



Moir Shire Council

# Annual Report 2017/18



## Vision

Working together to be a vibrant and prosperous rural community.

## 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.

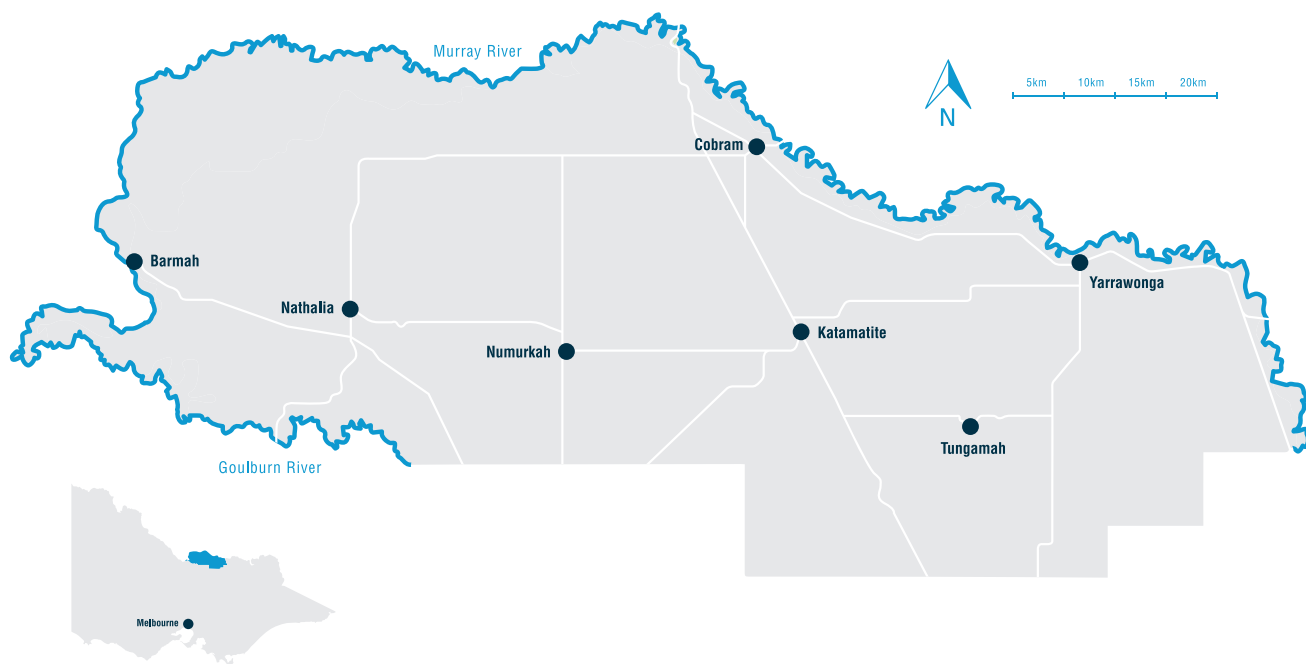
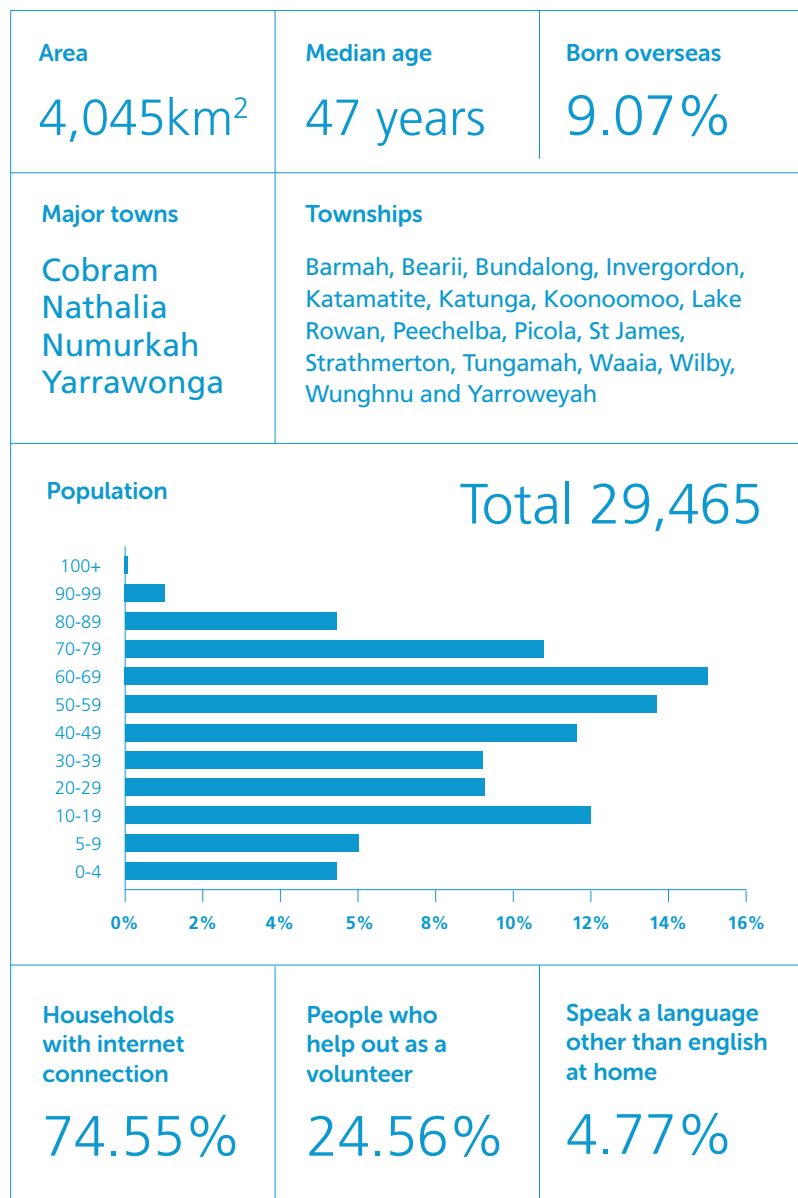
We will seek to make decisions that are sustainable and reflect the interests of current and future generations.

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

## 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**



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# Report of Operations

The background of the page is composed of several geometric shapes. A large green triangle occupies the right side and bottom of the page. A white triangle is located in the top-left corner. A thin white line runs diagonally from the top-right towards the center, and another thin white line runs diagonally from the bottom-left towards the center, intersecting the main green area.

# Welcome to the Report of Operations 2017-18

Council is committed to transparent reporting and accountability to the community and the Report of Operations 2017-18 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 17 smaller communities: Barmah, Bearii, Bundalong, Invergordon, Katamatite, Katunga, Koonoomoo, Lake Rowan, Peechelba, Picola, St James, Strathmerton, Tungamah, Waaia, Wilby, Wunghnu and Yarroweyah.
- It has an estimated residential population of 29,465 people with 81% born in Australia.
- Approximately two-thirds of residents live and work in the Shire.

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## Core Values

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- Integrity

## Principles

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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

- 80 bridges and major culverts, with more than 1000 km of sealed roads, 2500 km of gravel roads, 600 km of farm access tracks, 157 km of footpaths, 283 km of kerb and channel (including traffic Islands and splitter islands);
- Nine waste transfer stations and a landfill site; 80 parks and gardens (open spaces), 44 playgrounds, 31 public toilet blocks and public BBQs;
- CBD streetscapes in the four major towns and 17 smaller towns;
- 664 buildings that range from town halls to sporting pavilions, public toilets, coaching boxes and pump sheds;
- 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 three of these venues.
- 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 aging 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 Future

- Council will need to deliver a substantial shire wide drainage improvement program within the next five years. 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.

# Message from the Mayor

This Annual Report details Moira Shire Council's achievement of the 2017-2021 Council Plan strategic objectives. The role of council includes:

- Acting as a representative government by taking into account the diverse needs of the local community in decision making
- Providing leadership by establishing strategic objectives and monitoring their achievement
- Maintaining the viability of the council by ensuring that resources are managed in a responsible and accountable manner
- Advocating 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.

## Highlights

This Annual Report highlights the significant improvements introduced to our planning function with average processing times dropping to 51 days and nearly 80% of application processed within 60 days. This review was extremely useful in identifying the challenges to achieving a more efficient processes for customers and our staff.

The final report and recommendations included changes to our delegations to management. I would like to commend the management and staff for their efforts to deliver these valued outcomes.

During the year we also considered and adopted a number of key strategies. Significant stakeholder and community consultation was involved in the preparation of the Major Towns Strategy. The strategy sets a blueprint for the future development of Cobram, Nathalia, Numurkah and Yarrawonga, and in doing so ensures ample land is zoned to cater for future population and business growth.

During the year council approved several large scale solar farms within our shire, and entered into Environmental Upgrade Agreements with local businesses. These initiatives recognize the

valuable role renewable energy can play in supplementing the supply and affordability of local energy supply.

During 2018 we secured a new lease for management of the Barmah Caravan Park. It is a significant triumph for the community of Barmah as well as the broader tourism offering within the Moira Shire.

Council also engaged the VEC to deliver a plebiscite that allowed the Yarrawonga community to express their preference for the green or grey routes proposed for the new Yarrawonga-Mulwala bridge. I would like to thank the Yarrawonga community for its active participation with more than 56% of eligible voters casting their vote. The plebiscite confirmed 3159 votes in favour of option 1 – green route, with 968 votes in favour of option 2 - grey route. With overwhelmingly support for the green route council subsequently re-committed our support for this option and is actively working with our neighboring Federation Shire on trying to build local consensus.

Council's advisory committees continued to contribute to council strategies and decisions. Council's Disability Advisory Committee has a key role in ensuring the delivery of council services and projects consider the needs of a wide range of community members. Our Tourism Advisory Committee assisted in the development and ongoing implementation of the Visitor Services Strategy. The Numurkah Flood Reference Group actively lead the process of consulting with our local communities to develop the Numurkah Flood Plain Study.

## Governance, advocacy and engagement

As measured through the annual Local Government Community Satisfaction Survey is steady and the key areas for improvement align with the priorities identified in our Council Plan.

## Thankyou

Overall, this year we have delivered our Council Plan commitments and I would like to thank our Councillors for their commitment to Moira Shire Council and their ongoing effort on behalf of

residents. I also thank businesses, community groups and especially council officers for their efforts to improve the liveability and amenity of our Shire.

**Cr Libro Mustica**  
**Mayor**



# Message from the Chief Executive Officer

On behalf of Moira Shire Council it is a great pleasure to present council's Annual Report for the year 2017-18.

## Highlights

During the year councils across Australia were confronted by unexpected changes to the processing of recyclable waste. Over several months our management worked with our key service providers to ensure our recycling services remained viable, affordable and available to our communities.

Libraries remain a core but evolving service within our local communities. The redevelopment of the Cobram library has seen increased use of the facility and planning is underway to progress development of a new library in Yarrawonga. We also progressed planning of soccer facilities in Cobram and a multi-sport indoor complex for Yarrawonga.

Councilors and staff have been particularly active building Moira's profile outside the region which has helped us secure external funding support from the Commonwealth and State Governments. This funding matched to Councils budget and local contributions is vital to delivering projects for the many smaller communities across our shire.

## Organisational performance

At the end of June 2018, Council's financial position remains strong. Across all financial reporting indicators we have achieved better than budget results however the final surplus is skewed by the pre-payment of \$5.1 million of government grants for the coming 2018/19 year. We made progress on the development of an

updated Revenue Strategy which will provide guidance in determining fees and charges for services as well as the basis for sharing the rate burden across different categories of land. The final Strategy is expected to be wrapped up in response to a new Local Government Act. Our future funding priorities have been detailed in our updated Strategic Resource Plan 2018-2022. The plan confirms our intention to invest more than \$70 million across the next four years to renew existing council roads, buildings and facilities. The level of investment is required to meet our asset renewal target of 80%.

Our capacity to fund new capital projects is constrained by the renewal demands of our existing and in many cases aging infrastructure. However, our existing debt levels are on track to decline from 6.7% to 1.6% of rate revenue, with existing borrowings reduced to zero by 2023. This will enable council to take on new debt to fund critical infrastructure projects including drainage and flood protection projects in due course.

Our staff have contributed to the councils strong financial position through an enterprise agreement that keeps employee costs in line with the rate cap and helps us maintain service levels across the shire.

## Thankyou

I would like to acknowledge Council, the local community and our staff and volunteers who have contributed to delivering our Council's vision and Council Plan.

**Mark Henderson**  
**Chief Executive Officer**

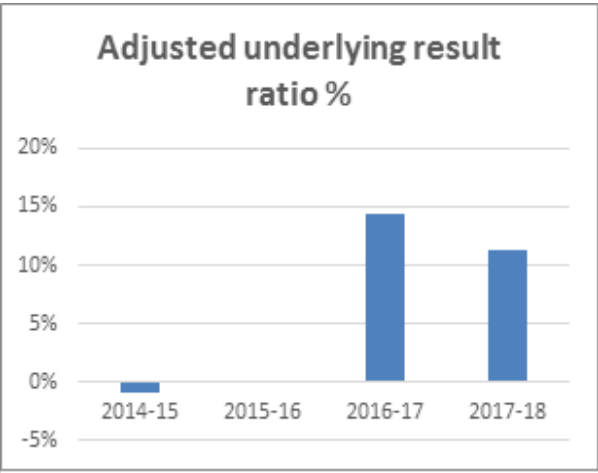
# Financial Summary

Council's financial position remains sound. A summary of our performance is 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 \$7.76 million in 2017-18. This surplus is lower than the prior year surplus of \$10.24 million, due in part to the 2016-17 result reflecting receipt of 50% of the Commonwealth Government's 2017-18 Financial Assistance Grant.

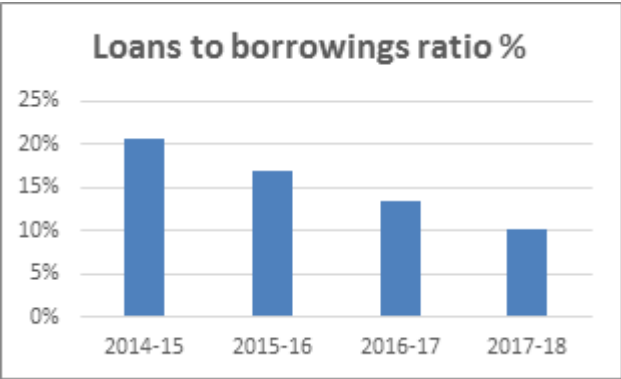
The adjusted underlying surplus (surplus after removing non-recurrent capital grants, cash and non-monetary capital contributions) is 11.34% when compared to adjusted underlying revenue. This is lower than the 2016-17 result of 14.30% due in part to the impact of receiving the 2017-18 Financial Assistance Grant in advance, 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 \$578 million of community assets under Council's control.



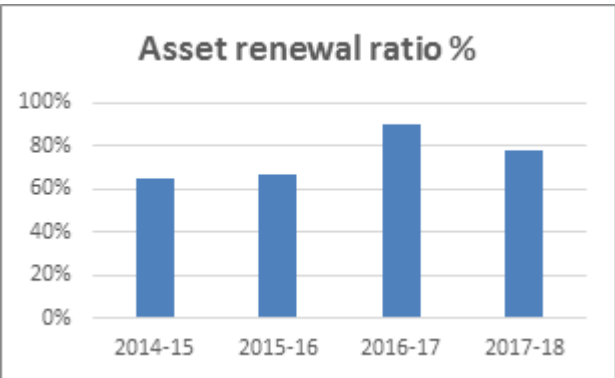
## Obligations

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 \$7.02 million in renewal works during the 2017-18 year. This was funded from operational income.

At the end of the 2017-18 year Council's debt ratio, which is measured by comparing interest-bearing loans and borrowings to rate revenue, was 10.1% which is well within the expected performance target band of 0% to 70%.



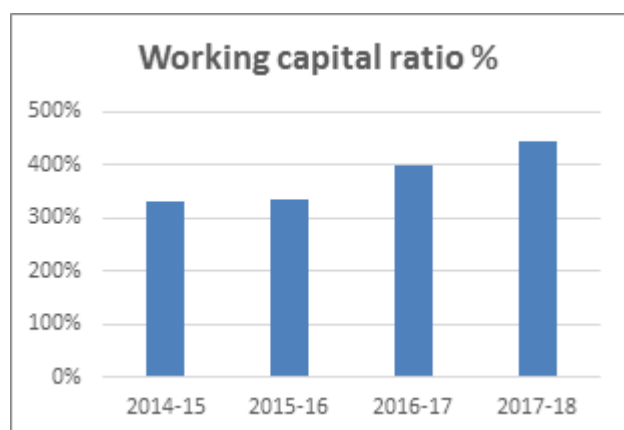
Council's asset renewal ratio, which is measured by comparing asset renewal expenditure to depreciation, was 77.6% which is within the expected performance target band of 40% to 130%.



## Liquidity

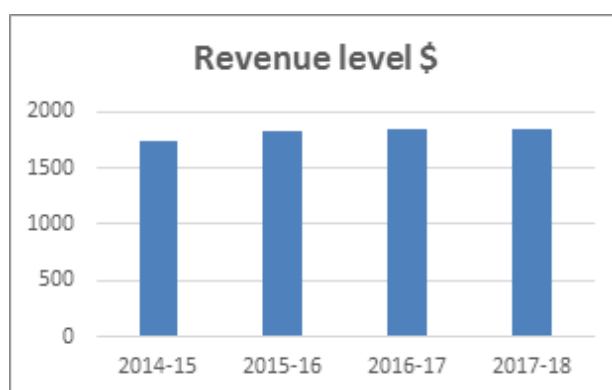
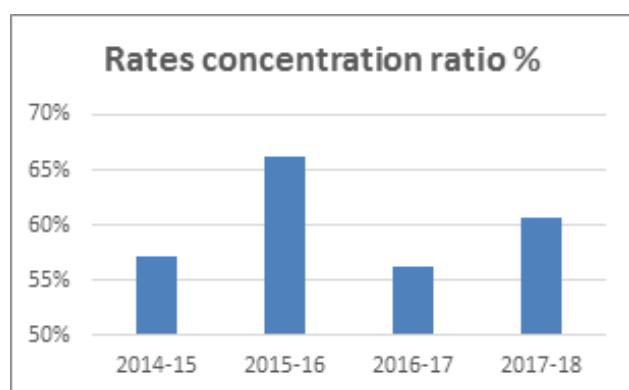
Cash and other financial assets as at 30 June 2018 are \$35.2 million which is higher when compared to the 30 June 2017 figure of \$30.8 million due in part to receipt of 50% of the 2018-19 Financial Assistance Grant in June 2018, and cash held to fund approved capital works projects in 2018-19.

The working capital ratio which 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 444.8% is an indicator of our satisfactory financial position, whilst the ratio falls outside the expected performance target band of 100% to 400%, this ratio will fall to 207.8% by 2022. this is due mainly to the early receipt of Council's 2018-19 Financial Assistance Grant.



## Stability and Efficiency

Council raises a wide range of revenue including rates, user fees, fines, grants and contributions. Council's rates concentration, which compares rate revenue to adjusted underlying revenue, was 60.7% for the 2017-18 year which is within the expected performance target band of 30% to 80%.



Council has focused on broadening its revenue base and for the 2017-18 kept within the rate cap of 2.0% which applies to the rate in the dollar and the municipal charge. This resulted in an average residential rate per residential assessment of \$1,856.

## Description of operations

Moira Shire Council is responsible for more than 100 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. Council's vision, strategic objectives and strategies to further improve services and facilities are described in our Council Plan and the associated Budget 2017-18 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

- Rate capping commenced 1 July 2016 and is progressively impacting on Council's ability to fund service delivery and capital works.
- At the time of preparing the Annual Report, Moira Shire and the wider region is experiencing significant and ongoing dry conditions. If conditions continue there is significant risk to agricultural production which flows through to local manufacturing, processing and service provider sectors.
- During the reporting period there were significant changes to the receipt and processing of recyclable waste. Considerable uncertainty continues and may impact on council's waste management options and costs over coming months and years.

### 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

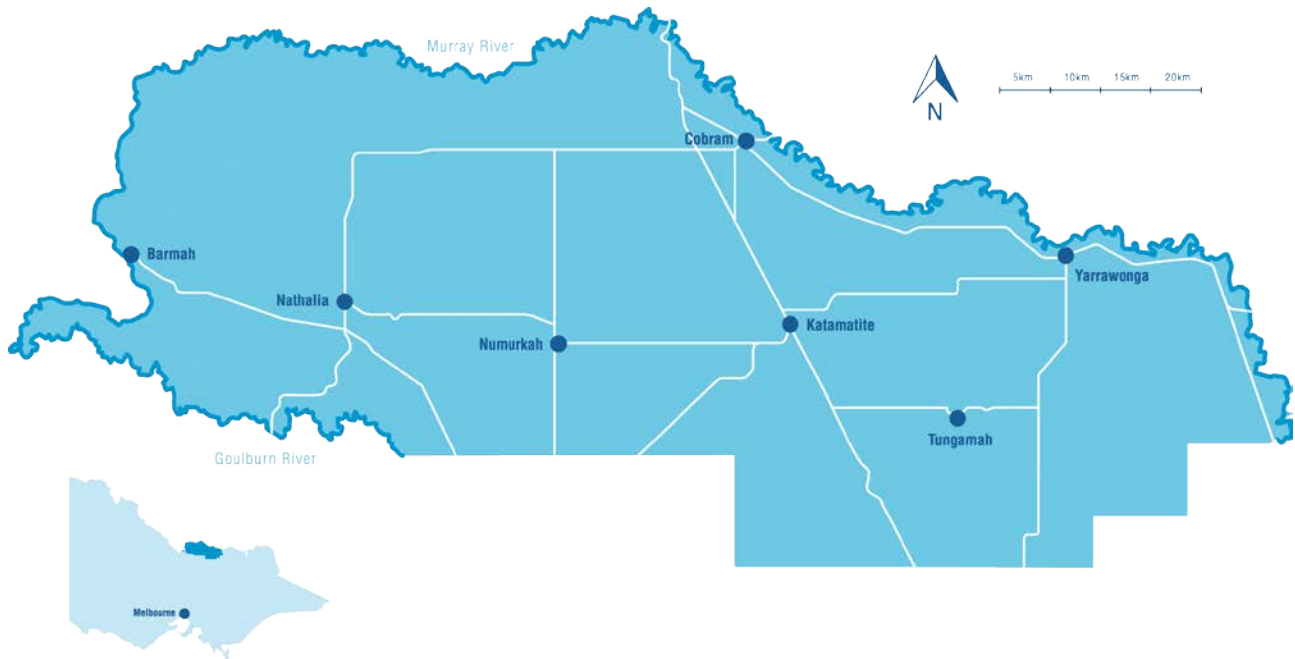
works program. Highlights included:

- Reconstruction of road sections including Naring Road, Tungamah Road, Devenish Road and the Labuan Marungi Road intersection.
- Council invested more than \$4.1 million to upgrade local roads through its road resealing and asphaltting, gravel road and shoulder resheeting, kerb and channel replacement and major patching (road stabilizing) programs.
- \$380,000 on footpath works and walking tracks in Cobram, Numurkah, Nathalia and Yarrawonga.
- \$250,000 spent on the replacement and upgrading of drainage throughout the Shire.
- Painting various Council buildings including Strathmerton Hall, Tungamah Community Centre, Bundalong Hall, Cobram Civic Centre, Numurkah Town Hall, Numurkah Tennis Club, Numurkah Multi-Purpose Building and Yarrawonga Senior Citizens.
- Painting various Public Toilet blocks including Yarrawonga Orr St, Rotary Park and Brick Public Toilets at Yarrawonga Foreshore, Woodlands Yarrawonga, Bundalong at boat ramp and Uncle Bob's Nathalia.

### Major Achievements

- Council developed, sought community feedback on and subsequently adopted the Major Towns Strategy.
- Waste Management & Services Strategy was completed and adopted.
- Council engaged the Victorian Electoral Commission to complete the Yarrawonga-Mulwala Bridge Plebiscite. More than 56% of eligible voters participated in the plebiscite that returned overwhelming support for the 'green' bridge route.
- Council's organic waste kerbside collection service continued to exceed best practice standards with contamination rates averaging less than 0.5% in every month and 54.4% of all of Moira's kerbside waste diverted out of landfill and into recycled or organic processing.

## 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 17 smaller communities: Barmah, Bearii, Bundalong, Invergordon, Katamatite, Katunga, Koonoomoo, Lake Rowan, Peechelba, Picola, St James, Strathmerton, Tungamah, Waaia, Wilby, Wunghnu and Yarroweyah.

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

### Our Community

Moira Shire's current population of 29,465 people includes:

- 49.8% are male and 50.2% are 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 Indo-Aryan (e.g. 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 made up 25% of the population.

## Our Economy

The Moira Shire encompasses an area of 404,637 hectares with an estimated residential population of 29,465 (ABS 2017). 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 life stage group in Moira is "Working Age (30 to 64 years)" representing 42.1% per cent of the overall population and our largest age group is 65-69 years representing 7.6% of the population. The Shire's median age is 47 years and the median weekly personal income is \$524 (\$27,275pa).

Moira Shire's labour workforce comprises 24.04% employed full time and 13.39% part time. From 2011 to 2016 the number of working residents decreased by 138 (1.2% per cent).

The largest industry sector of employment is "Agriculture, Forestry and Fishing", representing 17.0% per cent of total working residents. The next three largest employment sectors are Manufacturing, Retail Trade and Health Care and Social Assistance (reflecting the ageing population).

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

Moira Shire's food processing sector, comprising principally dairy products (output \$626m) and meat processing (output \$128m), is the largest sector based on output in the Shire. The Retail Trade sector contributes \$123,187m of the region's total output of \$3,347,157m. The Construction Services has an output of \$240,228 and Property Services \$288,854.

Tourism is the equal sixth largest employer in Moira and contributes \$110,950m. It is an amalgam of activities across various industry sectors such as retail, accommodation, cafes & restaurants, cultural and recreational services.



## 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.

On 22 October 2016 John Beitzel, Peter Lawless and Libro Mustica were elected to Council, replacing Cr Brian Keenan, Cr Don McPhee and Cr Alex Monk. A special meeting of Council is held each November to elect the Mayor for the following 12 month period. On 8 November 2017 Councillor Libro Mustica was elected Mayor with Councillor Ed Cox elected Deputy Mayor. Cr Cox replaced the previous Deputy Mayor Marie Martin. The elected councillors at 30 June 2018 are listed below.



**CR LIBRO MUSTICA**  
Mayor

Mobile: 0437 344 601  
lmustica@moira.vic.gov.au



**CR ED COX**  
Deputy Mayor

Mobile: 0400 564 885  
ecox@moira.vic.gov.au



**CR JOHN BEITZEL**

Mobile: 0437 621 893  
jbeitzel@moira.vic.gov.au



**CR KEVIN BOURKE**

Mobile: 0428 662 839  
kbourke@moira.vic.gov.au



**CR WENDY BUCK**

Mobile: 0438 052 630  
wbuck@moira.vic.gov.au



**CR GARY CLEVELAND**

Mobile: 0419 211 027  
gcleveland@moira.vic.gov.au



**CR PETER LAWLESS**

Mobile: 0418 546 242  
plawless@moira.vic.gov.au



**CR PETER MANSFIELD**

Mobile: 0428 574 433  
pmansfield@moira.vic.gov.au



**CR MARIE MARTIN**

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  
People & Organisational



**ANDREW CLOSE**  
General Manager Infrastructure

Construction and Assets  
Operations  
Town Planning and Building  
Strategic Projects



**SALLY RICE**  
General Manager Community

Community Development  
Economic Development  
Safety, Amenity and Environment



**SIMON RENNIE**  
General Manager Corporate

Information Services  
Commercial Services  
Governance and Communications  
Finance and Revenue  
Business Improvement

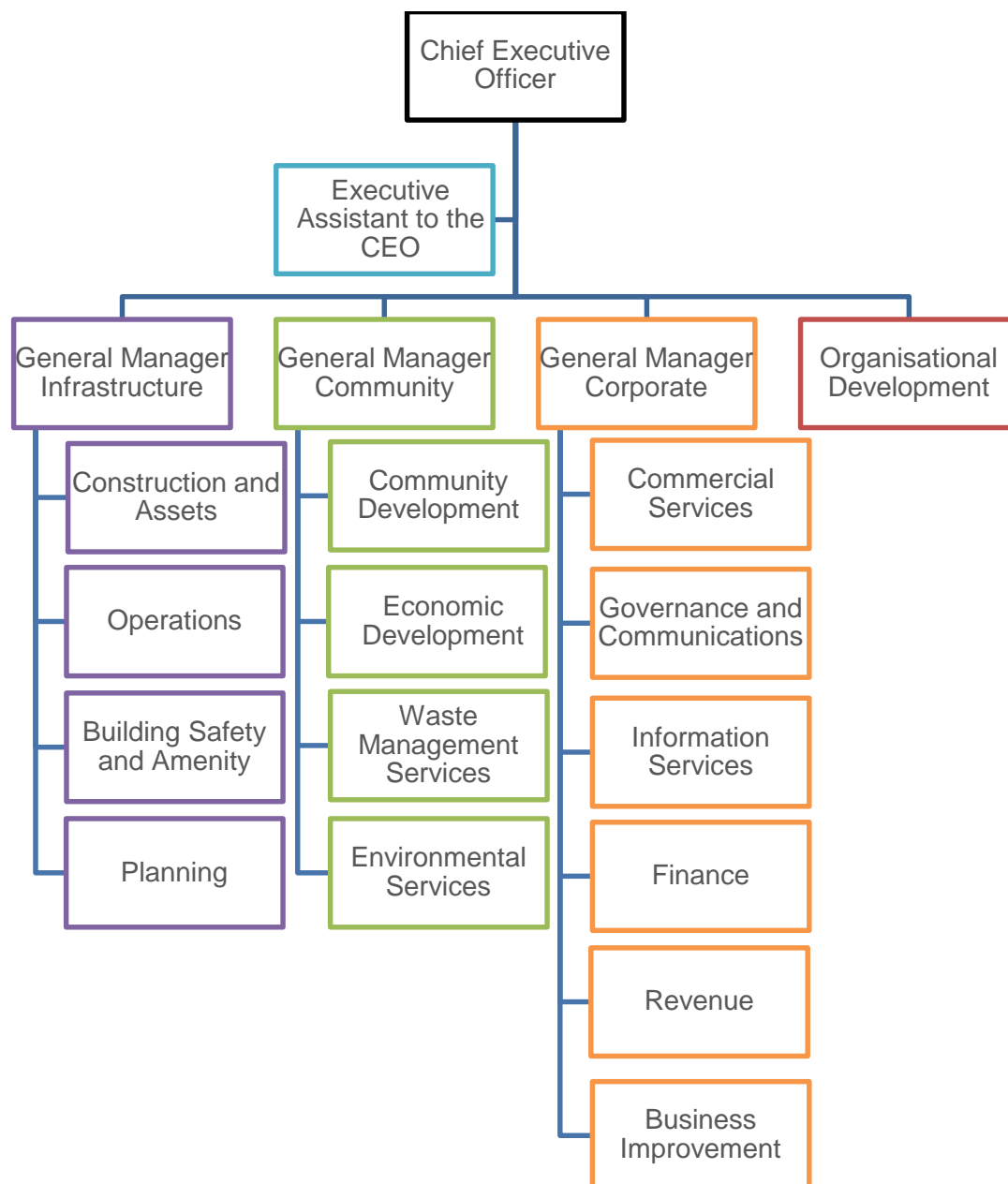


**BRANT DOYLE**  
Manager Organisational  
Development

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 2018 is shown below.

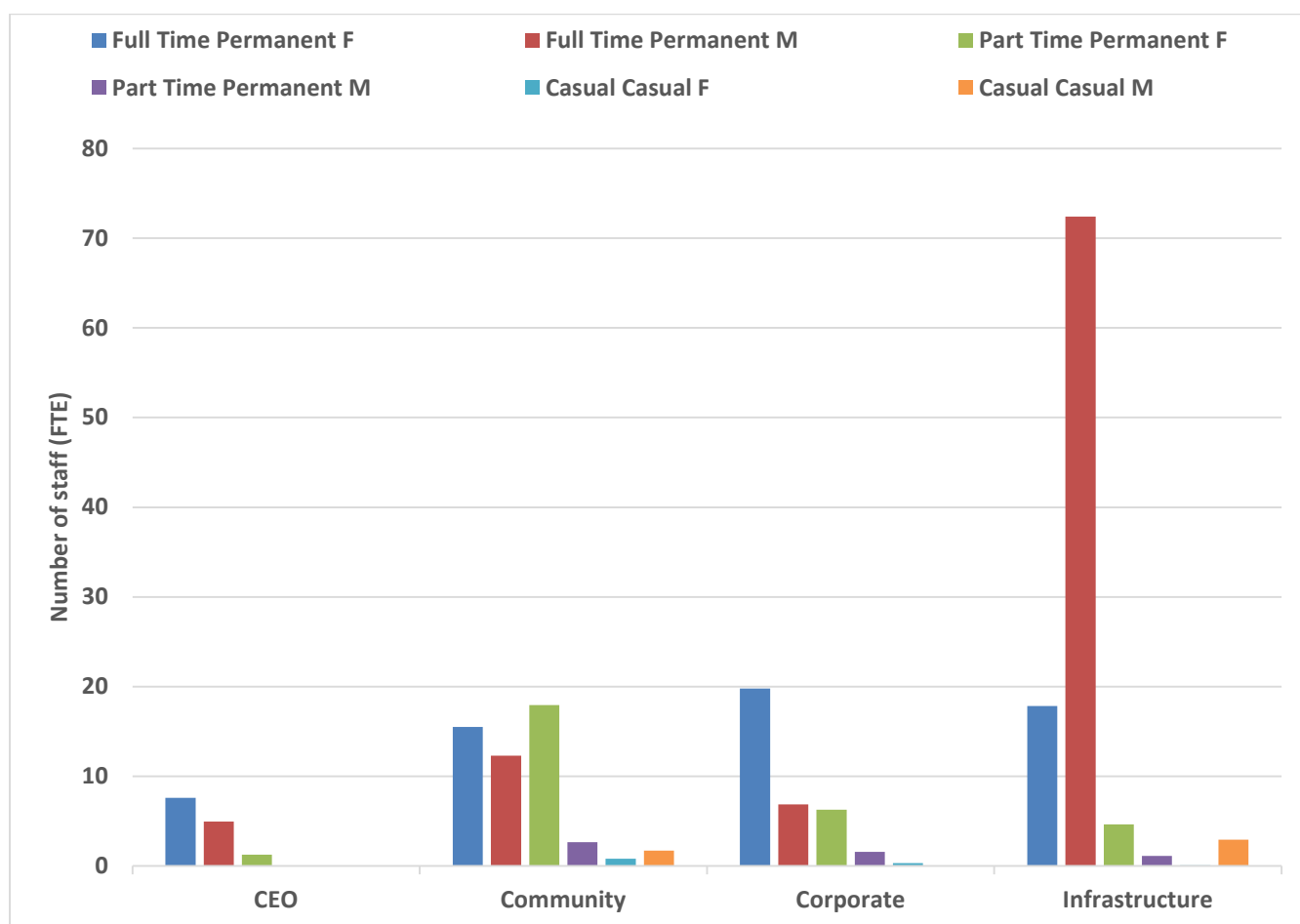


## Council Staff

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	Corporate FTE	Infrastructure FTE	Community FTE	Total FTE
Permanent FT – F	7.6	15.5	19.8	17.8	60.7
Permanent FT – M	4.9	12.3	6.9	72.4	96.5
Permanent PT – F	1.3	17.9	6.3	4.6	30.1
Permanent PT – M		2.7	1.6	1.1	5.4
Casual – F	0.0	0.8	0.3	0.1	1.2
Casual - M		1.7	0.0	2.9	4.6
<b>Total</b>	<b>13.8</b>	<b>50.9</b>	<b>34.8</b>	<b>99.0</b>	<b>198.6</b>

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

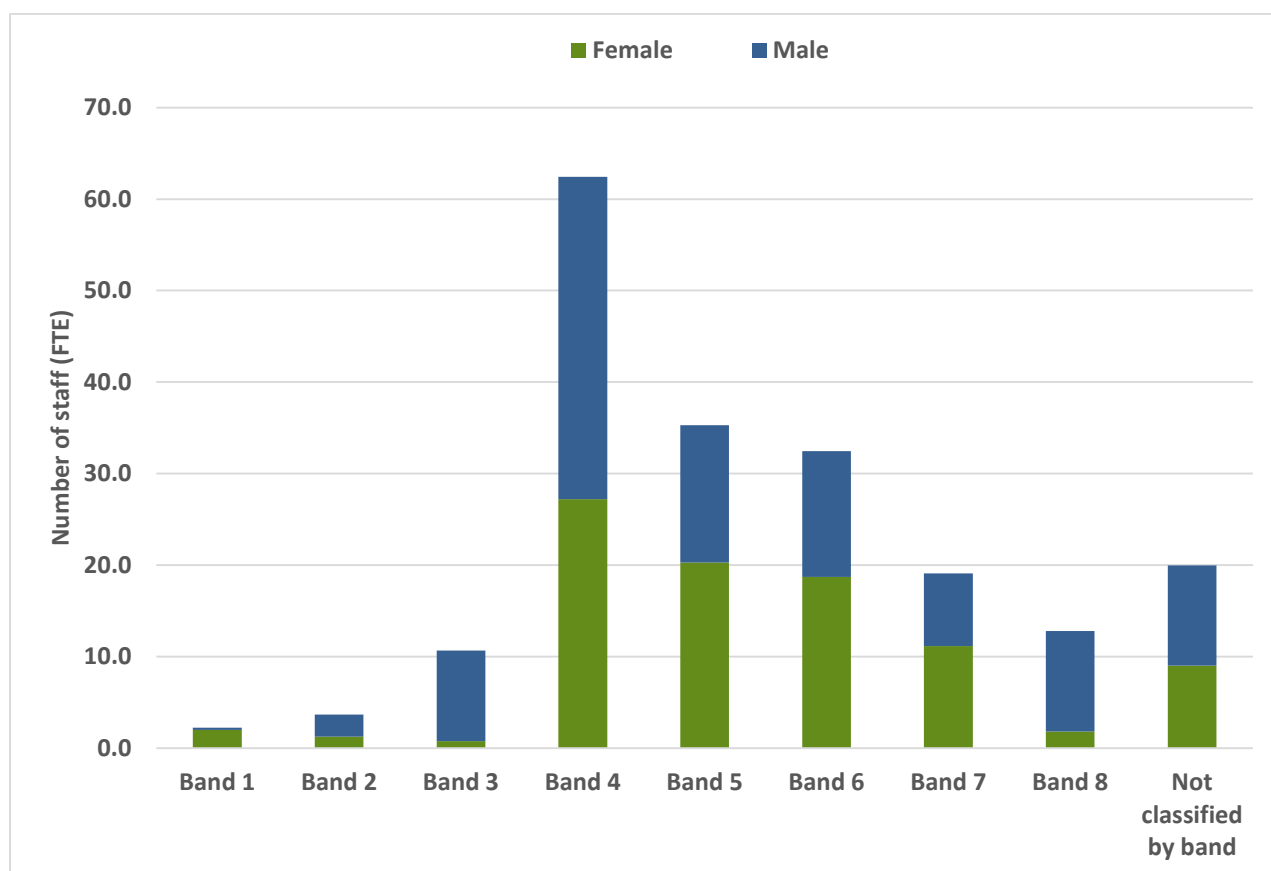


## Council Staff

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

Structure Classification	Female FTE	Male FTE	Total FTE
Band 1	2.0	0.2	2.2
Band 2	1.2	2.4	3.7
Band 3	0.8	9.9	10.7
Band 4	27.2	35.3	62.4
Band 5	20.3	15.0	35.3
Band 6	18.7	13.8	32.4
Band 7	11.1	8.0	19.1
Band 8	1.8	11.0	12.8
Not classified by band	9.0	11.0	20.0
<b>TOTAL</b>	<b>92.1</b>	<b>106.5</b>	<b>198.6</b>

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 designated 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 over the past 12 months include the provision of Equal Opportunity Awareness sessions for all new employees and managers, to ensure they are fully aware of their responsibilities in maintaining a workplace free of bullying and harassment. The following indicators demonstrate the effectiveness of the Program during 2017-18.

Indicator	Target	2017-18 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%	75%
Number of contact officers per number of council employees.	1:50	1:51

The indicators are monitored on an ongoing basis by the Staff Consultative Committee that meets quarterly 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

### Strategic human resource management

Constant review of the organisation structure and functionality is undertaken by Moira Shire Council. This is conducted through the approval to recruit business case process that requires all General Managers and Managers to complete an analysis and business case for every new or replacement role. This allows for a constant review of the organisation structure.

### Professional development

Moira Shire Council offers study assistance for staff undertaking relevant undergraduate or postgraduate studies. In the past year, 7 staff received support, including 4 staff who continued to study from the previous year. Council also provides a comprehensive learning and development program that supports a broad range of staff professional, compliance and development needs. This 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.

### Leadership development

Moira Shire Council supported senior leaders in 2017 and 2018 to undertake the Fairley Leadership Program. The Fairley Leadership Program encourages the development of a vigorous network of community leaders by offering an intensive annual program that explores the major issues and opportunity for the region, provides an environment where emerging leaders from the business, government, cultural, community and agricultural sectors 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 community.

### Transition to retirement

Moira Shire Council has a program that supports employees approaching retirement to access



reduced hours and flexibility. The program will also assist in the transfer of knowledge.

#### Employee health and wellbeing

Moirā Shire Council undertakes a number of employee wellbeing initiatives that result in increased benefits for the employee, while creating significant positive opportunities for Council, including improved productivity, engagement, retention and the ability to attract the best employees.

Moirā Shire Council utilise a pre-employment screening process as part of the recruitment process to ensure that all preferred candidates have the ability to carry out the inherent requirements of the role and ensure that no potential employee is put at risk in a position that does not suit them physically. It also enables Moirā Shire Council to make reasonable adjustments to the role or workplace to ensure the best person for the role is not disadvantaged in any way.

Moirā Shire Council implemented a work health program, incorporating early intervention, injury prevention and employee health and wellbeing during 2017/2018. The program offers 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.

#### Employee Assistance Program

Moirā Shire Council provides an Employee Assistance Program (EAP) for Councillors, employees and family members, and volunteers. The EAP aims to ensure that all Moirā Shire Council workers 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, employee, family members or volunteer.

#### Health and safety

Council's aim is to maintain a safety culture that supports an incident and injury-free workplace for all employees, councillors, contractors, visitors and the public. Over the last 12 months, council

has maintained a Health and Safety Management System.

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 the yearly plan;
- occupational health and safety training requirements for staff are identified and added to the yearly training calendar;
- ensuring plant and equipment is compliant to Australian Standards; and
- maintaining a Chemicals Risk Register.

# Our performance

## Planning and Accountability Framework

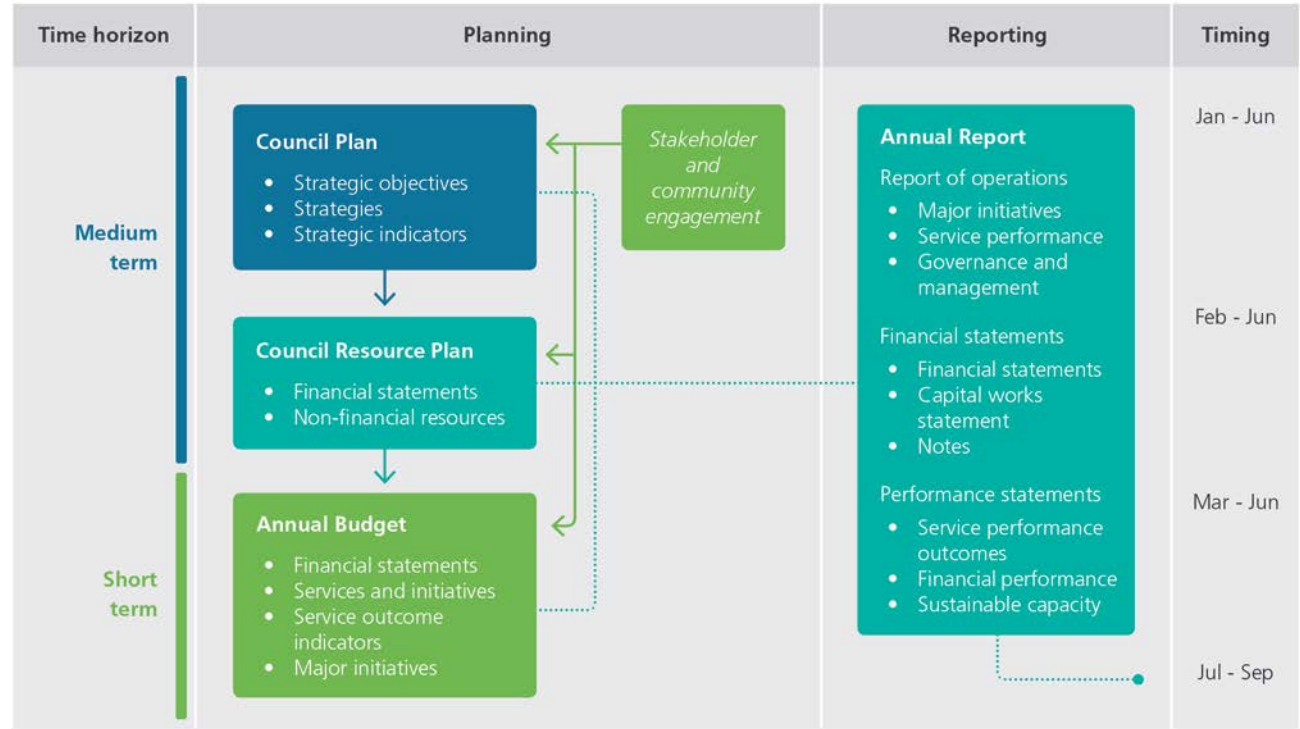
The Planning and Accountability Framework is found in part 6 of Local Government Act 1989 (the Act). The Act requires councils to prepare the following planning and reporting documents:

- 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

The Community Satisfaction Survey is conducted annually by an independent research company on behalf of the Department of Environment, Land, Water and Planning. The Survey report is available at [www.moirav.vic.gov.au](http://www.moirav.vic.gov.au).

2018 Community Satisfaction Survey	%
Overall performance	51
Community consultation (community consultation and engagement)	50
Advocacy (lobbying on behalf of the community)	49
Making community decision (decisions made in the interest of the community)	48
Sealed local roads	44
Customer Service	60
Overall Council direction	49

# 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 2017-18 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. services funded in the 2017-18 Budget and the persons or sections of the community who are provided those services
3. 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
Our communities feel safe and are proud to live in Moira.	During the report period Council continued to deliver a range of programs including immunisation sessions and our mosquito monitoring program. Council adopted the Municipal Wellbeing for All Ages Strategy, Community Strengthening Grants Policy. Community Plans for three of the smaller towns were completed during the reporting period.
Our communities are better connected as a result of improved access to digital and transport services.	During the report period council provided support to the ongoing roll out of NBN within the shire.
Recreational and sports facilities and clubs are accessible and welcome female participation.	Council continued to implement the recommendations contained in the Recreation Strategy 2016-2016. Masterplans for both the Tungamah Recreation Reserve and Katunga Recreation Reserve were nearing completion at the end of the reporting period.
There is improved flood protection for urban areas.	Council adopted the Numurkah Flood Plan Management Study and Plan during the reporting period.

#### Services

The following statement provides information in relation to the services funded in the 2017-18 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
<b>Children, youth and families</b>	This service provides <ul style="list-style-type: none"> <li>o Contributions to nine community-based not for profit preschools to ensure quality and affordable preschool services across the Shire.</li> <li>o Maternal and Child Health services in Cobram, Nathalia, Numurkah, Strathmerton and Yarrawonga and outreach services to our smaller centres.</li> <li>o Youth services and events that connect and engage our younger</li> </ul>	415 473 <hr/> 58

	citizens, such as Youth Council. Immunisation programs for eligible community members including infants and secondary school children.	
<b>Community development</b>	This service 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.	1,123 1,246 <hr/> 122
<b>Health and community wellbeing</b>	<p>Council works with communities to improve liveability for all residents across the Shire through arts and culture, access and inclusion and health and wellbeing programs. Council provides assistance to a range of partner agencies such as Community Houses, MHA Care Inc. and Moira Arts and Culture Inc, Moira Foodshare, Across the Arts, Senior Citizens</p> <p>Council works with committees and volunteer groups to plan for the future needs of our community and to ensure Council fulfils its legislated Public Health and Wellbeing obligations.</p> <p>Council provides targeted grant programs to assist community groups and organisations to achieve goals within their local communities.</p> <p>Council support the delivery of a diverse range of arts, cultural and events that enhance community wellbeing and provide opportunities for residents and visitors to participate in and enjoy a wide variety of activities. Council delivers these services through a combination of direct delivery and through formal funding agreements with Moira Arts and Culture Inc. and similar independent organisations and service providers.</p>	847 935 <hr/> 88
<b>Library services</b>	Council provides a financial contribution to the operation of the Goulburn Valley Libraries who in turn provides a range of library services at four locations within the Shire and via a mobile library service to smaller towns and centres.	756 758 <hr/> 3
<b>Parks and reserves</b>	This service includes the cost of maintaining and upgrading Council's parks and gardens, reserves, town entrances and open spaces including 80 parks and gardens (open spaces), 44 playgrounds, 31 public toilet blocks, public BBQs and irrigation systems. This service is responsible for the management, maintenance and safety of parks and gardens, sporting grounds and playground facilities.	3,616 3,847 <hr/> 232
<b>Public health</b>	This service aims to protect the community's health and wellbeing through the provision of regulatory services and education. The service undertakes inspections and registers premises in accordance with health and food legislation and approves permits for the installation of septic tanks.	449 495 <hr/> 46
<b>Public safety</b>	This service 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.	871 994 <hr/> 122
<b>Roads, footpaths and drainage</b>	This service conducts ongoing maintenance of Council's road and bridge network which includes 80 bridges and major culverts, 1,000 km of sealed roads, 2,500 km of gravel roads varying from link roads to access tracks, 600 km of farm access tracks, 239 km of kerb and channel and 60 km of footpaths. Activities include repairing, resealing,	2,297 3,813 <hr/> 1,516

	asphalting, resheeting and patching. The service also maintains CBD streetscapes in the four major towns and 18 smaller towns, fire plug maintenance and inspection and maintenance of flood pumps.	
<b>Sports and recreation services</b>	Council maintains five outdoor swimming pools at Yarrawonga, Cobram, Numurkah, Strathmerton and Nathalia, the water slide and splash park on the Yarrawonga foreshore, the Nathalia Sports and Community Centre, the Cobram Sports Stadium, and the Numurkah Aquatic & Fitness Centre along with the irrigation, mowing and general upkeep of Council's 19 recreation reserves and four showgrounds. The service also undertakes strategic review of service needs to identify and plan for future requirements.	1,318 1,348 <hr/> 30

### Major initiatives

The following statement reviews the progress of council in relation to major initiatives identified in the 2017-18 budget for the year

Major Initiatives	Progress
Deliver on the hosting of the Queen's Baton Relay for the 2018 Gold Coast Commonwealth Games	Complete
Position Council to respond to funding opportunities to progress development of the Yarrawonga library project	Council has completed key stages of site analysis and sought community feedback on early concepts for the siting of a new library at the Town Hall precinct. Council endorsed the recommendations of the Yarrawonga Library Steering Committee.

### 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
	2015	2016	2017	2018	
<b>Libraries</b>					
Utilisation Library collection usage [Number of library collection item loans / Number of library collection items]	2.31	2.77	2.94	3.07	No material variation.
Resource standard Standard of library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	37.68%	45.09%	45.72%	48.19%	No material variation.
Service cost Cost of library service [Direct cost of the library service / Number of visits]	\$3.84	\$3.72	\$3.91	\$4.52	Increase in utility charges and ongoing investment in upgrading the existing collection.



Participation Active library members [Number of active library members / Municipal population] x 100	18.83%	17.11%	18.07%	15.47%	Participation reported does not include the use of other resources at the libraries. These resources include computers, Wi-Fi sessions attended programs or library events.
<b>Food Safety</b>					
Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	0.00	1.00	1.00	2.43	Staff shortages in March resulted in 1 response time being higher than average. Six food complaints were received during the reporting period, this moved the average from 1 to 2.43 which is within the average for councils.
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 %	100.00 %	100.00 %	No material variation.
Service cost Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$796.07	\$936.42	\$565.43	\$535.67	No material variation.
Health and Safety [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	100.00 %	100.00 %	44.00%	21.43%	Follow up on critical and non-compliance outcomes were not completed until the annual inspection causing a low score. All inspections are now followed up in a timely manner.

Animal Management					
<b>Timeliness</b> 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]	0.00	1.00	1.00	1.00	No material variation.
<b>Service standard</b> Animals reclaimed [Number of animals reclaimed / Number of animals collected]	20.00%	15.90%	19.03%	23.72%	There has been an increase in community awareness programs. This proactive approach has attributed to a reduction in animals being impounded by 18% and conversely an increase in the number of registered animals. Council continues to collect a relatively large number of feral cats, causing it to be below Victoria Council averages.
<b>Service cost</b> Cost of animal management service [Direct cost of the animal management service / Number of registered animals]	\$45.08	\$54.99	\$61.10	\$60.27	No material variation
<b>Health and Safety</b> Animal Management prosecutions [Number of successful animal management prosecutions]	0.00	0.00	1.00	0.00	Nil animal management prosecution commenced during the reporting period.
Roads					
<b>Satisfaction of use</b> Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	19.11	16.79	24.01	26.63	An increase in use of CRM by internal operations staff has seen increase of requests.
<b>Condition</b> Sealed local roads below the intervention level [Number of kilometres of sealed local roads below the renewal intervention level set by council / Kilometres of sealed local roads] x100	87.01%	99.73%	93.70%	89.70%	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]	\$28.20	\$36.40	\$40.46	\$26.50	A construction method of cement stabilising the existing pavement was used. This method did not require bringing in additional material which reduced costs.
Service cost Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$5.79	\$4.34	\$5.02	\$4.98	No material variation.
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	49.00	52.00	44.00	44.00	No material variation
<b>Aquatic Facilities</b>					
Service standard Health inspections of aquatic facilities [Number of authorised officer inspections of council aquatic facilities / Number of council aquatic facilities]	4.43	0.00	1.00	0.86	1 aquatic facility was not inspected during the reporting period as at the time of inspections the specific pool had closed for the season
Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents]	^0^	2.00	1.00	0.00	No reportable incidents in the reporting period
Service cost Cost of indoor aquatic facilities [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$11.01	\$10.16	\$10.05	\$10.44	No material variation.
Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$8.55	\$6.62	\$6.89	\$6.12	This indicator improved as a result of increase pool visits during the reporting period.
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	2.5	2.76	2.79	3.01	No material variation
<b>Maternal and Child Health (MCH)</b>					
Satisfaction Participation in first MCH home visit [Number of first MCH home visits / Number of birth notifications received] x100	95.74%	99.21%	97.83%	95.14%	No material variation.

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	94.41%	95.29%	100.81 %	101.62 %	No material variation.
Service cost Cost of the MCH service <sup>i</sup> [Cost of the MCH service / Hours worked by MCH nurses]	\$195.13	\$99.44	\$91.62	\$87.52	No material variation.
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	84.77%	77.57%	74.18%	80.35%	No material variation
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	79.31%	72.59%	85.59%	93.27%	Council undertakes a monthly review of all clients who identify as Aboriginal or Torres Strait Islander. This process ensures that Key Age and Stage Assessments are undertaken with these families. Assertive outreach efforts over the past year have resulted in improved relationships and higher service uptake.

## 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.	During the reporting period Council offered a number of events for businesses including the Moira Business Week, and business workshops. Council continues to work with local businesses and tourism groups by conducting monthly visits to least 20 businesses per month.
Implementation of the Economic Development Plan.	Council's new Economic Development Plan is under development.
Access to commercial and industrial land that meets current and 10 year forecast demand.	The Major Towns Strategy Plan Review (Yarrawonga, Cobram, Numurkah and Nathalia) went out for community consultation during the reporting period and was adopted by Council in July 2018. The Strategy Plan provides a context in which the future supply of industrial land can be considered.
Council representation on regional water and business forums.	Councillors and staff represent Moira Shire on a number of key forums including Chair of the Murray Darling Association Region 2, Murray River Group of Councils and the GMID Leadership Forum.
The GMW Connections Project is complete and enabling agricultural diversity.	Council continues to monitor the delivery of this project.
Improved accessibility and digital connectivity.	Council continues to provide support for the NBN rollout within the region. Council also continues to advocate for rail freight growth and improvements in the arterial road network.
Increased year round tourism visitation and yield across the Shire.	Council adopted the Visitor Services Strategy during the reporting period following extensive community and industry consultation. Implementation of the strategy is underway. A new Economic Development Plan is under development which will incorporate a strategy for tourism.

### Major initiatives

The following statement reviews the progress of council in relation to major initiatives identified in the 2017-18 budget for the year

Major Initiatives	Progress
Review of the Cobram, Yarrawonga, Numurkah and Nathalia Strategy Plans. The review will be done by an independent Town planning expert and include community consultation (\$100,000 in Operating Budget).	The Major Towns Strategy was prepared and community consultation was conducted during the reporting period. The strategy was adopted in July 2018.

## Services

The following statement provides information in relation to the services funded in the 2017-18 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
<b>Building services</b>	This service 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.	295 269 <hr/> (26)
<b>Economic development</b>	This service supports the attraction, growth and innovation of existing and prospective businesses across the Shire. Council provided a wide range of training and development opportunities for local business including specialist forums focusing on marketing, recruitment, export development, social media for business, e-commerce and compliance with Australian fire safety standards for new developments.	844 793 <hr/> (51)
<b>Statutory planning</b>	This service monitors the Council's Planning Scheme as well as preparing major policy documents shaping the future of the Shire. It also prepares and processes amendments to the Council Planning Scheme and carries out research on demographic, urban development, economic and social issues affecting Council. It also processes all planning applications, provides advice and makes decisions about development proposals that require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary.	260 905 <hr/> 644
<b>Tourism</b>	This service provides support to the business plans of local tourism associations, and plans for future tourism opportunities and infrastructure needs. The service provides contributions to tourism marketing including Murray Regional Tourism.	1,073 1,100 <hr/> 27

## 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
	2015	2016	2017	2018	
<b>Statutory Planning</b>					
Timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	59.00	62.00	56.50	51.00	A comprehensive review of council's planning function and delivery enabled substantive performance improvements during the reporting period.



Service standard Planning applications decided within 60 days [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	51.77%	59.00%	69.80%	79.75%	Continuous process improvement and expanded delegations.
Service cost Cost of statutory planning service [Direct cost of statutory planning service / Number of planning applications received]	\$2401.90	\$2,382.68	\$3,687.12	\$1,457.47	Council's review of planning confirmed that statutory planning costs had been incorrectly included in the calculation of this indicator. The error has been amended for the current years but Council has not been given approval to correct prior years' data..
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	100.00%	100.00%	85.71%	66.67%	6 appeals were lodged with VCAT during the reporting period, the outcomes of the decision; 2 affirmed, 2 varied, 1 set-aside and 1 struck out.

### 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
More efficient water and energy use by Council.	Council had solar panels installed on Cobram's Service Centre and is rolling out LED lighting across a number of its sites.
Achieve a net gain in native vegetation for Council activities.	Council entered into a Landowner Agreement with the Department of Environment, Land, Water and Planning for a 25 hectare parcel of council owned land adjacent to the Yabba Transfer Station for use as a registered Native Vegetation offset site.
Business and community confidence in their readiness to respond to change.	Council adopted the Environmental Sustainability Strategy during the reporting period.
Business, community and environment resilience and recovery from natural disasters including flood and fires.	Council adopted the Numurkah Flood Plain Management Study and Plan during the reporting period.
Business, community and Council awareness of and compliance with environmental regulatory and legislative obligations.	During the reporting period Council continued to implement the Environmental Sustainability Strategy and adopted the Emissions Reduction Plan. The Waste Management & Services Strategy went out the community for feedback during the reporting period and was adopted in July 2018. Council continued to work with community and business and where necessary take action to enforce and deliver EPA and/or court-imposed directions and undertakings.
Council services and infrastructure are sustainable in design and operation.	Council secured grant funding from Sustainability Victoria's Resource Recovery Infrastructure Fund for a commercial waste sorting facility to be located at the Cobram landfill.

#### Major initiatives

The following statement reviews the progress of council in relation to major initiatives identified in the 2017-18 budget for the year

Major Initiatives	Progress
Review Councils Waste Management & Services Strategy	The Waste Management & Services Strategy went out for community consultation during the reporting period. The strategy was adopted in July 2018.

## Services

The following statement provides information in relation to the services funded in the 2017-18 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
<b>Environment Sustainability and Natural Resource Management</b>	This service develops environmental policy, implements environmental projects, delivers educational programs and works with other agencies to improve environment sustainability and natural resource management. The service assists with implementing Councils roadside management plan, management of Councils utilities including improving energy efficiency and reducing energy consumption, responding to planning and other referrals relating to Natural Resource Management, in partnership with other agencies managing Kinnairds Wetlands and managing funded projects aimed at assisting the community adapt to climate change.	479 718 <hr/> 239
<b>Waste Management</b>	This service provides waste collection including kerbside collection of garbage, recyclables and organic waste from households and some commercial properties. It also operates nine transfer stations and a landfill site, including monitoring to maintain environmental standards.	(3,810) (3,735) <hr/> 76

Results					
Service/Indicator/measure	2015	2016	2017	2018	Material Variations
<b>Waste Collection</b>					
Satisfaction Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000	44.39	26.80	23.51	18.47	Result is reflective of low population growth within the shire.
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	0.38	0.39	0.63	0.40	Last year's result was higher due to changing in reporting measures. The result for this reporting period is in line with the longer term.

Service cost Cost of kerbside garbage collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$123.33	\$116.11	\$126.78	\$128.77	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]	\$47.50	\$45.61	\$41.74	\$49.53	New recycling contract has a higher per tonne price to reflect current uncertainty in the global recycling market.
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	47.33%	54.27%	54.81%	54.39%	No material variation

## 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
Community satisfaction with Council is better than for peer Councils as measured by Local Government Performance Reporting Framework (STET) compulsory indicators: <ul style="list-style-type: none"><li>• Overall view of direction of Council</li><li>• Community consultation and engagement</li><li>• Lobbying on behalf of the community</li><li>• Decisions made in the interest of the community</li><li>• Overall feeling about performance of Council</li><li>• Rating of Council for customer service</li></ul>	<p>Council participates in the Victorian Government commissioned Community Satisfaction Survey annually.</p> <p>Proposed reforms to the Local Government Act will require council to develop a new Communications and Engagement Strategy.</p>
We establish and deliver shared services with regional partners such as neighbouring councils.	As a member of the Local Government Regional Collaborative Alliance with Strathbogie and Shepparton LGA's, Moira Shire continues to explore shared services opportunities. During the reporting period the alliance launched a joint grant finding online tool - Goulburn Valley Funding Finder.

### Major initiatives

The following statement reviews the progress of council in relation to major initiatives identified in the 2017-18 budget for the year

Major Initiatives	Progress
Undertake reviews of Council services, which will include consultation with stakeholders and the development of service standards and commitments for these services.	During the reporting period council continued to undertake reviews of service scope and delivery.
Complete rating and revenue strategy after consultation with stakeholders.	Council has received and is considering the feedback in relation to its draft Rating Strategy.
Actively engage in relevant forums and networks to promote Moira's interests including Municipal Association of Victoria, Hume Region Local Government Network, Regional Development Australia Hume Committee and Murray River Group of Councils.	Cr Mansfield was appointed Chair of Murray Darling Association Region 2

## Services

The following statement provides information in relation to the services funded in the 2017-18 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
<b>Civic Buildings</b>	This service oversees repairs and maintenance of Council's more than 570 buildings that range from small pump sheds to historical and aging halls and community buildings and recreation facilities. Costs include contributions to local Committees of Management, utilities and repairs and maintenance.	768 730 <hr/> (38)
<b>Commercial Services</b>	This service is responsible for the maintenance, management and strategic planning for Council's building, land and property leases and licenses and procurement and contracting of services, insurance, and risk management.	142 197 <hr/> 55
<b>Communications</b>	This service is responsible for the management and provision of advice on external and internal communication, in consultation with relevant stakeholders, on behalf of Council.	143 228 <hr/> 84
<b>Council assets</b>	Council operates and maintains a range of 'other' assets including pumps and basins. This category also includes the costs of insurance for council buildings, plant and other assets.	2,692 2,940 <hr/> 248
<b>Customer service</b>	This service is the main customer interface with the community and includes customer service delivered by phone and from centres in Cobram and Yarrawonga, agency services in eight other local centres and online through Council's website and social media platforms.	526 577 <hr/> 50
<b>Emergency response management</b>	This service assists Moira Shire communities to prepare, respond and recover from emergencies and natural disasters in line with Moira's Emergency Management Plan.	(678) 59 <hr/> 737
<b>Engineering design and management</b>	This service undertakes design, tendering, contract management and supervision of various works within Council's capital works program. The service also approves and supervises private development activities such as subdivisions and infrastructure associated with buildings and unit developments.	816 764 <hr/> (52)
<b>Financial services</b>	This service provides financial based services to both internal and external customers including the management of Council's finances, raising and collection of rates and charges and valuation of properties throughout the municipality. The income in this service area is driven by the collection of rates, fees and charges and the receipt of government grants.	(26,215) (19,369) <hr/> 6,846



<b>Governance and compliance</b>	This includes Councillor entitlements along with the costs of ensuring we comply with the governance obligations under the Local Government Act and other legislation.	1,027 1,379 <hr/> 351
<b>Information services</b>	This service 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 links more than 20 service centres, depots and transfer stations and enables remote service delivery including home visit services.	2,338 2,369 <hr/> 30
<b>Infrastructure planning</b>	This service conducts capital works planning for Council's main civil infrastructure assets in an integrated and prioritized manner in order to optimise their strategic value and service potential. These include roads, laneways, car parks, foot/bike paths, drains and bridges. Council completed design and planning requirements for all infrastructure works and projects.	6,668 6,009 <hr/> (659)
<b>Office of CEO</b>	This service provides leadership guidance to the business and Council and guides the development and delivery of Council's representation and advocacy efforts. This service includes the Mayor, Councillors, Chief Executive Officer, General Managers and associated support.	1,519 1,205 <hr/> (314)
<b>Organisational development</b>	This service provides Council with strategic and operational organisational development support including occupational health and safety obligations. The service provides payment of salaries and wages to employees. The service develops and implements strategies, policies and procedures through the provision of human resources and industrial relations services. The service also assists managers to determine and progress toward future structures, capability and cultures in their service units.	1,863 1,914 <hr/> 51

### Service performance indicators

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

Results					
Service/Indicator/measure	2015	2016	2017	2018	Material Variations
<b>Governance</b>					
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	24.43%	27.87%	21.11%	20.61%	In the second half of the reporting period council implemented processes that allow most tenders and

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					contracts to be determined in meetings open to the public.
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]	52.00	53.00	53.00	50.00	No material variation.
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	95.56%	89.58%	94.44%	94.44%	No material variation.
Service cost Cost of governance [Direct cost of the governance service / Number of councillors elected at the last council general election]	\$31,801.33	\$40,433.78	\$38,629.89	\$40,509.56	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	51.00	51.00	48.00	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 welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit up to two questions to the council, make a submission or speak to an item. For the 2017-18 year council held the following meetings:

- 11 ordinary council meetings
- 3 special council meetings.

The following table provides a summary of councillor attendance at council meetings and

special council meetings during 2017-18 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)	10/11	3/3	13
Cr Ed Cox (Deputy Mayor)	10/11	3/3	13
Cr Gary Cleveland	11/11	3/3	14
Cr Peter Mansfield	11/11	3/3	14
Cr Kevin Bourke	10/11	3/3	13
Cr Wendy Buck	10/11	2/3	12
Cr John Beitzel	10/11	2/3	12
Cr Marie Martin	10/11	3/3	13
Cr Peter Lawless	11/11	3/3	14

## 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	10	Baulkamaugh Recreation Reserve
Bundalong Dan Cronin Recreation Reserve and Public Hall Committee of Management	1	1	9	5	Bundalong Dan Cronin Recreation Reserve and Public Hall
Cobram Historical Precinct Committee of Management	1	1	12	11	Cobram Historical Precinct
Cobram Scott Reserve Committee of Management	1	1	15	11	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	15	12	Invergordon Recreation Reserve and Community Hall
Katamatite Public Hall Committee of Management	1	1	13	11	Katamatite Public Hall
Katamatite Recreation Reserve Committee of Management	1	1	11	9	Katamatite Recreation Reserve

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	10	9	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	5	Nathalia Historical Precinct
Nathalia Showgrounds and Recreation Reserve Committee of Management	1	1	19	18	Nathalia Showgrounds and Recreation Reserve
Numurkah Showgrounds Reserve Committee of Management	1	1	12	9	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	11	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	8	Strathmerton Public Hall
Strathmerton Recreation Reserve Committee of Management	1	1	13	12	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
Wilby Memorial Hall Committee of Management	1	1	9	6	Wilby Memorial Hall
Wilby Racecourse and Recreation Reserve Committee of Management	1	1	11	10	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
Yarrawonga Eastern Foreshore Committee of Management	1	1	11	11	Yarrawonga Eastern Foreshore
Yarrawonga JC Lowe Oval Reserve Committee of Management	1	1	8	8	Yarrawonga JC Lowe Oval Reserve
Yarrawonga Showgrounds Reserve / Victoria Park Committee of Management	1	1	26	23	Yarrawonga 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	10	10	Yarroweyah 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 2018)	Councillor
Moirā Shire Tourism Advisory Committee	1
Moirā Shire Disability Advisory Committee	2
Moirā Shire Environment Sustainability Advisory Committee	2
Moirā Shire Youth Council	3
Moirā Shire Community Safety Committee	2
Moirā Shire Municipal Public Health and Wellbeing Plan Advisory Committee	2
Moirā Shire Council Audit Committee	3
Numurkah Flood Mitigation Implementation Committee	1
Barmah Forest Heritage and Education Centre Advisory 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 2017-18, 6 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 2017 to 30 November 2017, the councillor annual allowance for a category 2 council (as defined by the Local Government Act 1989) was fixed at \$24,730 per annum and the allowance for the mayor was \$76,521 per annum. The Minister for Local Government approved an

annual adjustment of 2 per cent to take effect as from 1 December 2017. The annual allowances were adjusted for the period 1 December 2017 to 30 June 2018 at \$25,225 per annum excluding superannuation for the councillor allowance and \$78,051 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) *	64,352
Cr Ed Cox (Deputy Mayor)	27,393
Cr John Beitzel	27,393
Cr Kevin Bourke	27,393
Cr Wendy Buck	27,393
Cr Gary Cleveland **	47,802
Cr Peter Lawless	27,393
Cr Peter Mansfield	27,393
Cr Marie Martin	27,393

\* Incoming Mayor

\*\* Outgoing Mayor

## 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 2017-18 year are set out in the following table.

Councillors	Travel Expenses	Mayor Vehicle Expenses	Comms Expenses	Conferences & Training	Other Expenses	Total
	\$	\$	\$	\$	\$	\$
Cr Libro Mustica (Mayor)		8,705	797	1,167	285	10,954
Cr Ed Cox (Deputy Mayor)			633	20	137	790
Cr John Beitzel			436	40	251	726
Cr Kevin Bourke	4,155		654		316	5,125
Cr Wendy Buck	7,238		773	4,240	263	12,514
Cr Gary Cleveland		2,902	949	1,823	287	5,961
Cr Peter Lawless	2,634		436		313	3,383
Cr Peter Mansfield	4,437		491	4,416	365	9,709
Cr Marie Martin	3,721		1,155	2,685	197	7,759

During the reporting period, individual councilors 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
Moira Shire Council Audit Committee	Cr Cox , Cr Martin and Mayor Cr Mustica

## 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 Committee

The Audit 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 Committee consists of three independent members, Ms Julie Guest (Chair), Ms Elizabeth Stronge and Mr Shaun Quinn and two appointed Councillors, Cr Marie Martin and Cr Ed Cox. As Mayor, Cr Libro Mustica is an ex-officio member of the Audit 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 Committee met five times during 2017-18. The Internal Auditor, Chief Executive Officer, General Manager Corporate and Manager Finance and Manager Commercial Services attend all 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 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 2016 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 2017-18 the following reviews were conducted:

- Contract Management;
- Fleet Management;
- OH&S Management;
- Project Management;
- 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 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 the responsible manager/officer and tracked in Council's risk register and performance management system. Managers provide quarterly status updates that are reviewed by the Corporate Management Team and reported to the Audit 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 Committee.

## Risk Management

In September 2016, Council adopted the Risk Management Policy and the Risk Management Plan in June 2013 in line with current best practice in the management of business enterprise risks and current AS/NZS 31000 guidelines. The Risk Management Framework and Policy 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 Policy and Risk Management Plan commenced.



# 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
1. <b>Community engagement policy</b> (policy outlining council's commitment to engaging with the community on matters of public interest)	<p>Communication Engagement Strategy: 06/2007, Communication Engagement Strategy amended: 09/2011</p> <p>The draft Local Government Bill requires policy to be reviewed in line with the requirements of the new Local Government Act.</p>
2. <b>Community engagement guidelines</b> (guidelines to assist staff to determine when and how to engage with the community)	<p>Communication Engagement Strategy: 06/2007, Communication Engagement Strategy amended: 09/2011</p> <p>The draft Local Government Bill requires policy to be reviewed in line with the requirements of the new Local Government Act.</p>
3. <b>Strategic Resource Plan</b> (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	<p>Adopted in accordance with Section 126 of the Act Date of Adoption : 13 June 2018</p>
4. <b>Annual budget</b> (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>Adopted in accordance with section 130 of the Act Date of Adoption: 13 June 2018</p>
5. <b>Asset management plans</b> (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	<p>Plans Date of operation of current plans: 17 August 2009</p>
6. <b>Rating strategy</b> (strategy setting out the rating structure of Council to levy rates and charges)	<p>No strategy During the reporting period Council reviewed its Rates and Services Charges Strategy and sought community feedback. Council is currently considering the community feedback.</p>
7. <b>Risk policy</b> (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	<p>Policy Date of operation of current policy: 19 September 2016</p>

8. <b>Fraud policy</b> (policy outlining council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 19 September 2016
9. <b>Municipal emergency management plan</b> (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Municipal Emergency Management Plan prepared: 25/05/2015, Municipal Emergency Management Plan Audit: 11 November 2016
10. <b>Procurement policy</b> (Policy under section 186A of the Act outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the Local Government Act 1989 Date of approval: 22 November 2017
11. <b>Business continuity plan</b> (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Business Continuity Plan: Date of Approval: 23 January 2018
12. <b>Disaster recovery plan</b> (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation of the current plan: 22 May 2018
13. <b>Risk management framework</b> (framework outlining council's approach to managing risks to the Council's operations)	Framework consists of councils risk policy 19/09/2016, fraud management policy 19/09/2016, risk management plan (under review) and audit committee charter 23/08/2017
14. <b>Audit Committee</b> (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)	Established in accordance with section 139 of the Act Date of establishment: March 1997 Audit Committee Charter adopted: 23 August 2017
15. <b>Internal audit</b> (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	Engaged Date of engagement of current provider 12 April 2016

16. <b>Performance reporting framework</b> (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Framework Date of operation of current framework: 13 February 2018
17. <b>Council Plan reporting</b> (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)	Report Report prepared: 28 February 2018
18. <b>Financial reporting</b> (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly Statements 25/10/2017, 28/02/2018, 23/03/2018, Annual Budget 13/06/2018
19. <b>Risk reporting</b> (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports: 23 August 2017, 23 November 2017, 28 February 2018, 23 May 2018
20. <b>Performance reporting</b> (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)	Annual report: 27 September 2017 Six monthly report: 28 February 2018
21. <b>Annual report</b> (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)	Considered at meeting of Council in accordance with section 134 of the Act. Date considered: 29 September 2017
22. <b>Councillor Code of Conduct</b> (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 98(6) of the Act Date of review: 8 February 2017
23. <b>Delegations</b> (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act Date of review: 25 October 2017 Instruments updated: 28 March 2018

24. <b>Meeting procedures</b> (a local law governing the conduct of meetings of council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 24 May 2017
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I certify that this information presents fairly the status of Council's governance and management arrangements.



Mark Henderson  
Chief Executive Officer

Dated: 13 September 2018



Cr Libro Mustica  
Mayor

Dated: 13 September 2018

## 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

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.

Moira Shire's Disability Action Plan was endorsed by Council in late 2017. The following actions were achieved in the 2017/2018 financial year.

- Completion of internal and external consultation, including a community survey, to identify priorities for a new Disability Action Plan
- Development and endorsement of a new Disability Access and Inclusion Plan (2017-2021), including an Easy English Version
- Engagement with community members and school children for activities celebrating International Day of People with Disability
- Review and include strengthened Community Grant criteria around access and inclusion
- Audit of designated Disabled Car Parking bays, including some upgrade works
- Increased community presence and awareness of Disability Advisory Committee
- Development of Good Access = Good Events guide
- Support and advocacy work, including NDIS information sessions, public transport and disabled parking permits

## Domestic Animal Management Plan

In accordance with the Domestic Animals (Feral and Nuisance) 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 new 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.

2017-18 Domestic Animal Management activity at 30 June 2018		
	Dogs	Cats
Impounded	191	335
Claimed/returned to owner	113	15
Rehoused	43	87
Euthanised	34	226
Aggressive/unsuitable/feral		
Died in foster care	1	0
Escaped from pound	0	1
Died in pound	0	6 (cat flu)

## 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.

## 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](http://www.foi.vic.gov.au) and on the Moira Shire Council website.

## Protected Disclosure Procedures

The Protected Disclosure 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 2017-18 Council had no infrastructure and development contributions.

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# Performance Statement

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## 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 17 smaller communities with a total population of 29,465 residents.

Moira's population median age is 47 years, which is higher than the state and national medians of 37 and 38 years. In June 2013, there were 11,832 local jobs in Moira Shire, with 12,934 employed residents.

Food processing, principally dairy products and meat processing is the largest sector based on output in the Moira Shire. Food processing also includes significant output in oils and fats, fruit and vegetable products, wine and other food products. A total of approximately 3,000 businesses were registered in the Shire across all industries.

Agricultural land use accounts for approximately 71% of the total land area, and is currently divided equally between irrigated and dry land production.

The Moira Shire community is serviced by local hospitals in each of the major towns along with a wide range of medical and allied health service providers.

# Sustainable Capacity Indicators

For the year ended 30 June 2018

Indicator/measure	Results				Material Variations
	2015	2016	2017	2018	
<b>Population</b>					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,919.43	\$1,741.36	\$1,797.90	\$1,758.39	No material variation.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$13,563.33	\$14,039.52	\$15,118.95	\$15,188.70	No material variation.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	7.89	7.89	7.89	8.08	No material variation.
<b>Own-source revenue</b>					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,267.89	\$1,347.09	\$1,380.72	\$1,419.52	No material variation.
<b>Recurrent grants</b>					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$609.14	\$384.11	\$696.02	\$519.94	Variance is due to 2016/17 result including 100% of 2016/17 and 50% of 2017/18 Financial Assistance Grants whilst the 2017/18 result included 50% of 2017/18 and 50% of 2018/19 Financial Assistance Grant.
<b>Disadvantage</b>					
<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.

---

## 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.

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# Service Performance Indicators

For the year ended 30 June 2018

Service/indicator/measure	Results				Material Variations
	2015	2016	2017	2018	
<b>AQUATIC FACILITIES</b>					
<b>Utilisation</b>					
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	2.50	2.76	2.79	3.01	No material variation.
<b>ANIMAL MANAGEMENT</b>					
<b>Health and safety</b>					
Animal management prosecutions [Number of successful animal management prosecutions]	0.00	0.00	1.00	0.00	Nil animal management prosecution commenced during the reporting period.
<b>FOOD SAFETY</b>					
<b>Health and safety</b>					
Critical and major non-compliance notifications  [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	100.00%	100.00%	44.00%	21.43%	Follow up on critical and non-compliance outcomes were not completed until the annual inspection causing a low score. All inspections are now followed up in a timely manner.
<b>GOVERNANCE</b>					
<b>Satisfaction</b>					
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	51.00	51.00	48.00	No material variation.

HOME AND COMMUNITY CARE					
Participation					
Participation in HACC service	33.45%	0.00%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
[Number of people that received a HACC service / Municipal target population for HACC services] x100					
Participation					
Participation in HACC service by CALD people	21.47%	0.00%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	
[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100					
LIBRARIES					
Participation					
Active library members	18.83%	17.11%	18.07%	15.47%	Participation reported does not include the use of other resources at the libraries. These resources include computers, Wi-Fi sessions attended programs or library events.
[Number of active library members / Municipal population] x100					
MATERNAL AND CHILD HEALTH					
Participation					
Participation in the MCH service	84.77%	77.57%	74.18%	80.35%	No material variation.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					
Participation					
Participation in the MCH service by Aboriginal children	79.31%	72.59%	85.59%	93.27%	Council undertakes a monthly review of all clients who identify as Aboriginal or Torres Strait Islander. This process ensures that Key Age and Stage Assessments are undertaken with these families. Assertive outreach efforts over the past year have resulted in improved relationships and higher service uptake.
[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					

<b>ROADS</b> <b>Satisfaction</b> <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	49.00 44.00 52.00 44.00	No material variation.
<b>STATUTORY PLANNING</b> <b>Decision making</b> <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100.00% 100.00% 85.71% 66.67%	6 appeals were lodged with VCAT during the reporting period, the outcomes of the decision; 2 affirmed, 2 varied, 1 set-aside and 1 struck out.
<b>WASTE COLLECTION</b> <b>Waste diversion</b> <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	47.33% 54.27% 54.81% 54.39%	No material variation.



## 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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

# Financial Performance Indicators

For the year ended 30 June 2018

	Results				Forecasts				
Dimension/ <i>indicator/measure</i>	2015	2016	2017	2018	2019	2020	2021	2022	Material Variations
EFFICIENCY									
Revenue level									
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,734.52	\$1,824.22	\$1,853.27	\$1,856.21	\$1,883.92	\$1,912.04	\$1,940.57	\$1,969.54	No material variation.
Expenditure level									
Expenses per property assessment [Total expenses / Number of property assessments]	\$3,148.07	\$2,879.87	\$2,976.28	\$2,962.66	\$3,226.40	\$3,303.30	\$3,364.98	\$3,438.10	No material variation.
Workforce turnover									
Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	12.26%	10.10%	9.11%	9.75%	8.33%	8.33%	8.33%	8.33%	No material variation.
LIQUIDITY									
Working capital									
Current assets compared to current liabilities [Current assets / Current liabilities] x100	331.60%	334.10%	399.38%	444.74%	255.84%	301.68%	253.48%	207.78%	Variance is due to a higher cash balance at end of year compared to 2016/17.

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Unrestricted cash</b>									
<i>Unrestricted cash compared to current liabilities</i>	237.26%	252.29%	318.30%	360.82%	182.90%	204.47%	155.58%	109.14%	Variance is due to a higher cash balance at end of year compared to 2016/17.
[Unrestricted cash / Current liabilities] x100									
<b>OBLIGATIONS</b>									
<b>Asset renewal</b>									
<i>Asset renewal compared to depreciation</i>	65.14%	67.24%	89.95%	77.59%	88.86%	81.72%	80.72%	79.74%	Result has decreased due to lower asset renewal expenses.
[Asset renewal expenses / Asset depreciation] x100									
<b>Loans and borrowings</b>									
<i>Loans and borrowings compared to rates</i>	20.67%	16.83%	13.54%	10.07%	6.73%	5.04%	3.30%	1.62%	Variance in forecasts are due to reducing loan balance resulting from debt reduction program.
[Interest bearing loans and borrowings / Rate revenue] x100									
<b>Loans and borrowings</b>									
<i>Loans and borrowings repayments compared to rates</i>	4.53%	4.46%	3.98%	3.82%	3.73%	1.81%	1.74%	1.67%	Variance in forecasts are due to reducing loan balance resulting from debt reduction program.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									
<b>Indebtedness</b>									
<i>Non-current liabilities compared to own source revenue</i>	42.66%	40.23%	37.29%	33.41%	34.75%	36.36%	34.48%	32.65%	Variance in forecasts are due to reducing loan balance resulting from debt reduction program.
[Non-current liabilities / Own source revenue] x100									

Dimension/ <i>indicator/measure</i>	Results				Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
<b>OPERATING POSITION</b>									Variance is due to 2016/17 result including 100% of 2016/17 and 50% of 2017/18 Financial Assistance Grants whilst the 2017/18 result included 50% of 2017/18 and 50% of 2018/19 Financial Assistance Grant.
<b>Adjusted underlying result</b>									
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	-0.87%	0.20%	14.30%	11.34%	-12.21%	-4.42%	-3.21%	-2.26%	
<b>STABILITY</b>									
<b>Rates concentration</b>									
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	57.05%	66.26%	56.22%	60.70%	72.09%	67.00%	67.53%	68.05%	No material variation.
<b>Rates effort</b>									
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality ] x100	0.62%	0.66%	0.63%	0.64%	0.65%	0.66%	0.68%	0.71%	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 2018

### 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 28 June 2017 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:** 13 September 2018

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

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

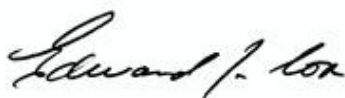
At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

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



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Councillor Libro Mustica - Mayor  
**Councillor**  
**Dated:** 13 September 2018



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Councillor Ed Cox – Deputy Mayor  
**Councillor**  
**Dated:** 13 September 2018



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Mark Henderson  
**Chief Executive Officer**  
**Dated:** 13 September 2018



# Independent Auditor's Report

## To the Councillors of Moira Shire Council

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

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

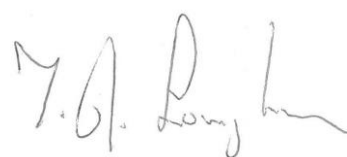
As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

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

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MELBOURNE  
18 September 2018



Tim Loughnan  
as delegate for the Auditor-General of Victoria

# 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 :** 13 September 2018

Cobram

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

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

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



Libro Mustica

**Mayor**

**Date :** 13 September 2018

Cobram



Edward Cox

**Deputy Mayor**

**Date :** 13 September 2018

Cobram



Mark Henderson

**Chief Executive Officer**

**Date :** 13 September 2018

Cobram

# Independent Auditor's Report

## To the Councillors of Moira Shire Council

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



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

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

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

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

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



MELBOURNE  
18 September 2018

Tim Loughnan  
*as delegate for the Auditor-General of Victoria*

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

	Note	2018 \$'000	2017 \$'000
<b>Income</b>			
Rates and charges	2.1	35,469	34,195
Statutory fees and fines	2.2	1,512	1,239
User fees	2.3	2,281	2,508
Grants - operating	2.4(a)	12,976	16,475
Grants - capital	2.4(b)	4,062	4,726
Contributions - monetary	2.5	112	223
Contributions - non monetary	2.5	593	863
Net gain on disposal of property, infrastructure, plant and equipment	2.6	-	55
Share of net profit of associates and joint ventures	5.2	22	9
Other income	2.7	2,604	1,902
<b>Total income</b>		<b>59,631</b>	<b>62,195</b>
<b>Expenses</b>			
Employee costs	3.1	19,972	19,892
Materials and services	3.2	21,574	20,291
Depreciation	3.3	9,053	10,425
Bad and doubtful debts	3.4	59	17
Borrowing costs	3.5	315	391
Net loss on disposal of property, infrastructure, plant and equipment	2.6	62	-
Share of net loss of associates and joint ventures	5.2	77	23
Other expenses	3.6	761	920
<b>Total expenses</b>		<b>51,873</b>	<b>51,959</b>
<b>Surplus/(deficit) for the year</b>		<b>7,758</b>	<b>10,236</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment	5.1	18,472	29,992
<b>Total comprehensive result</b>		<b>26,230</b>	<b>40,228</b>

## Balance Sheet

### As at 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4.1(a)	3,191	5,810
Other financial assets	4.1(b)	32,000	25,000
Trade and other receivables	4.1(c)	3,514	3,373
Inventories	4.2(a)	1,048	735
Other assets	4.2(b)	598	325
<b>Total current assets</b>		<b>40,351</b>	<b>35,243</b>
<b>Non-current assets</b>			
Investments in associates and joint arrangements	5.2	928	711
Property, infrastructure, plant and equipment	5.1	577,952	558,235
Intangible assets	4.2(c)	2,013	1,625
<b>Total non-current assets</b>		<b>580,893</b>	<b>560,571</b>
<b>Total assets</b>		<b>621,244</b>	<b>595,814</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	4.3(a)	2,697	2,645
Trust funds and deposits	4.3(b)	1,045	1,085
Provisions	4.5	4,207	4,204
Interest-bearing liabilities	4.4	1,123	1,041
<b>Total current liabilities</b>		<b>9,072</b>	<b>8,975</b>
<b>Non-current liabilities</b>			
Provisions	4.5	11,526	11,301
Interest-bearing liabilities	4.4	2,449	3,572
<b>Total non-current liabilities</b>		<b>13,975</b>	<b>14,873</b>
<b>Total liabilities</b>		<b>23,047</b>	<b>23,848</b>
<b>Net assets</b>		<b>598,197</b>	<b>571,966</b>
<b>Equity</b>			
Accumulated surplus		190,714	188,703
Reserves	8.1	407,483	383,264
<b>Total Equity</b>		<b>598,197</b>	<b>571,967</b>

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

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

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserves \$'000	Other Reserves \$'000
<b>2018</b>					
Balance at beginning of the financial year		571,967	188,703	382,054	1,210
Surplus/(deficit) for the year		7,758	7,758	-	-
Net asset revaluation increment/(decrement)	8.1(a)	18,472	-	18,472	-
Transfers to other reserves	8.1(b)	-	(5,816)	-	5,816
Transfers from other reserves	8.1(b)	-	69	-	(69)
<b>Balance at end of the financial year</b>		<b>598,197</b>	<b>190,714</b>	<b>400,526</b>	<b>6,957</b>

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserves \$'000	Other Reserves \$'000
<b>2017</b>					
Balance at beginning of the financial year		531,739	178,131	352,062	1,546
Surplus/(deficit) for the year		10,236	10,236	-	-
Net asset revaluation increment/(decrement)	8.1(a)	29,992	-	29,992	-
Transfers to other reserves	8.1(b)	-	(19)	-	19
Transfers from other reserves	8.1(b)	-	355	-	(355)
<b>Balance at end of the financial year</b>		<b>571,967</b>	<b>188,703</b>	<b>382,054</b>	<b>1,210</b>

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

		2018 Inflows/ (Outflows) \$'000	2017 Inflows/ (Outflows) \$'000
	Note		
<b>Cash flows from operating activities</b>			
Rates and charges		35,498	34,376
Statutory fees and fines		1,520	1,225
User fees		2,508	2,922
Grants - operating		13,371	16,636
Grants - capital		4,533	4,726
Contributions - monetary		112	223
Interest received		694	656
Trust funds and deposits taken		4,634	5,078
Other receipts		970	564
Net GST (payment)/refund		2,096	(59)
Employee costs		(20,031)	(20,047)
Materials and services		(24,737)	(20,005)
Trust funds and deposits repaid		(4,674)	(5,279)
Other payments		(1,099)	(902)
<b>Net cash provided by / (used in) operating activities</b>	8.2	<b>15,395</b>	<b>20,114</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	5.1	(10,052)	(13,086)
Proceeds from sale of property, infrastructure, plant and equipment		394	422
<b>Net cash provided by / (used in) investing activities</b>		<b>(9,658)</b>	<b>(12,664)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(315)	(391)
Repayment of borrowings		(1,041)	(966)
<b>Net cash provided by / (used in) financing activities</b>		<b>(1,356)</b>	<b>(1,357)</b>
Net increase / (decrease) in cash and cash equivalents		4,381	6,093
Cash and cash equivalents at the beginning of the financial year		30,810	24,717
<b>Cash and cash equivalents at the end of the financial year</b>		<b>35,191</b>	<b>30,810</b>
	Note		
Financing arrangements	4.6		
Restrictions on cash assets	4.1		

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

	2018 \$'000	2017 \$'000
<b>Property</b>		
Land	210	-
Land improvements	243	509
<b>Total land</b>	<u>453</u>	<u>509</u>
 Buildings	 1,584	 1,258
<b>Total buildings</b>	<u>1,584</u>	<u>1,258</u>
 <b>Total property</b>	 <u>2,037</u>	 <u>1,767</u>
 <b>Plant and equipment</b>		
Plant, machinery and equipment	1,018	656
Computers and telecommunications	53	41
<b>Total plant and equipment</b>	<u>1,071</u>	<u>697</u>
 <b>Infrastructure</b>		
Roads	5,286	8,695
Bridges	156	68
Footpaths and cycle ways	381	475
Drainage	873	1,017
Recreational, leisure and community facilities	199	367
Off street car parks	49	-
<b>Total infrastructure</b>	<u>6,944</u>	<u>10,622</u>
 <b>Total capital works expenditure</b>	 <u>10,052</u>	 <u>13,086</u>
 <b>Represented by:</b>		
New asset expenditure	1,559	2,229
Asset renewal expenditure	7,024	9,377
Asset expansion expenditure	108	724
Asset upgrade expenditure	1,361	756
<b>Total capital works expenditure</b>	<u>10,052</u>	<u>13,086</u>

## Notes to the Financial Report For the Year Ended 30 June 2018

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

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

## Notes to the Financial Report For the Year Ended 30 June 2018

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

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

### 1.1 Income and Expenditure

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
<b>Income</b>				
Rates and charges	34,926	35,469	543	1
Statutory fees and fines	1,104	1,512	408	2
User fees	2,905	2,281	(624)	3
Grants - operating	5,912	12,976	7,064	4
Grants - capital	4,383	4,062	(321)	5
Contributions - monetary	116	112	(4)	
Contributions - non monetary	200	593	393	6
Share of net profit of associates and joint ventures	-	22	22	
Other income	974	2,604	1,630	7
<b>Total income</b>	<b>50,520</b>	<b>59,631</b>	<b>9,111</b>	
<b>Expenses</b>				
Employee costs	21,514	19,972	(1,542)	8
Materials and services	21,502	21,574	72	
Bad and doubtful debts	3	59	56	9
Depreciation	9,502	9,053	(449)	10
Borrowing costs	316	315	(1)	
Net loss on disposal of property, infrastructure, plant and equipment	170	62	(108)	11
Share of net loss of associates and joint ventures	10	77	67	
Other expenses	801	761	(40)	
<b>Total expenses</b>	<b>53,818</b>	<b>51,873</b>	<b>(1,945)</b>	
<b>Surplus/(deficit) for the year</b>	<b>(3,298)</b>	<b>7,758</b>	<b>11,056</b>	

#### (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Rates and charges	Variance is due to higher supplementary values for new dwellings and commercial properties resulting in increased rates income.
2	Statutory fees and fines	Variance is due to increased planning fees, mainly from Solar Farm enterprises approved within the Shire, proposed retail development in Cobram and further development at Silverwoods Yarrawonga.



**Notes to the Financial Report  
For the Year Ended 30 June 2018**

<b>Variance Ref</b>	<b>Item</b>	<b>Explanation</b>
3	User fees	Variance is due to lower income from Cobram Landfill driven by reduced commercial demand and lower income from Section 86 Committees which is matched by lower materials and services expenses.
4	Grants - operating	Variance is due to receipt of 50% of 2018/19 Commonwealth Financial Assistance Grant in advance, receipt of National Disaster Relief and Recovery (NDRRA) grant for 2016 flood event and Regional Fruit Fly Program Action Plan initiative.
5	Grants - capital	Variance is due to delay in successfully accessing State government grants for the new facilities at Apex Reserve Cobram and the Barmah Punt due to project delays.
6	Contributions - non monetary	Variance is due to higher contributions of capital assets to Moira Shire from developers.
7	Other income	Variance is due to increased interest income on investments driven by early receipt of 2017/18 Commonwealth Financial Assistance Grant, higher income from the sale of recyclable materials and higher recoupment of legal costs.
8	Employee costs	Variance is due to salary and wages savings driven by delays in backfilling vacant roles (including several senior positions) and the transfer of some roads and parks maintenance employee costs to contractors. Also lower Fringe Benefits Tax and Workcover premiums.
9	Bad and doubtful debts	Variance driven by increased allowance for doubtful debts for properties expected to be sold under Section 181 provisions of the Local Government Act, where the expected settlement will be less than outstanding rates balances.
10	Depreciation	Variance driven by lower asset values than originally budgeted.
11	Net loss on disposal of property, infrastructure, plant and equipment	Variance driven by higher income received from the sale of assets.

**Notes to the Financial Report**  
**For the Year Ended 30 June 2018**

**Note 1 Performance against budget (cont.)**

**1.2 Capital Works**

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref.
<b>Property</b>				
Land	-	210	210	1
Land improvements	325	243	(82)	2
<b>Total Land</b>	325	453	128	
Buildings	1,435	1,584	149	3
<b>Total Buildings</b>	1,435	1,584	149	
<b>Total Property</b>	<b>1,760</b>	<b>2,037</b>	<b>277</b>	
<b>Plant and Equipment</b>				
Plant, machinery and equipment	660	1,018	358	4
Fixtures, fittings and furniture	12	-	(12)	
Computers and telecommunications	250	53	(197)	5
<b>Total Plant and Equipment</b>	<b>922</b>	<b>1,071</b>	<b>150</b>	
<b>Infrastructure</b>				
Roads	5,390	5,286	(104)	
Bridges	95	156	61	6
Footpaths and cycle ways	190	381	191	7
Drainage	545	873	328	8
Recreational, leisure and community facilities	220	199	(21)	
Parks, open space and streetscapes	400	-	(400)	9
Aerodromes	20	-	(20)	
Off street car parks	120	49	(71)	10
<b>Total Infrastructure</b>	<b>6,980</b>	<b>6,944</b>	<b>(36)</b>	
<b>Total Capital Works Expenditure</b>	<b>9,662</b>	<b>10,052</b>	<b>390</b>	
<b>Represented by:</b>				
New asset expenditure	1,233	1,559	326	
Asset renewal expenditure	7,420	7,024	(396)	
Asset expansion expenditure	120	108	(12)	
Asset upgrade expenditure	889	1,361	472	
<b>Total Capital Works Expenditure</b>	<b>9,662</b>	<b>10,052</b>	<b>390</b>	

**(i) Explanation of material variations**

Variance Ref.	Item	Explanation
1	Land	Variance due to stabilisation works on various land assets located alongside waterways.
2	Land improvements	Variance due to deferral of works at the Cobram Apex Caravan Park site.
3	Buildings	Variance due to expenditure on projects that have been transferred from the previous financial year (2016/17), mainly building works at the Numurkah Showgrounds .

**Notes to the Financial Report  
For the Year Ended 30 June 2018**

<b>Variance Ref.</b>	<b>Item</b>	<b>Explanation</b>
<b>4</b>	Plant, machinery and equipment	Variance due to purchase of heavy plant items that were deferred in the previous financial year (2016/17).
<b>5</b>	Computers and Telecommunications	Variance due to the deferral of replacement of telephone system and upgrade to Geographic Information System (GIS).
<b>6</b>	Bridges	Variance due to design expenditure for bridge renewal projects that have received funding grants for the 2018/19 financial year.
<b>7</b>	Footpaths and cycle ways	Variance due to Broadway Street Cobram footpath (funded by VicRoads) and by additional expenditure on projects that have been transferred from the previous financial year (2016/17).
<b>8</b>	Drainage	Variance due to expenditure on projects that have been transferred from the previous financial year (2016/17), mainly the Nathalia-Nathalia West drainage works.
<b>9</b>	Parks, open space and streetscapes	Variance due to delays in projects mainly at the Barmah Punt and the Multipurpose Facility at Bundalong.
<b>10</b>	Off street car parks	Variance due to smaller works at Numurkah Bus Station car park and deferral of car park at Cobram Civic Centre.

**Notes to the Financial Report  
For the Year Ended 30 June 2018**

	2018	2017
	\$'000	\$'000

**Note 2 Funding for the delivery of our services**

**2.1 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 2017/18 was \$5,527 million (2016/17 - \$5,428 million).

General rates	22,637	21,877
Municipal charge	5,374	5,257
Environmental levy	3,630	3,553
Waste management charges	3,506	3,359
Supplementary rates and rate adjustments	198	25
Interest on rates and charges	124	124
<b>Total rates and charges</b>	<b>35,469</b>	<b>34,195</b>

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

Annual rates and charges are recognised as revenues when Council issues annual rates notices.

Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

**2.2 Statutory fees and fines**

Town planning fees	604	353
Building services fees	427	418
Land information certificates	44	41
Permits	55	33
Business registration fees	138	138
Animal registration fees and fines	198	226
Other statutory fees and fines	46	30
<b>Total statutory fees and fines</b>	<b>1,512</b>	<b>1,239</b>

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.

**2.3 User fees**

Leisure centre and recreation	26	26
Child care/children's programs	-	17
Waste management services	1,433	1,649
Rent and other property income	143	124
Public hall and park hire fees	264	254
Sundry works and works within road reserve fees	105	74
Caravan park charges	240	249
Other user fees and charges	70	115
<b>Total user fees</b>	<b>2,281</b>	<b>2,508</b>

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

**Notes to the Financial Report  
For the Year Ended 30 June 2018**

	2018 \$'000	2017 \$'000
<b>2.4 Funding from other levels of government</b>		
Grants were received in respect of the following :		
<b>Summary of Grants</b>		
Commonwealth funded grants	15,437	19,371
State funded grants	1,601	1,830
<b>Total grants received</b>	<b>17,038</b>	<b>21,201</b>
<b>(a) Operating Grants</b>		
<b><i>Recurrent - Commonwealth Government</i></b>		
Financial Assistance Grants	10,659	15,024
<b><i>Recurrent - State Government</i></b>		
Community health	64	94
Community safety	57	61
Environmental planning	20	20
Economic development and tourism	481	303
Maternal and child health	351	322
Recreation	29	29
Roadside weeds and pest management	75	75
School crossing supervisors	-	41
Other	2	2
<b>Total recurrent operating grants</b>	<b>11,738</b>	<b>15,971</b>
<b><i>Non-recurrent - Commonwealth Government</i></b>		
Disaster recovery	1,196	85
Family day care	-	128
<b><i>Non-recurrent - State Government</i></b>		
Community facilities	3	53
Economic development and tourism	-	9
Environmental planning	1	129
Waste management	29	-
Community health	-	89
Community safety	-	11
Recreation	9	-
<b>Total non-recurrent operating grants</b>	<b>1,238</b>	<b>504</b>
<b>Total operating grants</b>	<b>12,976</b>	<b>16,475</b>
<b>(b) Capital Grants</b>		
<b><i>Recurrent - Commonwealth Government</i></b>		
Roads to recovery	3,582	4,135
<b>Total recurrent capital grants</b>	<b>3,582</b>	<b>4,135</b>
<b><i>Non-recurrent - State Government</i></b>		
Buildings	-	57
Recreation, leisure and community facilities	8	175
Roads	348	-
Parks, open space and streetscapes	36	73
Footpaths and cycleways	-	100
Bridges	-	150
Drainage	88	-
Other	-	36
<b>Total non-recurrent capital grants</b>	<b>480</b>	<b>591</b>
<b>Total capital grants</b>	<b>4,062</b>	<b>4,726</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2018**

	2018 \$'000	2017 \$'000
<b>2.4 Funding from other levels of government (cont.)</b>		
<b>(c) Unspent grants received on condition that they be spent in a specific manner</b>		
Balance at start of year	810	153
Received during the financial year and remained unspent at balance date	262	801
Received in prior years and spent during the financial year	(652)	(144)
<b>Balance at year end</b>	<b>420</b>	<b>810</b>

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

**2.5 Contributions**

Monetary	112	223
Non-monetary	593	863
<b>Total contributions</b>	<b>705</b>	<b>1,086</b>

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

Land	47	17
Roads	81	211
Other Infrastructure	465	635
<b>Total non-monetary contributions</b>	<b>593</b>	<b>863</b>

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

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

Proceeds of sale	417	422
Written down value of assets disposed	(453)	(367)
Impairment losses on infrastructure assets replaced	(26)	-
<b>Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(62)</b>	<b>55</b>

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

**2.7 Other income**

Interest on investments	744	689
Reimbursements and subsidies	101	210
Legal costs recouped	275	258
Property revaluation costs recouped	-	131
Energy rebate scheme income	86	83
Sale of recyclables income	140	45
Revaluation of intangible asset (water shares)	388	306
Visitor Information Centre income	21	25
Recognition of assets under Council control	656	86
Other income	193	69
<b>Total other income</b>	<b>2,604</b>	<b>1,902</b>

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.

**Notes to the Financial Report  
For the Year Ended 30 June 2018**

	2018 \$'000	2017 \$'000
<b>Note 3 The cost of delivering services</b>		
<b>3.1 Employee costs</b>		
Wages and salaries	17,026	17,031
WorkCover	410	307
Apprentices and trainees	366	316
External contract employees	97	105
Superannuation	1,577	1,555
Fringe benefits tax	181	194
Other employee costs	315	384
<b>Total employee costs</b>	<b>19,972</b>	<b>19,892</b>
<b>(b) Superannuation</b>		
Council made contributions to the following funds:		
<b>Defined benefit fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	15	31
<b>Total</b>	<b>15</b>	<b>31</b>
Employer contributions payable at reporting date.	-	-
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,172	1,185
Employer contributions - other funds	390	339
<b>Total</b>	<b>1,562</b>	<b>1,524</b>
Employer contributions payable at reporting date.	60	60
Refer to note 8.3 for further information relating to Council's superannuation obligations.		
<b>3.2 Materials and services</b>		
Contract payments	4,729	4,489
Building maintenance	513	440
General maintenance	6,707	6,399
Utilities	890	911
Office services and supplies	1,347	1,127
Information technology	792	734
Insurance	494	439
Consultant fees	597	814
Legal costs	250	325
Community services	946	1,033
Council contributions, donations and grants	2,223	2,248
Waste management	995	1,124
Environmental management	620	208
Flood recovery	471	-
<b>Total materials and services</b>	<b>21,574</b>	<b>20,291</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2018**

	2018 \$'000	2017 \$'000
<b>3.3 Depreciation</b>		
Property	2,892	2,680
Plant and equipment	590	536
Infrastructure	5,571	7,209
<b>Total depreciation</b>	<b>9,053</b>	<b>10,425</b>

Refer to note 4.2( c ) and 5.1 for a more detailed breakdown of depreciation charges and accounting policy.

**3.4 Bad and doubtful debts**

Rates debtors	59	17
<b>Total bad and doubtful debts</b>	<b>59</b>	<b>17</b>

**Movement in provisions for doubtful debts**

Balance at the beginning of the year	55	38
New Provisions recognised during the year	59	17
Amounts already provided for and written off as uncollectible	(54)	-
<b>Balance at end of year</b>	<b>60</b>	<b>55</b>

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

**3.5 Borrowing costs**

Interest - Borrowings	315	391
<b>Total borrowing costs</b>	<b>315</b>	<b>391</b>

Borrowing costs are recognised as an expense in the period in which they are incurred.

**3.6 Other expenses**

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	50	54
Auditors' remuneration - Internal	28	41
Councillors' allowances	304	287
Interest on unwinding of discount on provisions	286	275
Refunds of rates	55	68
Termination of property lease	-	184
Other	38	11
<b>Total other expenses</b>	<b>761</b>	<b>920</b>



**Notes to the Financial Report  
For the Year Ended 30 June 2018**

	2018 \$'000	2017 \$'000
<b>Note 4 Our financial position</b>		
<b>4.1 Financial Assets</b>		
<b>(a) Cash and cash equivalents</b>		
Cash on hand	8	6
Cash at bank	1,183	804
Cash at call	2,000	-
Term deposits	-	5,000
<b>Total cash and cash equivalents</b>	<b>3,191</b>	<b>5,810</b>
<b>(b) Other financial assets</b>		
Term deposits - current	32,000	25,000
<b>Total other financial assets</b>	<b>32,000</b>	<b>25,000</b>
<b>Total financial assets</b>	<b>35,191</b>	<b>30,810</b>
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
- Trust funds and deposits (Note 4.3)	1,045	1,085
<b>Total restricted funds</b>	<b>1,045</b>	<b>1,085</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>2,146</b>	<b>4,725</b>
<b>Intended allocations</b>		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Unspent conditional grants received (Note 2.4(c))	420	810
- Cash held in other reserves (Note 8.1(b))	6,957	1,210
<b>Total funds subject to intended allocations</b>	<b>7,377</b>	<b>2,020</b>
Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.		
Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.		
<b>(c) Trade and other receivables</b>		
<b>Current</b>		
<i>Statutory receivables</i>		
Rates debtors	1,964	2,044
Provision for doubtful debts - rates debtors	(60)	(55)
Fire services levy debtors	227	233
Special rate debtors	7	10
Infringement debtors	161	167
<i>Non-statutory receivables</i>		
Other debtors	625	471
Net GST receivable	590	503
<b>Total current trade and other receivables</b>	<b>3,514</b>	<b>3,373</b>
<b>Total trade and other receivables</b>	<b>3,514</b>	<b>3,373</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2018**

**4.1 Financial Assets (cont.)**

**(c) Trade and other receivables (cont.)**

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.

<b>(i) Ageing of Receivables</b>	<b>2018</b>	<b>2017</b>
The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:	<b>\$'000</b>	<b>\$'000</b>
Current (not yet due)	539	458
Past due by up to 30 days	81	4
Past due between 31 and 180 days	5	9
<b>Total trade &amp; other receivables</b>	<b>625</b>	<b>471</b>

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

At balance date, other debtors representing financial assets with a nominal value of \$Nil (2017: \$205) was impaired. The amount of the provision raised against this debtor is \$Nil (2017: \$205).

**4.2 Non-financial assets**

**(a) Inventories**

Inventories held for distribution	1,038	725
Inventories held for sale	10	10
<b>Total inventories</b>	<b>1,048</b>	<b>735</b>

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

**(b) Other assets**

Prepayments	132	203
Accrued income	194	122
Section 86 Committee of Management	272	-
<b>Total other assets</b>	<b>598</b>	<b>325</b>

**(c) Intangible assets**

Water share entitlements	2,013	1,625
<b>Total intangible assets</b>	<b>2,013</b>	<b>1,625</b>

	<b>Water share entitlements</b>
<b>Gross carrying amount</b>	<b>\$'000</b>
Balance at 1 July 2017	1,625
Fair value adjustment	388
<b>Balance at 30 June 2018</b>	<b>2,013</b>

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 on 30 June 2018 by Wes Ridd (API Member 62427) of Preston Rowe Paterson Shepparton.

**Notes to the Financial Report  
For the Year Ended 30 June 2018**

	2018 \$'000	2017 \$'000
<b>4.3 Payables</b>		
<b>(a) Trade and other payables</b>		
Trade payables	142	1,627
Accrued expenses	2,555	1,018
<b>Total trade and other payables</b>	<b>2,697</b>	<b>2,645</b>
<b>(b) Trust funds and deposits</b>		
Refundable deposits	669	668
Fire services levy	346	352
Retention amounts	30	65
<b>Total trust funds and deposits</b>	<b>1,045</b>	<b>1,085</b>

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

*Purpose and nature of items*

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

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

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

**4.4 Interest bearing liabilities**

**Current**

Borrowings - secured	1,123	1,041
	<u>1,123</u>	<u>1,041</u>

**Non-current**

Borrowings - secured	2,449	3,572
	<u>2,449</u>	<u>3,572</u>

<b>Total Interest bearing liabilities</b>	<b>3,572</b>	<b>4,613</b>
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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	1,123	1,041
Later than one year and not later than five years	2,449	3,318
Later than five years	-	254
	<u>3,572</u>	<u>4,613</u>

**Notes to the Financial Report  
For the Year Ended 30 June 2018**

**4.4 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.

**4.5 Provisions**

<b>2018</b>	<b>Employee</b>	<b>Landfill restoration</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of the financial year	4,620	10,885	15,505
Additional provisions	275	85	360
Amounts used	(350)	(67)	(417)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	285	285
<b>Balance at the end of the financial year</b>	<b>4,545</b>	<b>11,188</b>	<b>15,733</b>
<b>2017</b>	<b>Employee</b>	<b>Landfill restoration</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of the financial year	4,367	10,629	14,996
Additional provisions	442	62	504
Amounts used	(189)	(82)	(271)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	276	276
<b>Balance at the end of the financial year</b>	<b>4,620</b>	<b>10,885</b>	<b>15,505</b>
	<b>2018</b>	<b>2017</b>	
	<b>\$'000</b>	<b>\$'000</b>	
<b>(a) Employee provisions</b>			
<b>Current provisions expected to be wholly settled within 12 months</b>			
Annual leave	1,414	1,462	
Annual leave loading	112	112	
Rostered days off	147	147	
Long service leave	2,349	2,277	
	<b>4,022</b>	<b>3,998</b>	

**Notes to the Financial Report  
For the Year Ended 30 June 2018**

	2018 \$'000	2017 \$'000
<b>4.5 Provisions (cont.)</b>		
<b>(a) Employee provisions (cont.)</b>		
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	95	125
	<u>95</u>	<u>125</u>
<b>Total current employee provisions</b>	<u>4,117</u>	<u>4,123</u>
<b>Non-current</b>		
Long service leave	428	497
<b>Total non-current employee provisions</b>	<u>428</u>	<u>497</u>
<b>Aggregate carrying amount of employee provisions:</b>		
Current	4,117	4,123
Non-current	428	497
<b>Total aggregate carrying amount of employee provisions</b>	<u>4,545</u>	<u>4,620</u>

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

*Wages and salaries and annual leave*

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

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

*Long service leave*

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

<b>Key assumptions:</b>	<b>2018</b>	<b>2017</b>
- discount rate	2.647	2.612
- wage inflation rate	3.875	3.813

**(b) Landfill restoration**

Current	90	81
Non-current	11,098	10,804
<b>Total aggregate carrying amount of landfill restoration provision</b>	<u>11,188</u>	<u>10,885</u>

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.

**Notes to the Financial Report  
For the Year Ended 30 June 2018**

	2018 \$'000	2017 \$'000
<b>4.5 Provisions (cont.)</b>		
<b>(b) Landfill restoration (cont.)</b>		

<b>Key assumptions:</b>	<b>2018</b>	<b>2017</b>
- discount rate	2.647	2.612
- inflation rate	3.875	3.813

**4.6 Financing arrangements**

The Council has the following funding arrangements in place as at 30 June 2018.

Credit card facilities	123	100
Fixed rate loan facilities	3,572	4,614
<b>Total facilities</b>	<b>3,695</b>	<b>4,714</b>
Used facilities	3,598	4,646
<b>Unused facilities</b>	<b>97</b>	<b>68</b>

Council does not have an overdraft facility.

**4.7 Commitments**

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

2018	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Garbage, recycling and organic waste collection	2,741	1,058	2,513	1,109	7,421
Computers and telecommunications	582	349	697	233	1,861
Maintenance and security of Council buildings	130	130	37	-	297
Cleaning of Council buildings	218	164	-	-	382
Environmental management	252	187	231	-	670
Recreation facilities management	801	802	2,414	3,223	7,240
Other services	96	-	-	-	96
<b>Total</b>	<b>4,820</b>	<b>2,690</b>	<b>5,892</b>	<b>4,565</b>	<b>17,967</b>
<b>Capital</b>					
Buildings	1,319	-	-	-	1,319
Roads	4,534	3,403	2,589	-	10,526
Plant and equipment	349	-	-	-	349
<b>Total</b>	<b>6,202</b>	<b>3,403</b>	<b>2,589</b>	<b>-</b>	<b>12,194</b>

**Notes to the Financial Report  
For the Year Ended 30 June 2018**

**4.7 Commitments (cont.)**

2017	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Garbage, recycling and organic waste collection	2,448	2,450	3,114	1,845	9,857
Computers and telecommunications	553	282	709	233	1,777
Maintenance and security of Council buildings	141	101	102	-	344
Cleaning of Council buildings	218	-	-	-	218
Environmental management	163	95	145	-	403
Recreation facilities management	898	-	-	-	898
Other services	237	237	45	-	519
<b>Total</b>	<b>4,658</b>	<b>3,165</b>	<b>4,115</b>	<b>2,078</b>	<b>14,016</b>
<b>Capital</b>					
Buildings	417	-	-	-	417
Roads	4,286	1,091	-	-	5,377
Plant and equipment	220	-	-	-	220
<b>Total</b>	<b>4,923</b>	<b>1,091</b>	<b>-</b>	<b>-</b>	<b>6,014</b>

**(b) Operating lease commitments**

At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment for use within Council's activities (these obligations are not recognised as liabilities):

	2018 \$'000	2017 \$'000
Not later than one year	1,202	1,437
Later than one year and not later than five years	1,548	2,809
Later than five years	2	16
<b>Total</b>	<b>2,752</b>	<b>4,262</b>

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

**Notes to the Financial Report  
For the Year Ended 30 June 2018**

**Note 5 Assets we manage**

**5.1 Property, infrastructure, plant and equipment**

**Summary of property, infrastructure, plant and equipment**

	At Fair Value 30 June 2017	Additions	Contributions	Found	Revaluation	Disposal	Write-offs	Transfers	Impairment	Depreciation	At Fair Value 30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	199,915	1,226	47	596	18,076	(248)	-	238	-	(2,892)	216,958
Plant and Equipment	2,740	1,071	-	-	-	(229)	-	-	-	(590)	2,992
Infrastructure	352,526	5,741	547	58	396	-	-	1,608	-	(5,571)	355,305
Work in progress	3,055	2,014	-	-	-	-	(526)	(1,846)	-	-	2,697
<b>Total</b>	<b>558,236</b>	<b>10,052</b>	<b>594</b>	<b>654</b>	<b>18,472</b>	<b>(477)</b>	<b>(526)</b>	<b>-</b>	<b>-</b>	<b>(9,053)</b>	<b>577,952</b>

**Summary of Work in Progress**

	Opening WIP 1 July 2017	Additions	Transfers	Write Offs	Closing WIP 30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	178	811	(277)	(55)	657
Infrastructure	2,877	1,203	(1,569)	(471)	2,040
<b>Total</b>	<b>3,055</b>	<b>2,014</b>	<b>(1,846)</b>	<b>(526)</b>	<b>2,697</b>



**Notes to the Financial Report**  
**For the Year Ended 30 June 2018**

**5.1 Property, infrastructure, plant and equipment (cont.)**

*Asset recognition thresholds and depreciation periods*

	Depreciation Period	Threshold Limit \$'000		Depreciation Period	Threshold Limit \$'000
<b>Property</b>			Footpaths and cycleways		
Land			- concrete	60 years	5.0
- Land	-	10.0	- gravel	20 years	5.0
- Land under roads	-	2.0	- bitumen	30 years	5.0
Land improvements	10 to 100 years	5.0	- brick	40 years	5.0
Buildings	65 to 90 years	5.0	Drainage		
<b>Plant and Equipment</b>			- main drains	50 to 100 years	5.0
Plant, machinery and equipment	7 years	2.5	- culverts and floodways	100 years	5.0
Fixtures, fittings and furniture	7 to 25 years	2.0	- pumps	30 years	5.0
<b>Infrastructure</b>			Kerb and channel		
Sealed roads			- kerb and channel	75 years	5.0
- road seals	19 years	5.0	- traffic islands	50 years	5.0
- road pavement	25 to 80 years	5.0	Recreational, leisure and community facilities		
Unsealed roads			- playground equipment	20 years	2.0
- road pavement	15 to 25 years	5.0	Parks, open space and streetscapes		
Laneways			- parks and gardens	10 to 100 years	5.0
- concrete	100 years	5.0	Aerodromes	10 to 100 years	2.0
- bitumen	18 years	5.0	Other infrastructure assets	10 to 100 years	5.0
Bridges					
- timber	80 years	5.0			
- steel and concrete	150 years	5.0			

**Notes to the Financial Report**  
**For the Year Ended 30 June 2018**

**5.1 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 2017	5,050	86,034	50,362	141,446	132,046	132,046	178	273,670
Accumulated depreciation at 1 July 2017	-	-	(19,952)	(19,952)	(53,625)	(53,625)	-	(73,577)
	5,050	86,034	30,410	121,494	78,421	78,421	178	200,093
<b>Movements in fair value</b>								
Additions	-	210	243	453	773	773	811	2,037
Contributions	-	47	-	47	-	-	-	47
Found	-	-	-	-	596	596	-	596
Revaluation	868	8,664	6	9,538	10,948	10,948	-	20,486
Disposal	-	(248)	-	(248)	-	-	-	(248)
Write-offs	-	-	-	-	-	-	(55)	(55)
Transfers	-	165	18	183	55	55	(277)	(39)
	868	8,838	267	9,973	12,372	12,372	479	22,824
<b>Movements in accumulated depreciation</b>								
Depreciation charge	-	-	(1,086)	(1,086)	(1,806)	(1,806)	-	(2,892)
Revaluation	-	-	36	36	(2,446)	(2,446)	-	(2,410)
Disposal	-	-	-	-	-	-	-	-
	-	-	(1,050)	(1,050)	(4,252)	(4,252)	-	(5,302)
At fair value 30 June 2018	5,918	94,872	50,629	151,419	144,418	144,418	657	296,494
Accumulated depreciation at 30 June 2018	-	-	(21,002)	(21,002)	(57,877)	(57,877)	-	(78,879)
	5,918	94,872	29,627	130,417	86,541	86,541	657	217,615

\* Land improvements asset category includes landfill assets (which are subject to rehabilitation) with a written down value of \$5.7m.

**Notes to the Financial Report  
For the Year Ended 30 June 2018**

**5.1 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 2017	4,499	160	77	4,736
Accumulated depreciation at 1 July 2017	(1,834)	(85)	(77)	(1,996)
	2,665	75	-	2,740
<b>Movements in fair value</b>				
Additions	1,018	-	53	1,071
Disposal	(594)	-	-	(594)
	424	-	53	477
<b>Movements in accumulated depreciation</b>				
Depreciation charge	(578)	(11)	(1)	(590)
Disposal	365	-	-	365
	(213)	(11)	(1)	(225)
At fair value 30 June 2018	4,923	160	130	5,213
Accumulated depreciation at 30 June 2018	(2,047)	(96)	(78)	(2,221)
	2,876	64	52	2,992

**Notes to the Financial Report**  
**For the Year Ended 30 June 2018**

**5.1 Property, infrastructure, plant and equipment (cont.)**

**(c) Infrastructure**

	Roads	Bridges	Footpaths and cycle ways	Drainage	Recreational, leisure and community	Total Infrastructure (excl. WIP)	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	350,744	29,958	17,970	66,138	2,203	467,013	2,877	469,890
Accumulated depreciation at 1 July 2017	(81,211)	(10,333)	(2,007)	(20,604)	(331)	(114,486)	-	(114,486)
	269,533	19,625	15,963	45,534	1,872	352,527	2,877	355,404
<b>Movements in fair value</b>								
Additions	4,782	79	381	424	76	5,742	1,203	6,945
Contributions	81	-	207	240	19	547	-	547
Found	58	-	-	-	-	58	-	58
Revaluation	(242)	-	-	(1)	118	(125)	-	(125)
Disposal	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	(471)	(471)
Transfers	1,342	6	111	75	74	1,608	(1,570)	38
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
	6,021	85	699	738	287	7,830	838	6,992
<b>Movements in accumulated depreciation</b>								
Depreciation charge	(3,826)	(349)	(491)	(783)	(122)	(5,571)	-	(5,571)
Revaluation	67	-	-	2	452	521	-	521
Disposal	-	-	-	-	-	-	-	0
	(3,759)	(349)	(491)	(781)	330	(5,050)	-	(5,050)
At fair value 30 June 2018	356,765	30,043	18,669	66,876	2,490	474,843	2,039	476,882
Accumulated depreciation at 30 June 2018	(84,970)	(10,682)	(2,498)	(21,385)	(1)	(119,536)	-	(119,536)
	271,795	19,361	16,171	45,491	2,489	355,307	2,039	357,346

## Notes to the Financial Report For the Year Ended 30 June 2018

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### 5.1 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.

#### *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 are listed on Page 27 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 land and buildings**

**Land** assets were valued by LG Valuation Services Pty Ltd as at 30 June 2018. 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 2019/20.

**Land under Roads** were valued as at 30 June 2018 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.

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.

## Notes to the Financial Report For the Year Ended 30 June 2018

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### 5.1 Property, infrastructure, plant and equipment (cont.)

**Land Improvements** were valued as at 30 June 2017 based on a condition assessment conducted by Mr Graham Henderson, Manager Construction & Assets for Moira Shire Council and Mr Rasika Diyagama, Assets Technical Officer for Moira Shire Council. Mr Henderson holds a Certificate of Technology (Civil). Mr Diyagama holds a Bachelor of Engineering (Civil). The basis of the valuation is depreciated replacement cost and will occur again in 2019/20.

**Buildings** were valued as at 30 June 2018 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 by the replacement rate taking into consideration the asset effective life and depreciation. Buildings will be re-valued again in 2019/20.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2018 are as

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	DoV
Land - specialised	-	-	5,918	06/2018
Land - non specialised	-	59,269	35,603	06/2018
Land improvements	-	-	29,627	06/2017
Buildings - non specialised	-	-	86,541	06/2018
<b>Total</b>	-	<b>59,269</b>	<b>157,689</b>	

#### **Valuation of infrastructure**

**Roads** were valued as at 30 June 2017 based on a condition assessment conducted by Tonkin Consulting 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 2019/20.

**Kerb and Channel** were valued as at 30 June 2017 based on a condition assessment conducted by Tonkin Consulting 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 2019/20.

**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 2019/20.

**Footpaths** were valued as at 30 June 2016 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 2018/19.

**Drainage** assets were valued as at 30 June 2016 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 2018/19.

**Culverts and Floodways** were last valued as at 30 June 2016 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 2018/19.

## Notes to the Financial Report For the Year Ended 30 June 2018

### 5.1 Property, infrastructure, plant and equipment (cont.)

**Pumps** were valued as at 30 June 2016 by Council's qualified engineering staff. The valuation is fair value based on replacement cost less accumulated depreciation at the date of valuation and is due again in 2018/19.

**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 2018 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	DoV
Roads	-	-	271,795	06/2017
Bridges	-	-	19,361	06/2017
Footpaths and cycle ways	-	-	16,171	06/2016
Drainage	-	-	45,491	06/2016
Recreational, leisure and community facilities	-	-	2,489	06/2018
<b>Total</b>	-	-	<b>355,307</b>	

*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.

	2018 \$'000	2017 \$'000
<b>Reconciliation of specialised land</b>		
Land under roads	5,918	5,050
<b>Total specialised land</b>	<b>5,918</b>	<b>5,050</b>

## Notes to the Financial Report For the Year Ended 30 June 2018

### 5.2 Investments in associates and joint arrangements

#### Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2018, and their income and expenses for that part of the reporting period in which control existed.

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

#### (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.

	2018 \$'000	2017 \$'000
Investments in associates accounted for by the equity method are:		
(i) Goulburn Valley Regional Library Corporation	708	711
(ii) Moira Arts and Culture Inc.	-	-
<b>Total investments in associates</b>	<b>708</b>	<b>711</b>

#### (i) 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 Strathbogie Shire Council. Moira Shire Council has a stakeholding of 28.86%.

<b>Fair value of Council's investment in Goulburn Valley Regional Library Corporation</b>	<b>708</b>	<b>711</b>
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus(deficit) at start of year	(128)	(137)
Prior year reported surplus(deficit) adjustment	22	-
Reported surplus(deficit) for year	(25)	9
Council's share of accumulated surplus(deficit) at end of year	<b>(131)</b>	<b>(128)</b>
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	839	839
Transfers (to) from reserves	-	-
Council's share of reserves at end of year	<b>839</b>	<b>839</b>
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	711	702
Prior year reported surplus(deficit) adjustment	22	-
Share of surplus(deficit) for year	(25)	9
Carrying value of investment at end of year	<b>708</b>	<b>711</b>



**Notes to the Financial Report  
For the Year Ended 30 June 2018**

<b>5.2 Investments in associates and joint arrangements (cont.)</b>	<b>2018</b>	<b>2017</b>
<b>(b) Investments in associates (cont.)</b>	<b>\$'000</b>	<b>\$'000</b>
<b>(i) Goulburn Valley Regional Library Corporation (cont.)</b>		
<b>Council' share of expenditure commitments</b>		
Operating commitments	146	43
Council share of expenditure commitments	<u>146</u>	<u>43</u>
<b>(ii) Moira Arts and Culture Inc.</b>		
<i>Background</i>		
Moira Arts and Culture Inc. is an incorporated association which promotes arts and culture within the Moira Shire. In July 2016, Moira Shire Council relinquished control over the entity and entered into a direct sponsorship agreement with Moira Arts and Culture Inc. Moira Shire Council no longer has representation on the Moira Arts and Culture Inc. Board.		
<b>Fair value of Council's investment in Moira Arts and Culture Inc.</b>	<u>-</u>	<u>-</u>
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus(deficit) at start of year	-	23
Write down of accumulated surplus	-	(23)
Council's share of accumulated surplus(deficit) at end of year	<u>-</u>	<u>-</u>
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	-	23
Write down of investment	-	(23)
Carrying value of investment at end of year	<u>-</u>	<u>-</u>
<b>(c) Joint Arrangements</b>		
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.		
<b>Creekside Estate Nathalia - Joint Venture</b>		
<i>Background</i>		
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.		
<b>Fair value of Council's investment in Creekside Estate Nathalia - Joint Venture</b>	<u>220</u>	<u>-</u>
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus(deficit) at start of year	-	-
Write down of accumulated surplus	(52)	-
Council's share of accumulated surplus(deficit) at end of year	<u>(52)</u>	<u>-</u>
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	-	-
Initial investment	272	-
Write down of investment	(52)	-
Carrying value of investment at end of year	<u>220</u>	<u>-</u>

**Notes to the Financial Report  
For the Year Ended 30 June 2018**

**Note 6 People and relationships**

**6.1 Council and key management remuneration**

**(a) Related Parties**

*Parent entity*

Moira Shire Council is the parent entity.

*Subsidiaries*

Details of Council's investments in associates are disclosed in Note 5.2.

**(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 8 November 2017 - 30 June 2018)

Councillor Gary Cleveland (Mayor 1 July 2017 - 8 November 2017)

Councillor John Beitzel

Councillor Kevin Bourke

Councillor Wendy Buck

Councillor Ed Cox

Councillor Peter Lawless

Councillor Peter Mansfield

Councillor Marie Martin

	2018	2017
	No.	No.
<b>Total Number of Councillors</b>	9	12
<b>Chief Executive Officer and other Key Management Personnel</b>	4	4
<b>Total Key Management Personnel</b>	<u>13</u>	<u>16</u>

**(c) Remuneration of Key Management Personnel**

Total remuneration of key management personnel was as follows:

	2018	2017
	\$'000	\$'000
Short-term benefits	1,102	955
Post-employment benefits	95	85
Other Long-term benefits	16	6
Termination benefits	80	106
<b>Total</b>	<u>1,293</u>	<u>1,152</u>

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

	2018	2017
	No.	No.
\$0 - \$9,999	-	3
\$10,000 - \$19,999	-	3
\$20,000 - \$29,999	2	5
\$30,000 - \$39,999	5	-
\$40,000 - \$49,999	1	-
\$60,000 - \$69,999	1	-
\$80,000 - \$89,999	-	1
\$140,000 - \$149,999	-	1
\$170,000 - \$179,999	-	1
\$190,000 - \$199,999	2	-
\$210,000 - \$219,999	1	-
\$250,000 - \$259,999	-	1
\$270,000 - \$279,999	1	1
	<u>13</u>	<u>16</u>

**Notes to the Financial Report  
For the Year Ended 30 June 2018**

**6.1 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 \$145,000.

The number of Senior Officers are shown below in their relevant income bands:	<b>2018</b>	<b>2017</b>
Income Range:	<b>No.</b>	<b>No.</b>
Less than \$145,000	1	2
\$145,001 - \$149,999	3	-
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	1	1
\$170,000 - \$179,999	1	-
\$200,000 - \$209,999	1	-
	<u>7</u>	<u>4</u>
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	1,119	597

**6.2 Related party disclosure**

**(a) Transactions with related parties**

During the period Council entered into the following transactions with related parties.	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
(i) Fees and charges charged to entities controlled by key management personnel	27	28
(ii) Employee expenses for close family members of key management personnel	122	106
(iii) Purchase of materials and services from associates of key management personnel	1	17
(iv) Purchase of materials and services from entities controlled by key management personnel	8	10

(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 2018 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 2018 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	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
(i) Fees and charges charged to entities controlled by key management personnel	-	2
(ii) Employee expenses for close family members of key management personnel	5	5

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 2018

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### Note 7 Managing uncertainties

#### 7.1 Contingent assets and liabilities

##### (a) Contingent assets

Developer contributions expected to be received in respect of property subdivisions currently under development total \$200,000 (2016/17 \$200,000).

##### (b) Contingent liabilities

###### Bank guarantees

Council has a bank guarantee of \$697,500 (2016/17 \$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*

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2019 is \$10,550.

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.

#### 7.2 Change in accounting standards

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

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

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

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

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

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

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

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

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

## **7.2 Change in accounting standards (cont.)**

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

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

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

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

## **7.3 Financial instruments**

### **(a) Objectives and policies**

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

### **(b) Market risk**

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

#### ***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.

### **(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. 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.

## Notes to the Financial Report For the Year Ended 30 June 2018

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### 7.3 Financial instruments (cont.)

#### (c) Credit risk (cont.)

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

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

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

The maximum exposure to credit risk at the reporting date to 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 4.4.

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 1.5%.

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.

### 7.4 Fair value measurement

#### *Fair value hierarchy*

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

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

#### **7.4 Fair value measurement (cont.)**

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.

#### **7.5 Events occurring after balance date**

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

**Notes to the Financial Report**  
**For the Year Ended 30 June 2018**

**Note 8 Other matters**

**8.1 Reserves**

**(a) Asset revaluation reserves**

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
<b>2018</b>			
<b>Property</b>			
Land	38,855	9,532	48,387
Land Improvements	15,978	42	16,020
Buildings	56,283	8,502	64,785
	<u>111,116</u>	<u>18,076</u>	<u>129,192</u>
<b>Infrastructure</b>			
Roads	193,545	(175)	193,370
Bridges	16,948	-	16,948
Footpaths and cycleways	22,945	-	22,945
Drainage	33,021	1	33,022
Recreational, leisure and community facilities	1,345	570	1,915
Other infrastructure	3,135	-	3,135
	<u>270,938</u>	<u>396</u>	<u>271,334</u>
<b>Total asset revaluation reserves</b>	<u><b>382,054</b></u>	<u><b>18,472</b></u>	<u><b>400,526</b></u>
<b>2017</b>			
<b>Property</b>			
Land	39,048	(193)	38,855
Land Improvements	14,096	1,882	15,978
Buildings	57,745	(1,462)	56,283
	<u>110,889</u>	<u>227</u>	<u>111,116</u>
<b>Infrastructure</b>			
Roads	175,229	18,316	193,545
Bridges	16,948	-	16,948
Footpaths and cycleways	12,339	10,606	22,945
Drainage	32,121	900	33,021
Recreational, leisure and community facilities	1,401	(56)	1,345
Other infrastructure	3,135	-	3,135
	<u>241,173</u>	<u>29,765</u>	<u>270,938</u>
<b>Total asset revaluation reserves</b>	<u><b>352,062</b></u>	<u><b>29,992</b></u>	<u><b>382,054</b></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 2018**

**8.1 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
<b>2018</b>				
Recreational open space reserve	756	31	(69)	718
Car parking reserve	140	-	-	140
Net gain native vegetation reserve	91	-	-	91
Botts Road - MV Highway intersection reserve	223	24	-	247
Yarrawonga Wetlands drainage reserve	-	27	-	27
Capital works carried forward reserve	-	5,734	-	5,734
<b>Total Other reserves</b>	<b>1,210</b>	<b>5,816</b>	<b>(69)</b>	<b>6,957</b>
<b>2017</b>				
Recreational open space reserve	964	15	(223)	756
Car parking reserve	251	-	(111)	140
Net gain native vegetation reserve	108	4	(21)	91
Botts Road - MV Highway intersection reserve	223	-	-	223
<b>Total Other reserves</b>	<b>1,546</b>	<b>19</b>	<b>(355)</b>	<b>1,210</b>

**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 Yarrawonga.

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

**Capital works carried forward reserve** represents funds allocated for capital works not completed as at the end of the 2017/18 financial year.

**Notes to the Financial Report  
For the Year Ended 30 June 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>8.2 Reconciliation of cash flows from operating activities to surplus/(deficit)</b>		
Surplus / (deficit) for the year	7,758	10,236
Depreciation/amortisation	9,053	10,425
Profit / (Loss) on disposal of property, infrastructure, plant and equipment	36	(55)
Impairment losses	26	-
Contributions - Non-monetary assets	(593)	(863)
Share of net loss of investments in associates	55	14
Prior year capital works expensed	526	24
Fair value adjustment of intangible asset	(388)	(306)
Net value of previously unrecognised assets	(656)	(86)
Finance costs	315	391
Bad debts	59	17
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	(242)	73
(Increase)/decrease in prepayments	71	(28)
(Increase)/decrease in accrued income	(72)	(29)
(Increase)/decrease in inventories	(308)	(186)
Increase/(decrease) in trade and other payables	(1,597)	174
Increase/(decrease) in other liabilities	1,123	(199)
Increase/(decrease) in provisions	229	512
Net cash provided by / (used in) operating activities	<b>15,395</b>	<b>20,114</b>

### 8.3 Superannuation

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

#### Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2018, this was 9.5% as required under Superannuation Guarantee legislation).

#### Defined Benefit

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

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

#### Funding arrangements

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

## Notes to the Financial Report For the Year Ended 30 June 2018

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### 8.3 Superannuation (cont.)

#### ***Funding arrangements (cont.)***

As at 30 June 2017, a full triennial actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 103.1%. To determine the VBI, the Fund Actuary used the following long-term

Net investment returns 6.5% pa

Salary information 3.5% pa

Price inflation (CPI) 2.5% pa.

Vision Super has advised that the estimated VBI at June 2018 was 106.0%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2017 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

#### **Employer contributions**

##### ***Regular contributions***

On the basis of the results of the 2017 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2018, this rate was 9.5% of members' salaries (9.5% in 2016/17). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

##### ***Funding calls***

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

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

#### **2017 triennial actuarial investigation surplus amounts**

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

A VBI surplus of \$69.8 million

A total service liability surplus of \$193.5 million.

A discounted accrued benefits surplus of \$228.8 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2017. Council was notified of the 30 June 2017 VBI during August 2017.

#### **2018 interim actuarial investigation**

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

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**END OF REPORT**

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