,114	7,258	3,856	-	2,204	-
Operations	4,345	14,077	(9,732)	-	4,032	-
Construction and Assets	4,890	2,557	2,333	14,941	2,896	586,968
Building, Safety and Amenity	827	1,921	(1,094)	-	51	-
Planning	597	897	(300)	-	-	-
	64,672	56,285	8,387	14,941	17,539	633,269

In 2019/20 changes to reporting structures resulted in the following changes to programs: Commercial Services and part of Governance were combined to form Governance and Risk; the remaining part of Governance and Communications was renamed Customer and Communications; and Environmental Services and Waste Management were combined to form Sustainability.

The operating surplus in Finance and Revenue of \$30.19 million includes income from General Rates and Municipal Levy. The operating surplus in Construction and Assets of \$8.03 million includes capital grant income received for acquisition or construction of Property, infrastructure, plant and equipment assets.

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

Note 3 Funding for the delivery of our services

3.1 Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its value of land and all its improvements.

The valuation base used to calculate general rates for 2019/20 was \$6,413 million (2018/19 - \$6,070 million).

	2020	2019
	\$'000	\$'000
General rates	24,120	23,231
Municipal charge	5,685	5,501
Environmental levy	1,959	1,943
Waste management charges	5,657	5,551
Supplementary rates and rate adjustments	383	179
Interest on rates and charges	190	150
Revenue in lieu of rates	180	-
Total rates and charges	38,174	36,555

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2020, and the valuation will be applied in the rating year commencing 1 July 2020.

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

Revenue in lieu of rates includes payments made by Renewable Energy Generators (i.e. Solar Farms).

3.2 Statutory fees and fines

Town planning fees	509	519
Building services fees	500	497
Land information certificates	44	40
Permits	34	38
Business registration fees	133	144
Animal registration fees and fines	198	206
Other statutory fees and fines	50	67
Total statutory fees and fines	1,468	1,511

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.

3.3 User fees

Leisure centre and recreation	26	26
Waste management services	1,286	1,327
Rent and other property income	120	128
Public hall and park hire fees	207	281
Sundry works and works within road reserve fees	75	166
Caravan park charges	207	268
Other user fees and charges	58	53
Total user fees	1,979	2,249

User fees by timing of revenue recognition

User fees recognised over time	560	703
User fees recognised at a point in time	1,419	1,546
Total user fees	1,979	2,249

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

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

3.4 Funding from other levels of government

Grants were received in respect of the following:

	2020	2019
	\$'000	\$'000
Summary of Grants		
Commonwealth funded grants	16,659	12,913
State funded grants	5,349	4,626
Total grants received	22,008	17,539
(a) Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grants*	11,283	11,234
<i>Recurrent - State Government</i>		
Community health	51	53
Community safety	30	56
Economic development and tourism	976	598
Maternal and child health	345	336
Recreation	27	29
Roadside weeds and pest management	75	68
School crossing supervisors	56	24
Other	5	15
Total recurrent operating grants	12,848	12,413
<i>Non-recurrent - Commonwealth Government</i>		
Disaster recovery	131	-
<i>Non-recurrent - State Government</i>		
Environmental planning	59	-
Waste management**	-	2,204
Community safety	89	26
Maternal and child health	4	-
Recreation	3	-
Total non-recurrent operating grants	286	2,230
Total operating grants	13,134	14,643

*Council received 50% of the 2019/20 and 2020/21 Commonwealth Financial Assistance Grants prior to the end of the prior financial year, these are general purpose grants and were recognised when received. There are no AASB 15 or AASB 1068 implications.

**2018/19 Waste management included one-off grant to remove abandoned tyre stockpile in Numurkah, which fully funded all expenditure.

(b) Capital Grants

<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	2,545	1,679
Total recurrent capital grants	2,545	1,679
<i>Non-recurrent - Commonwealth Government</i>		
Recreation, leisure and community facilities	2,700	-
<i>Non-recurrent - State Government</i>		
Buildings	7	128
Recreation, leisure and community facilities	1,318	15
Roads	812	920
Parks, open space and streetscapes	600	-
Bridges	500	139
Drainage	-	15
Waste management	394	-
Total non-recurrent capital grants	6,331	1,217
Total capital grants	8,876	2,896

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

3.4 Funding from other levels of government (cont.)	2020	2019
	\$'000	\$'000
3.4 (c) Unspent grants received on condition that they be spent in a specific manner		
<i>Operating</i>		
Balance at start of year	988	179
Received during the financial year and remained unspent at balance date	782	975
Received in prior years and spent during the financial year	<u>(857)</u>	<u>(166)</u>
Balance at year end	<u>913</u>	<u>988</u>
<i>Capital</i>		
Balance at start of year	3,689	241
Received during the financial year and remained unspent at balance date	1,129	3,670
Received in prior years and spent during the financial year	<u>(2,926)</u>	<u>(222)</u>
Balance at year end	<u>1,892</u>	<u>3,689</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	315	489
Non-monetary	5,213	2,411
Total contributions	<u>5,528</u>	<u>2,900</u>
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>		
Land	-	4
Roads	1,736	1,199
Drainage	2,802	909
Footpaths and cycleways	<u>675</u>	<u>299</u>
Total non-monetary contributions	<u>5,213</u>	<u>2,411</u>

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

3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	437	1,016
Written down value of assets disposed	<u>(353)</u>	<u>(773)</u>
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>84</u>	<u>243</u>

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

3.7 Other income		
Interest on investments	593	858
Reimbursements and subsidies	86	111
Legal costs recouped	77	75
Energy rebate scheme income	97	81
Sale of recyclables income	129	80
Revaluation of intangible asset (water shares)	518	510
Visitor Information Centre income	13	19
Recognition of assets under Council control	1,773	1,594
Water trading income	16	97
Property valuation costs recouped	-	142
Volunteer services	293	-
Other income	<u>46</u>	<u>108</u>
Total other income	<u>3,641</u>	<u>3,675</u>

Interest is recognised as it is earned. Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income. Volunteer services is included under AASB 1058 to recognise value of services provided by volunteers to Council.

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

Note 4 The cost of delivering services	2020	2019
	\$'000	\$'000
4.1 (a) Employee costs		
Wages and salaries	17,389	17,367
Apprentices and trainees	525	420
External contract employees	99	51
Superannuation	1,660	1,608
WorkCover	254	282
Fringe benefits tax	119	192
Other employee costs	311	364
Total employee costs	20,357	20,284
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	-	1
Total	-	1
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,144	1,129
Employer contributions - other funds	516	478
Total	1,660	1,607
Employer contributions payable at reporting date.	81	62
Refer to note 9.3 for further information relating to Council's superannuation obligations.		
4.2 Materials and services		
Building and facilities management	1,227	992
Community health and safety	835	532
Community services and events	382	540
Council contributions, donations and grants	909	947
Economic development and tourism	4,246	1,408
Engineering design and management	468	323
Environmental management	637	446
Finance and administration	1,086	1,271
Natural disaster recovery	-	24
Governance	471	502
Information technology	1,307	1,723
Infrastructure and asset management	661	512
Insurance	617	506
Library services	825	784
Parks and gardens	997	1,044
Planning and building services	166	394
Plant and fleet management	1,587	2,519
Pools and recreation	916	815
Roads, footpaths and drainage	4,146	4,412
Waste management	4,151	5,801
Total materials and services	25,634	25,495

The increase in Economic development and tourism represents costs of \$2.7 million for the Yarrawonga Tourism Trail, this was funded by a one-off grant from the Commonwealth Government auspiced by Council on behalf of the developer and GM Water. The corresponding income is shown in Note 3.4.

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

	2020	2019
	\$'000	\$'000
4.3 Depreciation		
Property	1,785	2,743
Plant and equipment	747	675
Infrastructure	9,650	6,035
Total depreciation	12,182	9,453
Refer to note 6.1 for a more detailed breakdown of depreciation charges and accounting policy.		
4.4 Amortisation - Right of use assets		
Plant	42	-
IT equipment	628	-
Total Amortisation - Right of use assets	670	-
4.5 Bad and doubtful debts		
Sundry debtors	-	2
Infringement debtors	37	140
Total bad and doubtful debts	37	142
Movement in provisions for doubtful debts		
Balance at the beginning of the year	25	60
New Provisions recognised during the year	46	25
Amounts already provided for and written off as uncollectible	-	(60)
Balance at end of year	71	25
Provision for doubtful debt is recognised based on an expected loss model. This model considers both historic and forward looking information in determining the level of impairment.		
4.6 Borrowing costs		
Interest - borrowings	151	234
Total borrowing costs	151	234
Borrowing costs are recognised as an expense in the period in which they are incurred.		
4.7 Finance Costs - Leases		
Interest - lease liabilities	111	-
Total finance costs	111	-
4.8 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	52	53
Auditors' remuneration - Internal audit program	44	31
Councillors' allowances	319	310
Interest on unwinding of discount on provisions	100	148
Refunds of rates	14	26
Volunteer services	293	-
Other expenses	35	56
Total other expenses	857	624

Volunteer services is included under AASB 1058 to recognise cost of services provided by volunteers to Council, these would normally be incurred by Council if not performed by volunteers, the expenditure matches the income received in Other income.

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

Note 5 Our financial position	2020 \$'000	2019 \$'000
5.1 Financial Assets		
(a) Cash and cash equivalents		
Cash on hand	8	8
Cash at bank	3,967	2,101
Cash at call	5,000	5,000
Term deposits	-	2,500
Total cash and cash equivalents	8,975	9,609
(b) Other financial assets		
Term deposits - current	31,000	27,000
Total financial assets	39,975	36,609
Councils 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)	2,471	1,318
Total restricted funds	2,471	1,318
Total unrestricted cash and cash equivalents	6,504	8,291
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Unspent conditional grants received (Note 3.4(c))	913	4,677
- Cash held in other reserves (Note 9.1(b))	20,920	14,438
Total funds subject to intended allocations	21,833	19,115
Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.		
Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.		
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	3,418	2,405
Fire services levy debtors	371	250
Special rate debtors	2	3
Infringement debtors	77	60
Provision for doubtful debts - infringement debtors	(71)	(25)
<i>Non-statutory receivables</i>		
Other debtors	775	1,260
Net GST receivable	-	333
Total current trade and other receivables	4,572	4,286
Total trade and other receivables	4,572	4,286

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.

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

5.1 Financial Assets (cont.)

(d) Ageing of Receivables	2020	2019
The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:	\$'000	\$'000
Current (not yet due)	646	1,156
Past due by up to 30 days	104	96
Past due between 31 and 180 days	25	8
Total trade & other receivables	775	1,260

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$Nil (2018/19: Nil) was impaired. The amount of the provision raised against this debtor is \$Nil (2018/19: Nil).

5.2 Non-financial assets

(a) Inventories

Inventories held for distribution	981	936
Inventories held for sale	-	8
Total inventories	981	944

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

(b) Other assets

Prepayments	200	148
Accrued income	188	389
Section 86 Committee of Management	364	309
Total other assets	752	846

(c) Intangible assets

Water share entitlements	3,041	2,523
Total intangible assets	3,041	2,523

	Water share entitlements
Gross carrying amount	\$'000
Balance at 1 July 2019	2,523
Fair value adjustment	518
Balance at 30 June 2020	3,041

A water share entitlement is an ongoing entitlement to a share of the water available in the Goulburn and Murray water systems. It gives Moira Shire a right to share of water in the dams. Moira Shire's water entitlements were valued as at 30 June 2020 by Wes Ridd (API Member 62427) of Preston Rowe Paterson Shepparton.

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

	2020	2019
	\$'000	\$'000
5.3 Payables		
(a) Trade and other payables		
Trade payables	1,065	109
Accrued expenses	1,445	1,770
Total trade and other payables	2,510	1,879
(b) Trust funds and deposits		
Refundable deposits	1,119	731
Fire services levy	1,171	494
Retention amounts	181	93
Total trust funds and deposits	2,471	1,318
(c) Unearned income*		
Grants received in advance - operating	895	946
Grants received in advance - capital	1,892	3,670
Rates creditors	938	-
Total unearned income	3,725	4,616

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

* Grants received in advance is monies received under *AASB 15 Revenue from Contracts with Customers* where the income is to be recognised as Council satisfies the performance obligations under the contract. Rates creditors is monies received under *AASB 1058 Income of Not-for-Profit Entities* and represents rate accounts with credit balances and will be recognised when 2020/21 rates assessments are charged, rates system changes in 2019/20 have allowed these to be accounted for separately.

Purpose and nature of items

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

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

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

5.4 Interest bearing liabilities

Current

Borrowings - secured	618	988
	618	988

Non-current

Borrowings - secured	882	1,461
	882	1,461

Total Interest bearing liabilities	1,500	2,449
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Borrowings are secured by a lien on Council rate revenue.

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

Not later than one year	618	988
Later than one year and not later than five years	882	1,461
	1,500	2,449

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

5.4 Interest bearing liabilities (cont.)

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

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

5.5 Provisions

2020	Employee	Landfill restoration	Total
	\$'000	\$'000	\$'000
Balance at beginning of the financial year	4,319	11,440	15,759
Additional provisions	(142)	121	(21)
Amounts used	(217)	(12)	(229)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	100	100
Balance at the end of the financial year	3,960	11,649	15,609

2019	Employee	Landfill restoration	Total
	\$'000	\$'000	\$'000
Balance at beginning of the financial year	4,545	11,188	15,733
Additional provisions	294	106	400
Amounts used	(521)	(2)	(523)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	148	148
Balance at the end of the financial year	4,319	11,440	15,759

	2020	2019
	\$'000	\$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,118	1,274
Annual leave loading	118	114
Rostered days off	146	161
Long service leave	2,289	2,312
	3,671	3,861
Current provisions expected to be wholly settled after 12 months		
Annual leave	22	110
	22	110
Total current employee provisions	3,693	3,971

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

	2020	2019
	\$'000	\$'000
5.5 Provisions (cont.)		
(a) Employee provisions (cont.)		
Non-current		
Long service leave	267	348
Total non-current employee provisions	267	348
Aggregate carrying amount of employee provisions:		
Current	3,693	3,971
Non-current	267	348
Total aggregate carrying amount of employee provisions	3,960	4,319

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

Wages and salaries and annual leave

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

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non - current liability.

Key assumptions:	2020	2019
- discount rate	0.872	1.324
- wage inflation rate	4.250	4.313

(b) Landfill restoration

Current	17	20
Non-current	11,632	11,420
Total aggregate carrying amount of landfill restoration provision	11,649	11,440

Council is obligated to restore Cobram 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	0.872	1.324
- inflation rate	4.250	4.313

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

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2020.

	2020	2019
	\$'000	\$'000
Credit card facilities	135	126
Fixed rate loan facilities	1,500	2,450
Total facilities	1,635	2,576
Used facilities	1,524	2,474
Unused facilities	111	102

Council does not have an overdraft facility.

5.7 Commitments

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

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Garbage, recycling and organic waste collection and landfill management	3,023	2,491	6,070	-	11,584
Computers and telecommunications	816	735	2,017	81	3,649
Maintenance and security of Council buildings	298	101	305	-	704
Cleaning of Council buildings	257	258	258	-	773
Environmental management	751	421	1,213	792	3,177
Recreation facilities management	856	857	2,577	1,721	6,011
Other services	300	242	155	-	697
Total	6,301	5,105	12,595	2,594	26,595
Capital					
Building design and construction	1,365	-	-	-	1,365
Roads	4,950	605	648	-	6,203
Plant and equipment	982	-	-	-	982
Total	7,297	605	648	-	8,550

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

5.7 Commitments (cont.)

2019	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Garbage, recycling and organic waste collection and landfill management	2,865	2,538	6,447	1,061	12,911
Computers and telecommunications	759	655	1,775	159	3,348
Maintenance and security of Council buildings	165	73	-	-	238
Cleaning of Council buildings	178	-	-	-	178
Environmental management	653	654	1,214	1,171	3,692
Recreation facilities management	836	850	2,551	2,551	6,788
Other services	385	86	131	-	602
Total	5,841	4,856	12,118	4,942	27,757
Capital					
Building design and construction	2,373	-	-	-	2,373
Roads	4,033	2,309	-	-	6,342
Plant and equipment	546	-	-	-	546
Total	6,952	2,309	-	-	9,261

5.8 Leases

Policy applicable before 1 July 2019

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

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

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

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

Policy applicable after 1 July 2019

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

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

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

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

5.8 Leases (cont.)

- 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.

Right-of-Use Assets	Plant	IT Equipment	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2019	1,839	100	1,939
Additions	754	-	754
Amortisation charge	(628)	(42)	(670)
Balance at 30 June 2020	1,965	58	2,023

Lease Liabilities	2020
	\$'000
Maturity analysis - contractual undiscounted cash flows	\$'000
Less than one year	769
One to five years	1,334
More than five years	179
Total undiscounted lease liabilities as at 30 June 2020:	2,282

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

5.8 Leases (cont.)	2020 \$'000
Lease liabilities included in the Balance Sheet at 30 June 2020:	
Current	676
Non-current	1,390
Total lease liabilities	2,066

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of equipment that have a lease term of 12 months or less (including leases ending within 12 months of 1 July 2019) and leases of low-value assets (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.

Expenses relating to:

Short-term leases	279
Leases of low value assets	209
Total	488
Variable lease payments (not included in measurement of lease liabilities)	-

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	107
Later than one year but not later than five years	40
Total lease commitments	147

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
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

ii. Leases previously classified as finance leases

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

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

Impact on financial statements

On transition to *AASB 16 Leases*, Council recognised an additional \$1,939,130 of right-of-use assets and \$1,939,130 of lease liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, Council discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 5.39%.

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

5.8 Leases (cont.)

Impact on financial statements (cont.)

	2020
	\$'000
Operating lease commitment at 30 June 2019 as disclosed in Council's financial statements	2,313
Additional lease commitments not previously reported	80
Discounted using the incremental borrowing rate at 1 July 2019	(111)
Finance lease liability recognised as at 1 July 2019	<u>2,282</u>
- Recognition exemption for:	
- short-term leases	287
- leases of low-value assets	211
Lease liabilities recognised as at 1 July 2019	<u>498</u>

**Notes to the 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	Additions	Contributions	Found	Revaluation	Disposal	Write-offs	Transfers*	Depreciation	At Fair Value 30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	213,338	3,229	-	-	(8,903)	(207)	-	(26,361)	(1,785)	179,311
Plant and Equipment	4,117	1,333	-	-	-	(146)	-	-	(747)	4,557
Infrastructure	365,150	8,712	5,213	1,777	(1,948)	-	-	27,940	(9,650)	397,194
Work in progress	4,363	2,563	-	-	-	-	(1,683)	(1,579)	-	3,664
Total	586,968	15,837	5,213	1,777	(10,851)	(353)	(1,683)	-	(12,182)	584,726

* Large movements in Transfers due reclassification of some assets in the Asset Register to better align assets with the correct asset class, this has moved assets from Land Improvements to Waste Management, Aerodromes, Recreational Leisure and Community Facilities and Other Infrastructure.

Summary of Work in Progress

	Opening WIP 1 July 2019	Additions	Transfers	Write Offs	Closing WIP 30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	1,894	80	(351)	(16)	1,607
Infrastructure	2,469	2,483	(1,228)	(1,667)	2,057
Total	4,363	2,563	(1,579)	(1,683)	3,664

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

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

(a) Property

	Land - specialised \$'000	Land - non specialised \$'000	Land improvements \$'000	Total Land \$'000	Buildings - non specialised \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 2019	5,923	93,839	47,763	147,525	146,493	146,493	1,894	295,912
Accumulated depreciation at 1 July 2019	-	-	(21,004)	(21,004)	(59,676)	(59,676)	-	(80,680)
	5,923	93,839	26,759	126,521	86,817	86,817	1,894	215,232
Movements in fair value								
Additions	-	-	-	-	3,229	3,229	80	3,309
Revaluation	3	(2,631)	-	(2,628)	2,722	2,722	-	94
Disposal	-	(207)	-	(207)	-	-	-	(207)
Write-offs	-	-	-	-	-	-	(16)	(16)
Transfers	-	-	(47,693)	(47,693)	365	365	(351)	(47,679)
	3	(2,838)	(47,693)	(50,528)	6,316	6,316	(287)	(44,499)
Movements in accumulated depreciation								
Depreciation charge	-	-	(3)	(3)	(1,782)	(1,782)	-	(1,785)
Revaluation	-	-	-	-	(8,997)	(8,997)	-	(8,997)
Transfers	-	-	20,967	20,967	-	-	-	20,967
	-	-	20,964	20,964	(10,779)	(10,779)	-	10,185
At fair value 30 June 2020	5,926	91,001	70	96,997	152,809	152,809	1,607	251,413
Accumulated depreciation at 30 June 2020	-	-	(40)	(40)	(70,455)	(70,455)	-	(70,495)
	5,926	91,001	30	96,957	82,354	82,354	1,607	180,918

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

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

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and Telecom- munications	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	5,608	233	298	6,139
Accumulated depreciation at 1 July 2019	(1,852)	(90)	(80)	(2,022)
	3,756	143	218	4,117
Movements in fair value				
Additions	1,333	-	-	1,333
Disposal	(290)	(10)	(77)	(377)
Transfers	-	(72)	72	-
	1,043	(82)	(5)	956
Movements in accumulated depreciation				
Depreciation charge	(684)	(14)	(49)	(747)
Disposal	148	6	77	231
	(536)	25	(5)	(516)
At fair value 30 June 2020	6,651	151	293	7,095
Accumulated depreciation at 30 June 2020	(2,388)	(65)	(85)	(2,538)
	4,263	86	208	4,557

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

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

(c) Infrastructure

	Roads	Bridges	Footpaths and cycle ways	Drainage	Recreational, leisure and community facilities	Waste Management	Aerodromes	Other infrastructure	Total Infrastructure (excl. WIP)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	363,633	30,495	19,278	74,306	2,565	-	-	-	490,277
Accumulated depreciation at 1 July 2019	(89,006)	(10,515)	(2,998)	(22,370)	(237)	-	-	-	(125,126)
	274,627	19,980	16,280	51,936	2,328	-	-	-	365,151
Movements in fair value									
Additions	4,549	897	476	1,136	202	487	-	965	8,712
Contributions	1,736	-	675	2,802	-	-	-	-	5,213
Found	4	-	-	1,773	-	-	-	-	1,777
Revaluation	(30,122)	(1,349)	10,383	(5,899)	(22)	-	-	10	(26,999)
Transfers	335	555	-	8	13,997	19,520	364	14,127	48,906
	(23,498)	103	11,534	(180)	14,177	20,007	364	15,102	37,609
Movements in accumulated depreciation									
Depreciation charge	(6,674)	(226)	(882)	(836)	(583)	(243)	(11)	(195)	(9,650)
Revaluation	26,485	960	(2,502)	101	7	-	-	-	25,051
Transfers	-	-	-	-	(5,450)	(10,351)	(124)	(5,042)	(20,967)
	19,811	734	(3,384)	(735)	(6,026)	(10,594)	(135)	(5,237)	(5,566)
At fair value 30 June 2020	340,135	30,598	30,812	74,126	16,742	20,007	364	15,102	527,886
Accumulated depreciation at 30 June 2020	(69,195)	(9,781)	(6,382)	(23,105)	(6,263)	(10,594)	(135)	(5,237)	(130,692)
	270,940	20,817	24,430	51,021	10,479	9,413	229	9,865	397,194

*Waste Management asset category includes landfill assets (which are subject to rehabilitation) with a written down value of \$5.3m.

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

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

(c) Infrastructure (cont.)

	Work In Progress \$'000	Total Infrastructure \$'000
At fair value 1 July 2019	2,469	492,746
Accumulated depreciation at 1 July 2019	-	(125,126)
	<u>2,469</u>	<u>367,620</u>
Movements in fair value		
Additions	2,483	11,195
Contributions	-	5,213
Found	-	1,777
Revaluation	-	(26,999)
Write-offs	(1,667)	(1,667)
Transfers	(1,228)	47,678
	<u>(412)</u>	<u>37,197</u>
Movements in accumulated depreciation		
Depreciation charge	-	(9,650)
Revaluation	-	25,051
Transfers	-	(20,967)
	<u>-</u>	<u>(5,566)</u>
At fair value 30 June 2020	2,057	529,943
Accumulated depreciation at 30 June 2020	-	(130,692)
	<u>2,057</u>	<u>399,251</u>

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

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

Acquisition

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

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

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

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
Property		
Land		
- Land	-	10.0
- Land under roads	-	2.0
Land improvements	10 to 100 years	5.0
Buildings	65 to 90 years	5.0
Plant and Equipment		
Plant, machinery and equipment	7 years	2.5
Fixtures, fittings and furniture	7 to 25 years	2.0
Infrastructure		
Sealed roads		
- road seals	19 years	5.0
- road pavement	25 to 80 years	5.0
Unsealed roads		
- road pavement	15 to 25 years	5.0
Laneways		
- concrete	100 years	5.0
- bitumen	18 years	5.0
Bridges		
- timber	80 years	5.0
- steel and concrete	150 years	5.0
Footpaths and cycleways		
- concrete	60 years	5.0
- gravel	20 years	5.0
- bitumen	30 years	5.0
- brick	40 years	5.0
Drainage		
- main drains	50 to 100 years	5.0
- culverts and floodways	100 years	5.0
- pumps	30 years	5.0

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

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

Asset recognition thresholds and depreciation periods (cont.)

	Depreciation Period	Threshold Limit \$'000
Kerb and channel		
- <i>kerb and channel</i>	75 years	5.0
- <i>traffic islands</i>	50 years	5.0
Recreational, leisure and community facilities		
- <i>playground equipment</i>	20 years	2.0
Parks, open space and streetscapes		
- <i>parks and gardens</i>	10 to 100 years	5.0
Aerodromes	10 to 100 years	2.0
Waste Management	10 to 100 years	5.0
Other infrastructure assets	10 to 100 years	5.0

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation

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

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

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

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 prior year unless otherwise stated.

Repairs and maintenance

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

Valuation of Property, Infrastructure, Plant and Equipment

No significant judgements made in connection with the measurement basis of property, plant and equipment and infrastructure had uncertainties inherent in the COVID-19 environment.

Valuation of land and buildings

Land assets were valued by LG Valuation Services Pty Ltd as at 30 June 2020. The valuation of land is at fair value being market value based on highest and best use permitted by relevant land planning provisions. The valuation process involved an inspection of each asset to identify and value each property's fair value. Valuation of land assets is due again in 2021/22.

Land under Roads were valued as at 30 June 2020 by Mr David Bishop, Team Leader - Assets, in accordance with the "Englobo Method" of calculation provided in the Department of Planning and Community Development Circular 15/11. The Englobo Method of valuation of land under roads is a calculation based on the area of the unimproved value of all land within the municipality discounted by 90% multiplied by the area of land under roads. The value of land under roads will be re-calculated every year.

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

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

Valuation of land and buildings (cont.)

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.

Buildings were valued as at 30 June 2020 by LG Valuation Services in accordance with AASB 13 and AASB 116 as a component of the valuation works to be provided under Moira Shire Council contract C038/16. The valuation of land and buildings is based on the condition of the assets, multiply sqm by the replacement rate taking into consideration the asset effective life and depreciation. Buildings will be re-valued again in 2021/22.

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	DoV
Land - specialised	-	-	5,926	06/2020
Land - non specialised	-	59,419	31,582	06/2020
Land improvements	-	-	30	06/2020
Buildings - non specialised	-	-	82,354	06/2020
Total	-	59,419	119,892	

Valuation of infrastructure

Roads were valued as at 30 June 2020 based on a condition assessment conducted by Shepherd Services and Council's engineering staff. A unit rate and effective life review conducted by a team of in-house professional staff, under the direction of Mr Graham Henderson, Manager Construction and Assets. The basis of the valuation was depreciated replacement cost. Roads will be revalued again in 2022/23.

Kerb and Channel were valued as at 30 June 2020 based on a condition assessment conducted by Shepherd Services and by Council's qualified engineering staff. A unit rate and effective life review conducted by a team of in-house professional staff, under the direction of Mr Graham Henderson, Manager Construction and Assets. The valuation is at fair value based on replacement costs less accumulated depreciation as at the date of valuation and is due again in 2022/23.

Bridges were valued as at 30 June 2017 by Council's asset management staff under the supervision and direction of Mr Mark Foord, Manager Strategic Projects of Moira Shire Council. Valuation was based on condition assessment conducted by Mr Len Soule, Assets Technical Officer and Mr Rick Devlin, Manager Operations who both hold a Level 2 Bridge Inspection Certificate. Valuation is a fair value based on replacement cost less accumulated depreciation and is due next in 2020/21.

Footpaths were valued as at 30 June 2020 based on a condition assessment conducted by Shepherd Services and by Council's qualified engineering staff. A unit rate and effective life review was conducted by a team of in-house professional staff, under the direction of Mr Graham Henderson, Manager Construction and Assets. The valuation is at fair value based on replacement costs less accumulated depreciation as at the date of valuation and is due again in 2022/23.

Drainage assets were valued as at 30 June 2019 by Council's qualified engineering staff. The valuation is at fair value based on replacement costs less accumulated depreciation as at the date of valuation and is due again in 2021/22.

Culverts and Floodways were last valued as at 30 June 2019 by Council's qualified engineering staff. The valuation was at fair value based on replacement cost less accumulated depreciation as at the date of valuation and is due again in 2021/22.

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

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

Recreational, leisure and community facilities (playground equipment) were valued as at 30 June 2018 by asset management staff following the condition assessment inspections carried out by CCEP Consulting Coordination, experienced consultants in this field. The basis of the valuation was based on the condition of the assets, multiplied by the replacement rate taking into consideration the asset's effective life and depreciation.

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

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	DoV
Roads	-	-	270,940	06/2020
Bridges	-	-	20,817	06/2017
Footpaths and cycle ways	-	-	24,430	06/2020
Drainage	-	-	51,021	06/2019
Recreational, leisure and community facilities	-	-	10,479	06/2018
Waste Management	-	-	9,413	06/2017
Aerodrome	-	-	229	06/2017
Other Infrastructure	-	-	9,865	06/2017
Total	-	-	397,194	

Description of significant unobservable inputs into level 3 valuations.

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1 and \$4,400 per square metre.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 2 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2020 \$'000	2019 \$'000
Reconciliation of specialised land		
Land under roads	5,926	5,923
Total specialised land	5,926	5,923

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

6.2 Investments in associates and joint arrangements

(a) 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.

(b) Investments in associates

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

	2020	2019
	\$'000	\$'000
Investments in associates accounted for by the equity method are:		
Goulburn Valley Regional Library Corporation	680	655
Total investments in associates	680	655

Goulburn Valley Regional Library Corporation

Background

Goulburn Valley Regional Library Corporation operates a regional library. Its ownership is shared between Moira Shire Council, Greater Shepparton City Council and Strathbogje Shire Council. Moira Shire Council has a stakeholding of 28.77%.

Fair value of Council's investment in Goulburn Valley Regional Library Corporation	680	655
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Council's share of accumulated surplus/(deficit)

Council's share of accumulated surplus/(deficit) at start of year	(184)	(131)
Prior year reported surplus/(deficit) adjustment	25	-
Reported surplus/(deficit) for year	-	(53)
Council's share of accumulated surplus/(deficit) at end of year	(159)	(184)

Council's share of reserves

Council's share of reserves at start of year	839	839
Council's share of reserves at end of year	839	839

Movement in carrying value of specific investment

Carrying value of investment at start of year	655	708
Prior year reported surplus/(deficit) adjustment	25	-
Share of surplus/(deficit) for year	-	(53)
Carrying value of investment at end of year	680	655

Council' share of expenditure commitments

Operating commitments	40	100
Council share of expenditure commitments	40	100

The accounts for Goulburn Valley Regional Library Corporation are audited on an annual basis by the Victorian Auditor Generals Office, at the time of certification this had not been completed, as a result these accounts are included as unaudited.

(c) Joint Arrangements

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

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

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

6.2 Investments in associates and joint arrangements (cont.)

(c) Joint Arrangements (cont.)

Creekside Estate Nathalia - Joint Venture

Background

This is a joint venture between Moira Shire Council and Northern Victoria Finances Limited to develop land in Nathalia into a 23 lot residential estate. Moira Shire Council has a 50% share of the joint venture.

	2020	2019
	\$'000	\$'000
Fair value of Council's investment in Creekside Estate Nathalia - Joint Venture	426	438
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	(52)	(52)
Reported surplus(deficit) for year	(12)	-
Council's share of accumulated surplus(deficit) at end of year	(64)	(52)
Movement in carrying value of specific investment		
Carrying value of investment at start of year	438	220
Investment contributions	-	218
Share of surplus(deficit) for year	(12)	-
Carrying value of investment at end of year	426	438

The accounts for Creekside Estate Nathalia - Joint Venture are submitted as unaudited.

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

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Moira Shire Council is the parent entity.

Associates and joint arrangements

Details of Council's investments in associates and joint arrangements are disclosed in Note 6.2.

(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 Libro Mustica (Mayor 1 July 2019 - 30 June 2020)
Councillor John Beitzel
Councillor Kevin Bourke
Councillor Wendy Buck
Councillor Gary Cleveland
Councillor Ed Cox
Councillor Peter Lawless
Councillor Peter Mansfield
Councillor Marie Martin
Chief Executive Officer
General Manager - Community
General Manager - Corporate
General Manager - Infrastructure

	2020	2019
	No.	No.
Total Number of Councillors	9	9
Chief Executive Officer and other Key Management Personnel	4	4
Total Key Management Personnel	13	13

(c) Remuneration of Key Management Personnel

	2020	2019
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,128	1,130
Post-employment benefits	97	96
Other Long-term benefits	19	(7)
Total	1,244	1,219

Variance in other long term-benefits due to correction of payroll system errors.

The numbers of key management personnel whose total remuneration from Council fall within the following bands:

	2020	2019
	No.	No.
\$20,000 - \$29,999	2	3
\$30,000 - \$39,999	6	5
\$80,000 - \$89,999	1	1
\$190,000 - \$199,999	1	2
\$200,000 - \$209,999	2	1
\$270,000 - \$279,999	-	1
\$300,000 - \$309,999	1	-
	13	13

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

7.1 Council and key management remuneration (cont.)

(d) Senior Officer Remuneration

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

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

The number of Senior Officers are shown below in their relevant income bands:	2020	2019
Income Range:	No.	No.
Less than \$151,000	-	1
\$151,001 - \$159,999	4	4
\$160,000 - \$169,999	2	-
\$180,000 - \$189,999	1	1
	<u>7</u>	<u>6</u>
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	1,126	951

7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties.	2020	2019
	\$'000	\$'000
(i) Fees and charges charged to entities controlled by key management personnel	42	31
(ii) Employee expenses for close family members of key management personnel	151	143
(iii) Purchase of materials and services from associates of key management personnel	1	1
(iv) Purchase of materials and services from entities controlled by key management personnel	35	14

(i) The fees and charges charged to associates and entities controlled by key management personnel were in accordance with the schedule of fees and charges adopted by Council.

(ii) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. Council employs 240 staff of which only two are close family members of key management personnel.

(iii) Council purchased the following material and services from associates of key management personnel. All purchases were at arm's length and were in the normal course of Council operations:

- (1) Sand and gravel supplies

As at 30 June 2020 there were no amounts owed by Council to the company.

(iv) Council purchased the following material and services from entities that are controlled by members of key management personnel. All purchases were at arm's length and were in the normal course of Council operations:

- (1) Plumber's and general supplies

As at 30 June 2020 there were no amounts owed by Council to the company.

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions	2020	2019
	\$'000	\$'000
(i) Fees and charges charged to entities controlled by key management personnel	7	2
(ii) Employee expenses for close family members of key management personnel	4	6

No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

(c) Loans to/from related parties

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

(d) Commitments to/from related parties

Council has no outstanding commitments to/from other related parties.

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

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent assets

Developer contributions expected to be received in respect of property subdivisions currently under development total \$200,000 (2019/20 \$5,213,000).

(b) Contingent liabilities

Bank guarantees

Council has a bank guarantee of \$697,500 (2019/20 \$697,500).

Superannuation

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

Future superannuation contributions

In addition to the contributions disclosed in Note 4.1, Moira Shire has not paid any unfunded liability payments to Vision Super during the 2019/20 year (2018/19 \$Nil). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2020. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 is \$Nil.

Liability Mutual Insurance

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

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

8.2 Change in accounting standards

The following new accounting standards 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.

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

8.2 Change in accounting standards (cont.)

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

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

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

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

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

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

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk / 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 not been sufficiently significant during the year to have an impact on the Council's year end result.

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

8.3 Financial instruments (cont.)

(c) Credit risk

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

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

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

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

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

The maximum exposure to credit risk at the reporting date to 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.

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1.0 % and -1.0 % in market interest rates (AUD) from year-end rates of 0.25%.

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

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

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

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

Revaluation

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

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

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

Impairment of assets

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

COVID-19 had no impact on factors used to generate future cash flows.

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

8.5 Events occurring after balance date

The spread of the global pandemic, Coronavirus (COVID-19) has resulted in the Australian Government introducing a range of measures aimed at mitigating the spread of the virus within the community. COVID-19 presents some strategic, operational and commercial uncertainties for Council. These measures and the economic uncertainty surrounding them have continued past 30 June 2020.

No matters other than stated above have occurred after balance date that require disclosure in the financial report

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

Note 9 Other matters

9.1 Reserves

(a) Asset revaluation reserves

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
2020			
Property			
Land	47,714	(2,631)	45,083
Land under Roads	-	3	3
Land Improvements	13,731	-	13,731
Buildings	64,820	(6,275)	58,545
	<u>126,265</u>	<u>(8,903)</u>	<u>117,362</u>
Infrastructure			
Roads	191,909	(3,637)	188,272
Bridges	16,629	(389)	16,240
Footpaths and cycleways	22,924	7,881	30,805
Drainage	38,430	(5,798)	32,632
Recreational, leisure and community facilities	1,899	(15)	1,884
Other infrastructure	3,135	10	3,145
	<u>274,926</u>	<u>(1,948)</u>	<u>272,978</u>
Total asset revaluation reserves	<u>401,191</u>	<u>(10,851)</u>	<u>390,340</u>
2019			
Property			
Land	48,387	(673)	47,714
Land Improvements	16,020	(2,289)	13,731
Buildings	64,785	35	64,820
	<u>129,192</u>	<u>(2,927)</u>	<u>126,265</u>
Infrastructure			
Roads	193,370	(1,461)	191,909
Bridges	16,948	(319)	16,629
Footpaths and cycleways	22,945	(21)	22,924
Drainage	33,022	5,408	38,430
Recreational, leisure and community facilities	1,915	(16)	1,899
Other infrastructure	3,135	-	3,135
	<u>271,335</u>	<u>3,591</u>	<u>274,926</u>
Total asset revaluation reserves	<u>400,527</u>	<u>664</u>	<u>401,191</u>

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

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

9.1 Reserves (cont.)

(b) Other reserves

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
2020				
Recreational open space reserve	670	133	-	803
Car parking reserve	140	-	-	140
Net gain native vegetation reserve	119	7	(20)	106
Botts Road - MV Highway intersection reserve	247	-	-	247
Yarrowonga Wetlands drainage reserve	100	-	-	100
Capital works carried forward reserve	13,162	6,362	-	19,524
Total Other reserves	14,438	6,502	(20)	20,920
2019				
Recreational open space reserve	718	64	(112)	670
Car parking reserve	140	-	-	140
Net gain native vegetation reserve	91	28	-	119
Botts Road - MV Highway intersection reserve	247	-	-	247
Yarrowonga Wetlands drainage reserve	27	73	-	100
Capital works carried forward reserve	5,734	7,428	-	13,162
Total Other reserves	6,957	7,593	(112)	14,438

Recreational open space reserve has been established in accordance with the Sub-division Act 1988 and is used to develop strategically located parks and reserves for the benefit of the residents in the municipality.

Car parking reserve has been established under the Planning and Environment Act 1987 and is used to provide adequate car parking spaces within the municipality.

Net gain native vegetation reserve has been established under the Planning and Environment Act 1987 and is used to fulfil Council's obligation in regard to planting of native vegetation.

Botts Road - MV Highway intersection reserve has been established to allocate funds provided by developers to improving the intersection of Botts Road and the Murray Valley Highway in Yarrowonga.

Yarrowonga Wetlands drainage reserve has been established to allocate funds provided by developers to improving the drainage in the Yarrowonga wetlands.

Capital works carried forward reserve represents funds allocated for capital works not completed as at the end of the 2019/20 financial year.

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

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)

	2020	2019
	\$'000	\$'000
Surplus / (deficit) for the year	12,898	8,387
Depreciation/amortisation	12,852	9,453
Profit / (Loss) on disposal of property, infrastructure, plant and equipment	(84)	(243)
Contributions - Non-monetary assets	(5,213)	(2,411)
Share of net loss of investments in associates	13	53
Prior year capital works expensed	1,683	370
Fair value adjustment of intangible asset	(518)	(510)
Net value of previously unrecognised assets	(1,773)	(1,594)
Finance costs	151	234
Bad debts	37	142
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(243)	(1,193)
(Increase)/decrease in prepayments	(51)	(16)
(Increase)/decrease in accrued income	202	(195)
(Increase)/decrease in inventories	(41)	107
Increase/(decrease) in trade and other payables	1,073	300
Increase/(decrease) in other liabilities	(229)	3,768
Increase/(decrease) in provisions	(151)	26
Net cash provided by / (used in) operating activities	20,605	16,678

9.3 Superannuation

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

Accumulation

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

Defined Benefit

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

Funding arrangements

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

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

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

9.3 Superannuation (cont.)

Funding arrangements (cont.)

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 Moira Shire 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 June 2020 was 104.6%.

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

Employer contributions

Regular contributions

On the basis of the results of the 2018 interim actuarial investigation conducted by the Fund Actuary, Moira Shire 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 2018/19). This rate will increase in line with any increases in the SG contribution rate.

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

Funding calls

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Moira Shire) 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 Moira Shire is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2019 and a full actuarial investigation was conducted as at 30 June 2017.

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

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

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

9.3 Superannuation (cont.)

The 2019 interim actuarial investigation surplus amounts(cont.)

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2019.

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

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

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

The 2020 triennial actuarial investigation

A triennial actuarial investigation will be 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 returns	5.6% pa	6.5%
Salary information	2.5% pa for the first two years and 2.75% pa thereafter	3.5%
Price inflation	2.0% pa	2.5%

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2020 are detailed below:

Scheme	Type of Scheme	Rate	2020 \$,000	2019 \$,000
Vision super	Defined benefit	9.50%	-	1
Vision super	Accumulation fund	9.50%	1,144	1,129
Other funds	Accumulation fund	9.50%	516	478

[In addition to the above contributions, Moira Shire has paid unfunded liability payments to Vision Super totalling \$Nil during the 2019/20 year (2018/19 \$Nil).

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

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 is \$Nil.

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

10 Change in accounting policy

Council has adopted *AASB 1058 Income of Not-for-Profit Entities and AASB 16 Leases*, from 1 July 2019. Council adopted *AASB 15 Revenue from Contracts with Customers* 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.

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.

Council adopted *AASB 15 Revenue from Contracts with Customers* from 1 July 2019 to recognise unearned income against outstanding performance obligations carried into the 2019/20 financial year. Unearned income for 2018/19 and 2019/20 is reported at Note 5.3(c).

b) AASB 16 Leases

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

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

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

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

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

d) Transition impacts

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

	2019
	\$'000
Accumulated surplus at 30 June 2019	607,248
Revenue adjustment - impact of <i>AASB 15 Revenue from Contracts with Customers</i>	-
Income adjustment - impact of <i>AASB 1058 Income of Not-for-Profit Entities</i>	-
Accumulated surplus at 1 July 2019	607,248

Council adopted the practical expedient of deeming the lease asset to be equal in value to the lease liability at 1 July 2019. As such there was no impact on retained earnings on the adoption of *AASB 16 Leases*.

The following table summarises the impacts of transition to the new standards on Council's balance sheet for the year ending 30 June 2019.

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

10 Change in accounting policy (cont.)

	As reported 30 June 2019 \$'000	Adjustments \$'000	Post adoption \$'000
Assets			
Right of use assets	-	1,940	1,940
Grants receivable	-	-	-
	<u>-</u>	<u>1,940</u>	<u>1,940</u>
Liabilities			
Unearned income - operating grants	946	-	946
Unearned income - capital grants	3,670	-	3,670
Lease liability - current	-	585	585
Lease liability - non-current	-	1,355	1,355
	<u>4,616</u>	<u>1,940</u>	<u>6,556</u>



END OF REPORT

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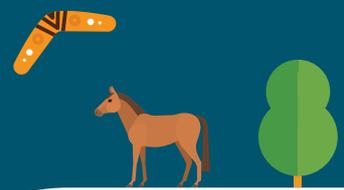
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