



Annual Report 2018/19





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**

Area	Median age	Born overseas																										
4,045km ²	47 years	9.07%																										
Major towns	Townships and Communities																											
Cobram Nathalia Numurkah Yarrowonga	Barmah, Bearii, Bundalong, Burramine, Invergordon, Kaarimba, Katamatite, Katunga, Koonoomoo, Kotupna, Lake Rowan, Peechelba, Picola, St James, Strathmerton, Tungamah, Waaia, Wilby, Wunghnu, Yabba North, Yalca and Yarroweyah.																											
Population		Total 29,799																										
<table border="1"> <caption>Population Distribution by Age Group</caption> <thead> <tr> <th>Age Group</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>100+</td><td>~0.1%</td></tr> <tr><td>90-99</td><td>~0.5%</td></tr> <tr><td>80-89</td><td>~4.5%</td></tr> <tr><td>70-79</td><td>~11.5%</td></tr> <tr><td>60-69</td><td>~14.5%</td></tr> <tr><td>50-59</td><td>~13.5%</td></tr> <tr><td>40-49</td><td>~11.5%</td></tr> <tr><td>30-39</td><td>~9.5%</td></tr> <tr><td>20-29</td><td>~9.5%</td></tr> <tr><td>10-19</td><td>~12.5%</td></tr> <tr><td>5-9</td><td>~5.5%</td></tr> <tr><td>0-4</td><td>~5.5%</td></tr> </tbody> </table>			Age Group	Percentage	100+	~0.1%	90-99	~0.5%	80-89	~4.5%	70-79	~11.5%	60-69	~14.5%	50-59	~13.5%	40-49	~11.5%	30-39	~9.5%	20-29	~9.5%	10-19	~12.5%	5-9	~5.5%	0-4	~5.5%
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Households with internet connection	People who help out as a volunteer	Speak a language other than english at home																										
74.55%	24.56%	4.77%																										

Annual Report 2018/19 Contents

Report of Operations

Message from the Mayor	3
Message from the Chief Executive Officer	4
Financial Summary	5
Description of Operations	7
Our Council	9
Our Councillors	11
Our People	12
Our Performance	19
Governance, Management and Other Information	40
Governance and Management Checklist	50
Statutory Information	54

Performance Statement

Description of Municipality	58
Sustainable Capacity Indicators	59
Service Performance Indicators	61
Financial Performance Indicators	65
Certification of the Performance Statement	70

Financial Report

Index to Financial Statements	74
Certification of the Financial Statements	76
Comprehensive Income Statement	79
Balance Sheet	80
Statement of Changes in Equity	81
Statement of Cash Flows	82
Statement of Capital Works	83
Notes to the Financial Statements	84



Report of Operations

Welcome to the Report of Operations 2018/19

Council is committed to transparent reporting and accountability to the community and the Report of Operations 2018/19 is the primary means of advising the Moira Shire Council community about council's operations and performance during the financial year.

Demographic Profile

- Moira Shire is located in the Hume region of Victoria and stretches across 4,045 square kilometres from Bundalong in the east to the Barmah National Park to the west.
- Moira Shire's northern boundary is defined by the Murray River and shares boundaries with the municipalities of Campaspe, Greater Shepparton, Benalla, Wangaratta and Indigo.
- Moira Shire includes four major towns; Cobram, Nathalia, Numurkah and Yarrawonga and 22 smaller communities: Barmah, Bearii, Bundalong, Burramine, Invergordon, Kaarimba, Katamatite, Katunga, Koonoomoo, Kotupna, Lake Rowan, Peechelba, Picola, St James, Strathmerton, Tungamah, Waaia, Wilby, Wunghnu, Yabba North, Yalca and Yarroweyah.
- It has an estimated residential population of 29,799 people with 81% born in Australia.
- Approximately three quarters of residents live and work in the Shire.

Vision

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Core Values

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- Integrity

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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 1070 km of sealed roads, 1600 km of gravel roads, 900 km of farm access tracks, 160 km of footpaths, 286 km of kerb and channel (including traffic Islands and splitter islands);
- Nine waste transfer stations and a landfill site; 83 parks and gardens (open spaces), 48 playgrounds, 31 public toilet blocks and public BBQs;
- CBD streetscapes in the four major towns and 17 smaller towns;
- 667 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 ageing population. This combination means Moira Shire has relatively higher costs to deliver the equivalent range and standard of council services.
- Moira Shire's financial resources and our ability to fund our existing range, standard and location of services will decline over coming years as rate capping progressively impacts on Council's financial resources.
- The competition for grant funding is expected to increase significantly as rate capping forces councils to seek alternative funding options to maintain existing infrastructure and invest in new programs and services.
- Our community's capacity to pay has peaked and there is limited scope to supplement rate revenue through other income streams.
- Many of Moira Shire's assets are in the latter stage of their useful life and community use is declining but community service standards along with public use, safety and construction standards are increasing.

The 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

During 2018/19 we reviewed and reset the future directions for council's waste services. Our review coincided with considerable international turmoil for waste and recycling. Our new Strategy responds to these challenges, reinforces our commitment to affordable and sustainable waste services and paves the way to expand our kerbside organic waste collection to service gaps and new communities across the shire.

Yet again we committed to delivering our largest ever capital works program. We delivered in full or in part several significant projects including the Apex Park soccer pavilion in Cobram, the Yarrowonga Foreshore Boardwalk, substantial drainage works in and around Anchorage Way, Yarrowonga, three major bridge upgrades along Stewarts Bridge Road, Lower Moira and the Wilby Hall.

It has been very pleasing to see the enthusiastic involvement of local communities in these projects – particularly the Cobram soccer community and the Wilby community.

These key projects were in addition to more than \$6.86 million of road, footpath, kerb and channel, and drainage works delivered across the shire at more than 331 individual work sites.

Moira Shire has also attracted several major private

sector investments. In late 2018/19 the Neoen solar farm near Numurkah came online and has significantly boosted Moira's large scale solar energy capability. Council also received applications for significant new or expanded retail developments in our major towns. Collectively these investments are an expression of confidence in our region.

To maintain this positive momentum, we engaged extensively with residents and business across Moira to develop the Moira Shire Economic Development Strategy.

Our Aquatics Facility Strategy, implementation of the Visitor Services Strategy, EOI for the Yarrowonga Aerodrome and the proposed development of a new Yarrowonga Library are all examples of council working with local communities to understand and respond to changing business and community needs. With the majority of council facilities entering their twilight years and a growing list of new facilities required to service future community needs, robust community planning and engagement is essential to council making informed investment decisions for future generations.

Council's advisory committees are a valued part of our community consultation. Our Disability and Tourism committees have contributed to the development of council projects, strategies and submissions. Council has also valued the contribution of our Section 86 and many project specific advisory committees and reference groups.

Thankyou

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 across the year.

**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 2018/19.

Highlights

Organisational performance

This annual report is the fourth year of reporting under the Victorian Government's Local Government Performance Framework. Our steady improvement in each year has accumulated to demonstrate significant gains for our ratepayers and service users. Highlights include

- Our food safety service costs have almost halved with the more recent reduction achieved through transferring the functions to an external contractor
- 60% more animals are reclaimed by their owners compared with 4 years ago.
- Road repair requests remain at relatively low levels
- Our already strong levels of maternal and child health participation have improved and participation by aboriginal children has increased by almost 30%
- 60% reduction in the number of council matters determined in confidential sessions by moving tender reports into open session

These results reflect improvements across a wide variety of services and business areas and are underpinned by our ongoing commitment to operate within our means.

Public and work place safety

Our workplace safety indicators demonstrate a positive safety culture across the wide variety of projects, events and services we deliver across a large geographic area.

Council ends 2018/19 with an operating surplus of \$8.39 million. This result includes \$2.41 million of non-cash developer contributions, for example assets such as footpaths, roads and public parks that are constructed by developers and transferred to council, and \$5.74 million of the Financial Assistance grant received in advance of the 19/20 year.

Council continues steady progress to reduce existing debt levels with \$2.45 million at year end. Council is on track to zero debt by 2023 which

provides an opportunity for council to consider debt financing to fund delivery of critical community infrastructure. This is particularly important for Moira which is heavily reliant on rates revenue compared with councils with access to greater levels of fees, charges and other non-rate revenue sources.

Council's cash balance at year-end \$36.61 million is inflated by the inclusion of the financial assistance grant received in advance of the 19/20 year and funding committed to projects that will be completed in the early months of 2019/20. Adjusted for these commitments liquidity is in line with VAGO performance indicators.

The adoption of the Rates and Service Charges Strategy during the year has established the framework for sharing the burden of funding council programs and infrastructure.

Council achieved its commitment to a renewal investment program that is at least 80% of the overall asset value. This resulted in \$7.78 million of renewals out of an overall capital works program of \$14.94 million. Maintaining the 80% target continues to impact on the funding available for new projects and infrastructure.

Our future funding priorities have been detailed in our updated Strategic Resource Plan 2019-2023. The plan confirms our intention to invest more than \$70 million across the next four years to renew existing council roads, buildings and facilities.

Thankyou

I would like to acknowledge Councillors, 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

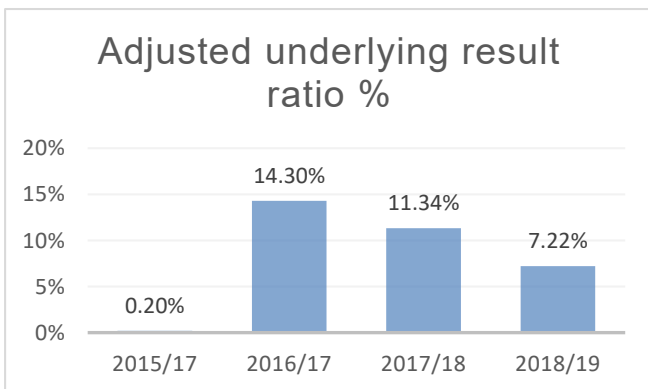
Financial Summary

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 \$8.39 million in 2018/19. This surplus is higher than the prior year surplus of \$7.76 million, mainly due to receipt of non-current assets (Roads, kerbs, footpaths and drainage) from developers in 2018/19.

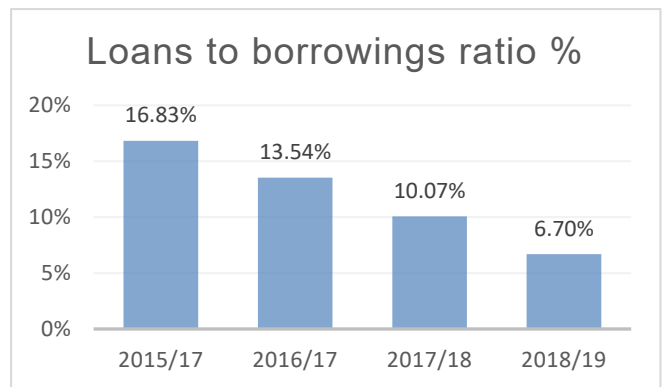
The adjusted underlying surplus (surplus after removing non-recurrent capital grants, cash and non-monetary capital contributions) is 7.22% when compared to adjusted underlying revenue. This is lower than the 2017-18 result of 11.34% mainly due to the impact of the higher developer contributions to total income, the ratio is within the expected performance target band of -20% to 20%. Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$587 million of community assets under Council’s control.



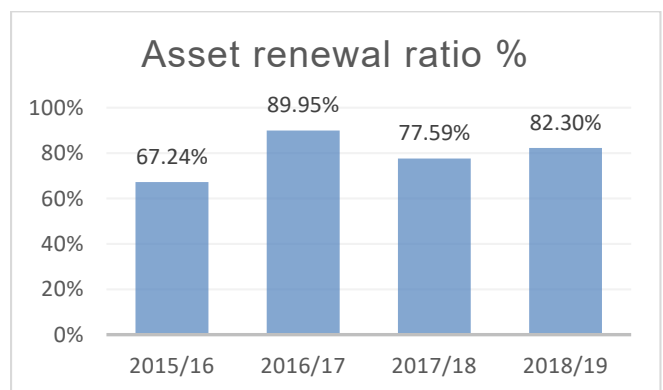
Obligations

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 \$7.78 million in renewal works during the 2018/19 year. This was funded from operational income.

At the end of the 2018/19 year Council’s debt ratio, which is measured by comparing interest-bearing loans and borrowings to rate revenue, was 6.70% which is well within the expected performance target band of 0% to 70%.



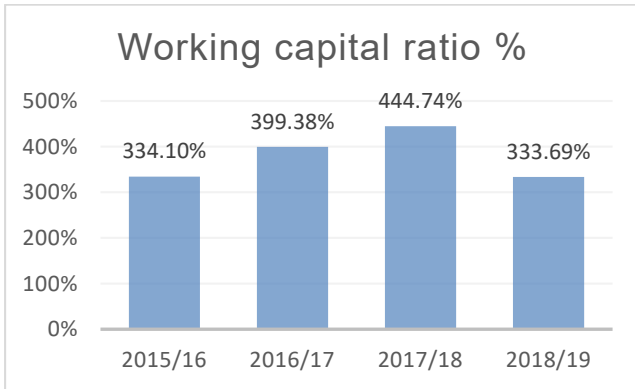
Council’s asset renewal ratio, which is measured by comparing asset renewal expenditure to depreciation, was 82.30% which is within the expected performance target band of 40% to 130% and councils 80% renewal target.



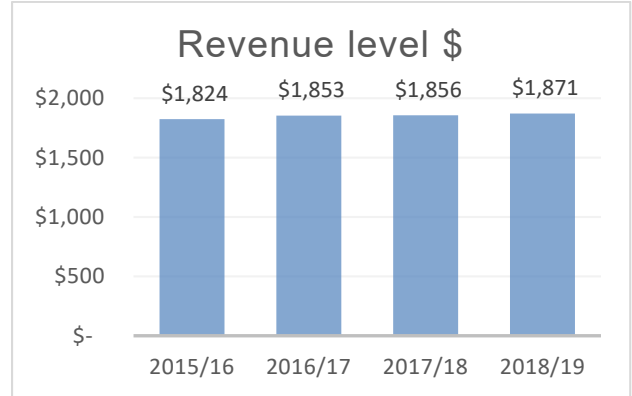
Liquidity

Cash and other financial assets as at 30 June 2019 are \$36.6 million which is higher when compared to the 30 June 2018 figure of \$35.2 million mainly due to cash held to fund approved 2018/19 capital works projects to be completed in 2019/20.

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 333.7% is an indicator of our satisfactory financial position, the ratio falls within the expected performance target band of 100% to 400%.

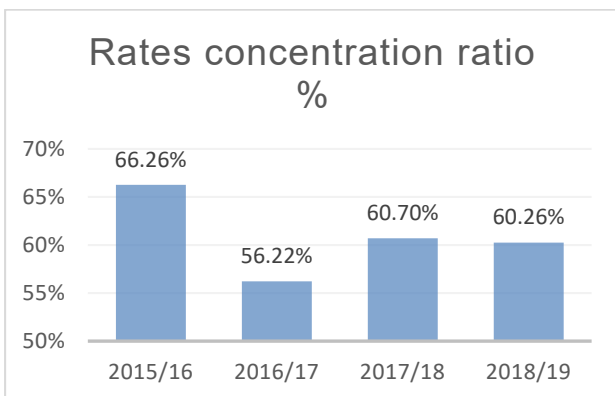


Council has focused on broadening its revenue base and for 2018/19 kept within the rate cap of 2.25% which applies to the rate in the dollar and the municipal charge. This resulted in an average residential rate per residential assessment of \$1,871.



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 60.3% for the 2018/19 year which is within the expected performance target band of 30% to 80%.



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 2018/19 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.
- There have been 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:

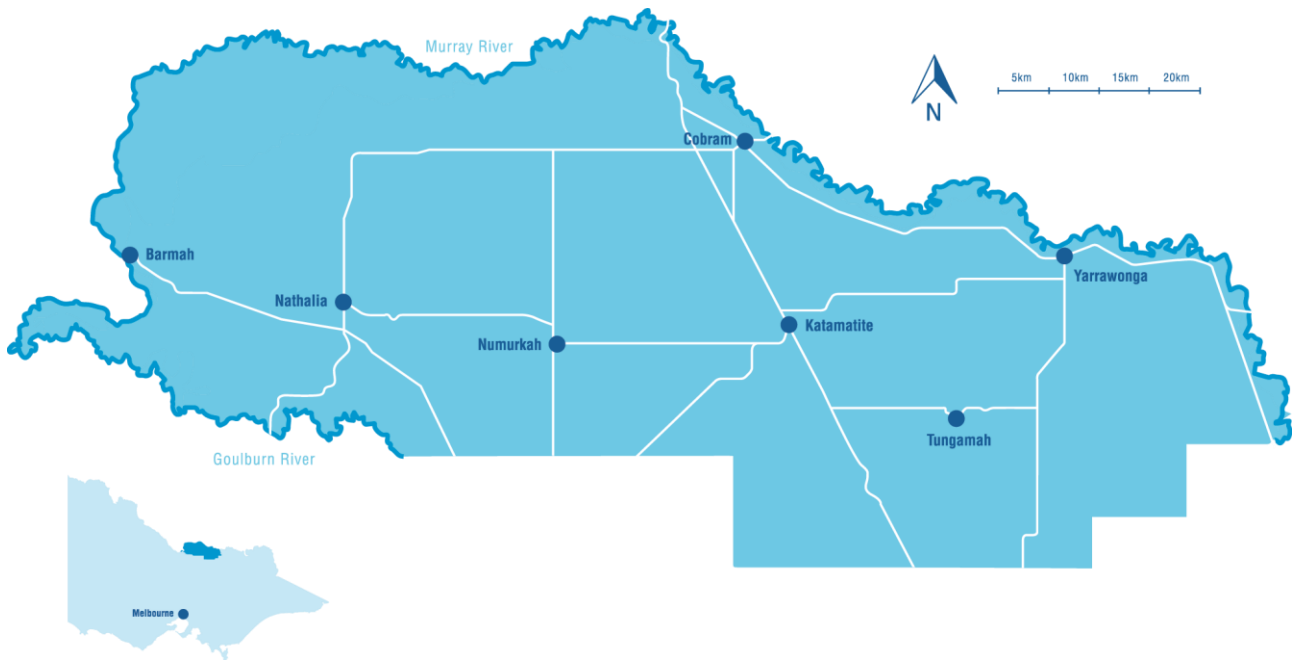
- Reconstruction and widening of road sections including Naring Road, Sandmount Road, Lake Rowan Road, Wrights Road and Chapel Road.
- More than \$6.39 million invested to upgrade local roads through road resealing and asphaltting, gravel road and shoulder resheeting, kerb and channel replacement and major patching (road stabilising) programs.
- \$322,000 on footpath works and walking tracks in Cobram, Numurkah, Nathalia and Yarrawonga.
- \$673,000 on the inspection, replacement and upgrading of drainage throughout the Shire.
- Painting various Council buildings including Katamatite Hall, Burramine Hall, Yarrawonga Town Hall, Bearii Hall, Numurkah Lawn Tennis Club, and Cobram Historical Precinct.
- \$1.73 million in replacement of timber bridges on Stewarts Bridge Road in Lower Moira, upgrade of Yambuna Bridge in Yambuna and replacement of existing bridge guard rails on bridges in Picola and Numurkah.
- \$1.49 million for the Yarrawonga Point Foreshore walking track.
- \$442,000 for upgrade of road entrance to the JC Lowe Oval in Yarrawonga.
- \$235,000 Public Toilets Renewal Program in Yarrawonga.
- \$147,000 Building emissions reduction works for Council owned buildings.

Major Achievements

- Council developed, sought feedback on and subsequently adopted its Aquatic Facilities Strategy 2018-2027.
- During the reporting period, Council developed and sought feedback on its Economic Development Strategy 2019-2023. The Strategy was endorsed by Council in August 2019.
- The Rating and Service Charges Strategy was adopted during the reporting period.
- Council adopted its Public Lighting policy which guides in the selection of energy efficient public lighting throughout the shire.

- Council endorsed and commenced implementation of the Waste Management & Services Strategy
- Council approved the expansion of its kerbside organic collection service.

Our Council



Our Profile

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

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

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

Our Community

Moira Shire's current population of 29,799 people includes:

- 49.8% male and 50.2% female. Aboriginal and Torres Strait Islander people make up 1.7% of the population.
- 81.7% of people were born in Australia, which is considerably higher than the state and national result. 79.1% of people had both parents born in Australia and 12.6% of people had both parents born overseas.
- 87.9% of people speak only English at home, with Italian, Arabic and 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 29,799 (ABS 2018). 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 total employment is estimated at 10,913 jobs (2018), with over 700 jobs added in the five-year period between 2011 and 2018. Three quarters of those working in the Shire live in the Shire.

The major contributors to employment are: Agriculture, Forestry & Fishing 2,131 jobs (19.5%), Manufacturing 1,519 jobs (13.9%) and Health Care & Social Assistance 1,280 jobs (11.7%). Health services are an important sector and the Moira Shire community is well served by local hospitals in each of the major towns (Yarrowonga, Cobram, Numurkah and Nathalia) along with a wide range of medical and allied providers.

The Tourism sector, an amalgam of activities across various industry sectors such as retail, accommodation, cafes & restaurants, cultural and recreational services, provides 623 jobs, or 5.7% of the Shire's workforce. By comparison, tourism employs 8% of the Hume region workforce and 6.5% of the Murray River region workforce.

Moira Shire's Gross Regional Product is \$1.517 billion, \$52,127 per capita. Manufacturing (mostly agriculturally derived) accounts for \$1.03 billion (or 30.4% of total output), followed by Agriculture, Forestry and Fishing (\$586.35 million) and Construction (\$430.84 million). These are also the three largest sectors by output in the Hume and Murray River regions.

Manufacturing and Agriculture, Forestry and Fishing together comprise 84.65% of the Moira Shire's \$1.23 billion in regional exports.

Our Councillors

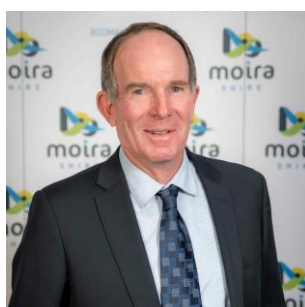
The council was elected to provide leadership for the good governance of the municipal district and the local community. On 22 October 2016 the Moira Shire Council community elected this council for a four-year term. The municipality is unsubdivided with the nine Councillors elected to represent all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

A special meeting of Council is held each November to elect the Mayor for the following 12 month period. On 14 November 2018 Councillor Libro Mustica was re-elected Mayor with Councillor Peter Lawless elected Deputy Mayor. Cr Lawless replaced the previous Deputy Mayor Ed Cox. The elected councillors at 30 June 2019 are listed below.



CR LIBRO MUSTICA
Mayor

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



CR PETER LAWLESS
Deputy Mayor

Mobile: 0418 546 242
plawless@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 ED COX

Mobile: 0400 564 885
ecox@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
Organisational Development



ANDREW CLOSE
General Manager Infrastructure

Construction and Assets
Operations
Building, Safety and Amenity
Planning



SALLY RICE
General Manager Community

Community Development
Economic Development
Environmental Services
Waste Management Services



SIMON RENNIE
General Manager Corporate

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

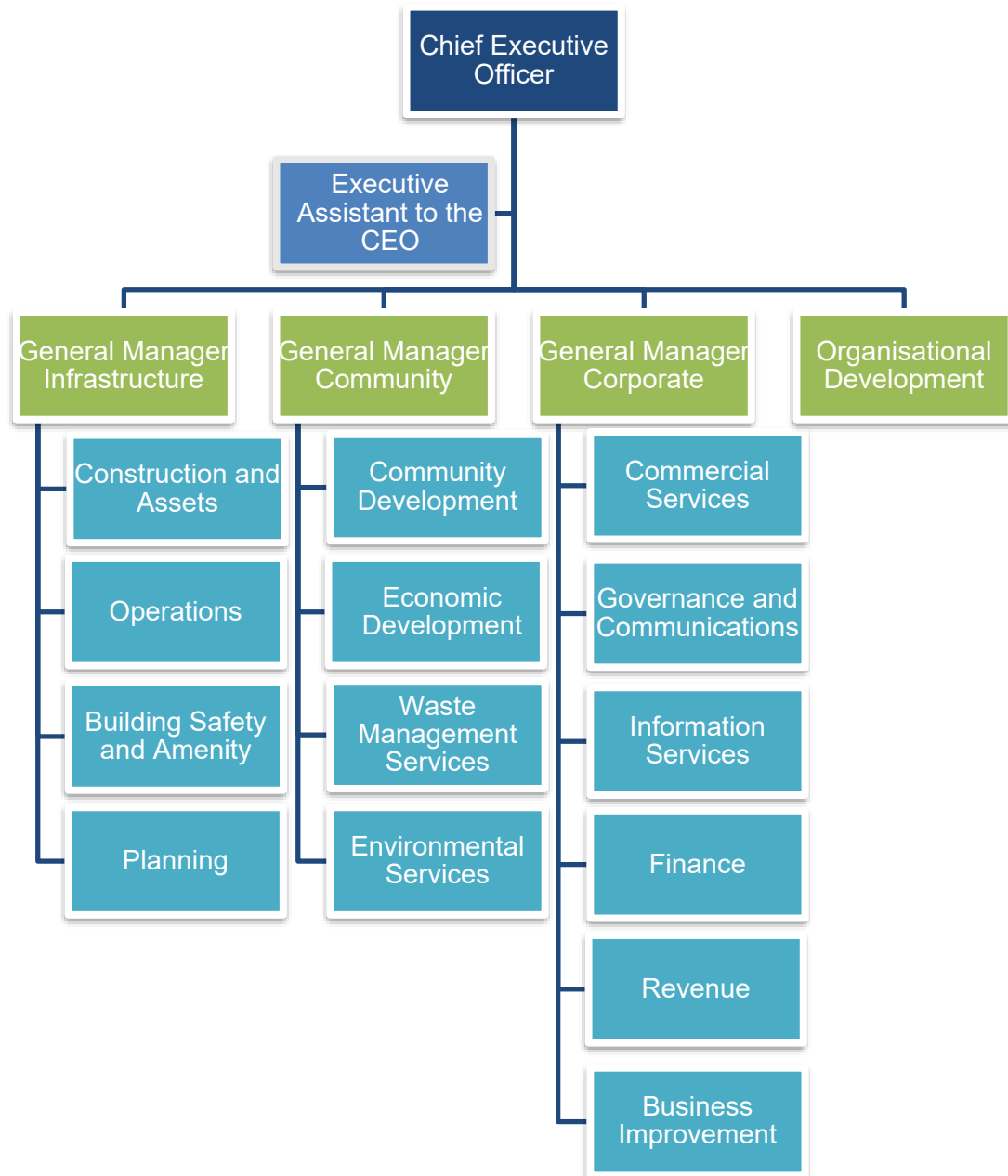


BRANT DOYLE
Manager Organisational
Development

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 2019 is shown below.

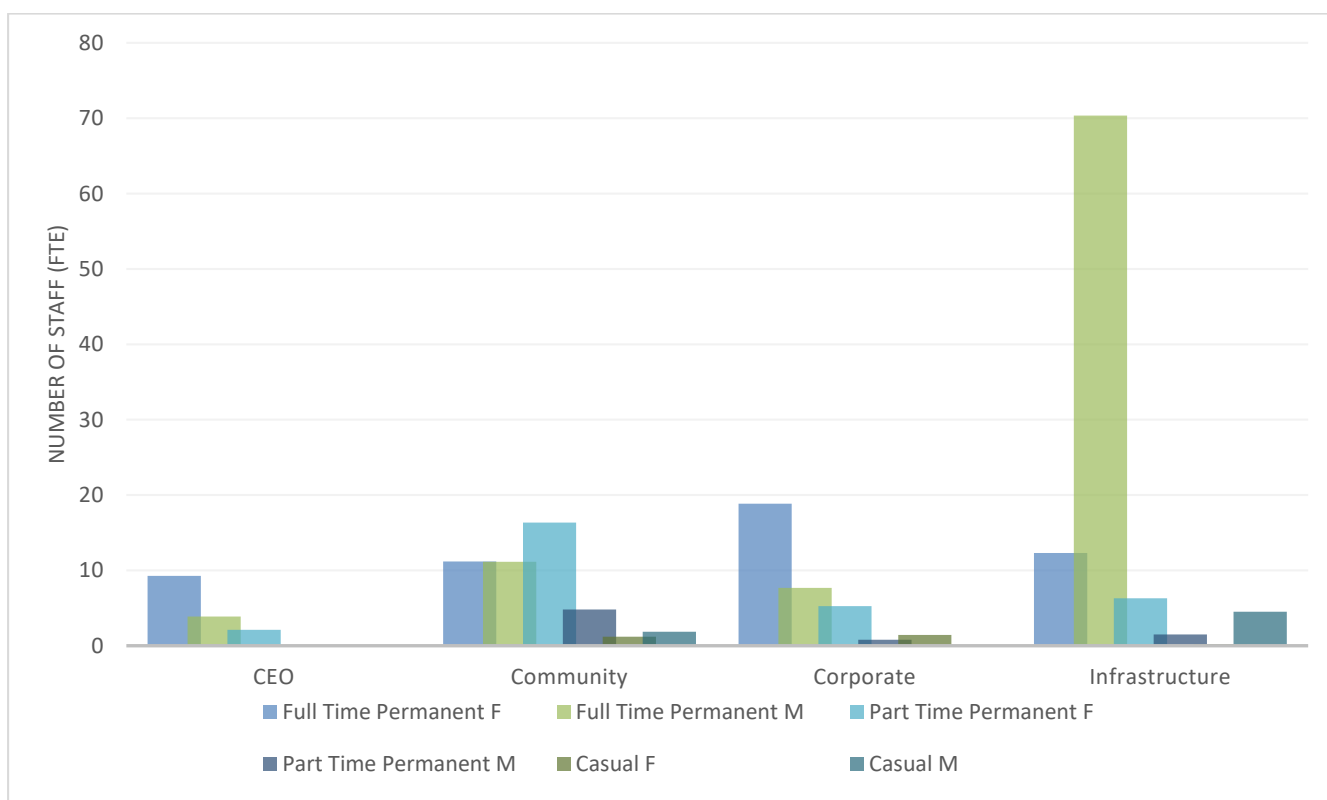


Council Staff

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

Employee type/gender	CEO FTE	Community FTE	Corporate FTE	Infrastructure FTE	Total FTE
FT Permanent F	9.3	11.2	18.8	12.3	51.6
FT Permanent M	3.9	11.1	7.7	70.4	93.1
PT Permanent F	2.1	16.3	5.2	6.3	29.9
PT Permanent M	-	4.8	0.8	1.5	7.1
Casual F	-	1.2	1.4	0.2	2.8
Casual M	-	1.9	-	4.5	6.4
Total FTE	15.3	46.5	33.9	95.2	190.9

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

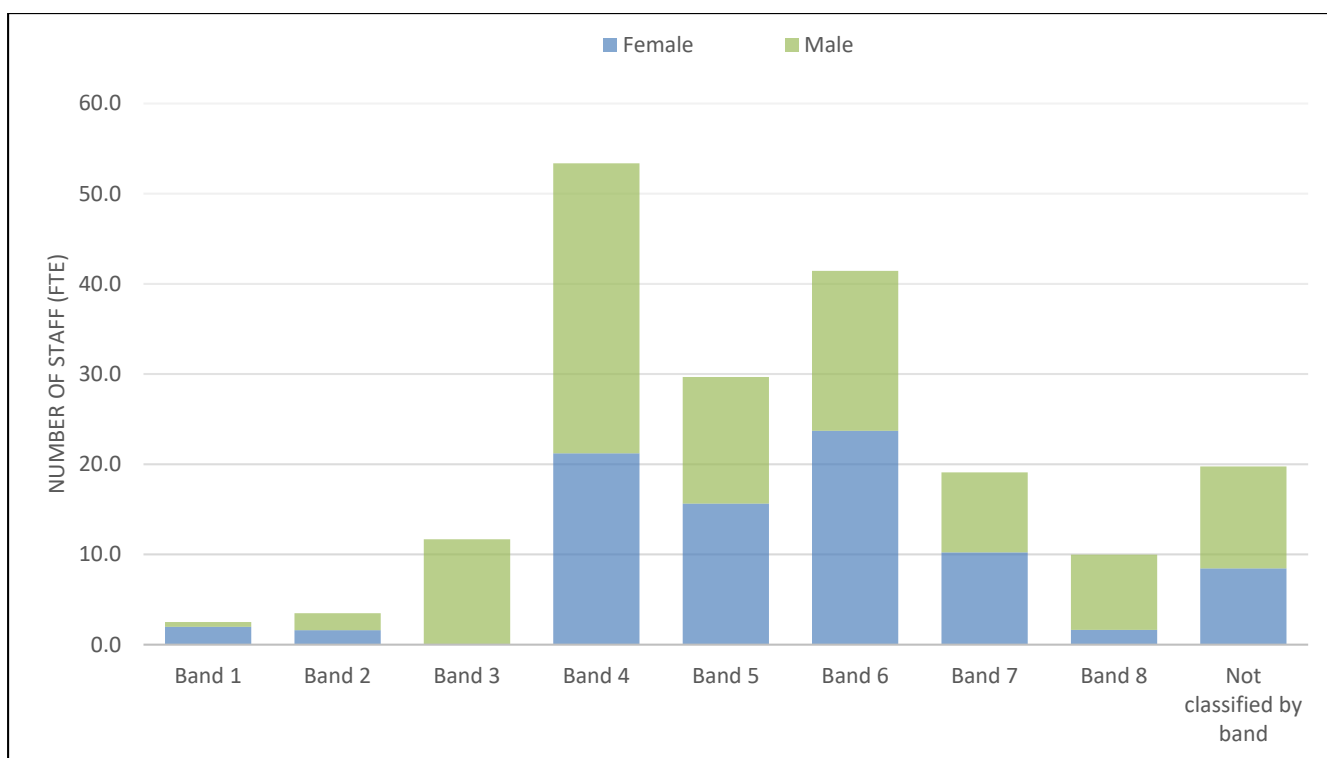


Council Staff

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

Sum of FTE Structure Classification	Female	Male	Total
Band 1	2.0	0.5	2.5
Band 2	1.6	1.9	3.5
Band 3	-	11.7	11.7
Band 4	21.2	32.2	53.4
Band 5	15.7	14.0	29.7
Band 6	23.7	17.7	41.4
Band 7	10.2	8.9	19.1
Band 8	1.6	8.3	9.9
Not classified by band	8.4	11.3	19.7
Total	84.4	106.5	190.9

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

Indicator	Target	2018/19 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%	0%*
Number of contact officers per number of council employees.	1:50	1:51

* The 0% result is due to a review of the program and subsequently resulting in the program being rolled out in the following year.

The indicators are monitored on an ongoing basis by the Staff Consultative Committee that meets regularly to promote employee and management awareness, consider relevant issues and contribute to resolution and advice. Council's assessment of the achievement of the program's objectives is that there were no breaches of the Equal Opportunity Act 2010.

Other Staff Matters

Organisational culture

The organisation values a diverse and skilled workforce and is committed to maintaining an inclusive and collaborative workplace culture.

Moira Shire Council does this by:

- Developing a Gender Equity Strategy and Action Plan, to embed workplace standards and ensure staff have appropriate training and education.
- Maintaining a safe and inclusive working environment through the delivery of staff training and workplace health and safety training sessions.
- Ensuring that recruitment processes adhere to equal employment opportunity requirements.
- Attracting and retaining talented people with a broad range of skills and experiences.
- Building a flexible organisation by providing opportunity for work arrangements that accommodate different career and life stages, including flexible and part time work, job share arrangements, home-based work and phased retirement options.
- Our OHS committee continue to meet regularly to ensure OHS communication is effective across the Council.

Gender equity

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

Through the development of a Gender Equity Strategy and Action Plan, Council is making a commitment to creating an inclusive workplace where assumptions are questioned and barriers are removed to ensure equitable outcomes regardless of gender. Council recognises that addressing gender inequity is crucial to achieving improved organisational performance, better health and social wellbeing and the prevention of violence against women.

Workforce planning

We implemented our Workforce Plan, with four key strategies of attracting and retaining talent, investing in the capabilities of our people, facilitating a strong values culture and planning for our future workforce. The four strategies and their associated actions are designed to form a consistent methodology for workforce development in order to encourage a strategic approach to meeting current and emerging challenges.

Strategic Human Resources

Constant review of the organisation structure and functionality is undertaken by Moira Shire Council. This is conducted through business case process and analysis for every new or replacement role. This allows for a constant review of the organisation structure and needs.

Developing our people

Everyone has a part to play in creating a desirable culture for Moira Shire Council. It is built by people who demonstrate behaviours and attitudes that are aligned to that of the organisation. This includes being compliant with all corporate policies and completing all learning within the required timeframes. Our Learning and Development program focuses on ensuring our employees are provided with the knowledge and skills required to achieve this through learning and compliance programs.

Moira Shire Council offers study assistance for staff undertaking relevant undergraduate or postgraduate studies. In the past year, 9 staff received support, including 6 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.

Moira Shire Council supported leaders to undertake leadership programs, including LG Pro Emerging Leaders, LG Pro Ignite and 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.

We are upholding our commitment to becoming a recognised child safe organisation. Our leaders and employees in occupational roles that interact with children attended Child Safe Standards workshops and training. The workshops and training provided education to identify the signs of, or potential for child abuse and how to report it.

Employee Assistance Program

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

Moira Shire 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. During the year we developed and commenced the implementation of a Workplace Health, Safety and Wellbeing Strategy. The purpose of the strategy is to create a risk adverse safety culture that influences and engages employees in achieving the highest possible outcomes in workplace health, safety and wellbeing that will contribute to the success of Council's strategic goals.

Moira 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 Moira 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.

We have a Work Health Program (which includes a proactive injury prevention program and an early intervention approach to injuries and illnesses) that focuses on sustainable return-to-work programs. Council's Work Health Program has been the guiding force behind improvements in injury management, while creating significant positive opportunities for Council, including improved productivity, engagement, retention and the ability to attract the best employees. The program 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.

Our Occupational Health and Safety Committee is very active and have worked on and participated in the resolution of OHS issues such as Sun

Protection policy (including annual skin checks for staff), review of the Committee Terms of Reference, Smoke Free Workplace, Immunisation Program for at risk workers, and the endorsement of a Work Health and Wellbeing Committee.

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, safety and compliance training requirements for staff are identified and added to the annual training calendar;
- ensuring plant and equipment is compliant to Australian Standards;
- maintaining a Confined Space Register and;
- maintaining a Chemicals Risk Register.

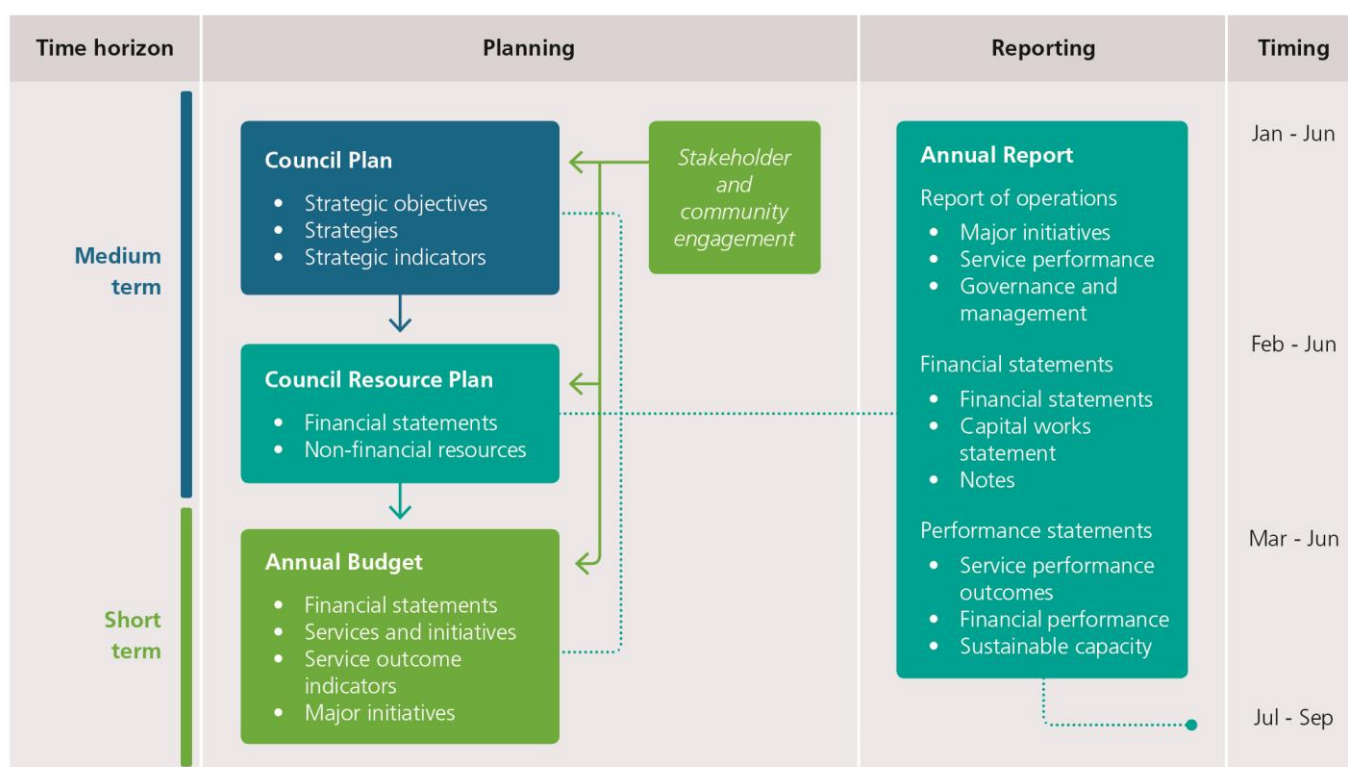
Our performance

Planning and Accountability Framework

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

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

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



Community Satisfaction

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.moira.vic.gov.au.

2019 Community Satisfaction Survey		%
Overall performance		52
Community consultation (community consultation and engagement)		53
Advocacy (lobbying on behalf of the community)		48
Making community decision (decisions made in the interest of the community)		49
Sealed local roads		49
Customer Service		60
Overall Council direction		47

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 2018/19 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 2018/19 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
<p>Our communities feel safe and are proud to live in Moira.</p>	<ul style="list-style-type: none"> - During the reporting period Council continued to deliver a range of programs to the community including Maternal and Child Health services, Youth Council and supporting and hosting events such as the Youth & Multicultural Festival, Australia Day Awards and Volunteers week. - Council continues to work with communities by offering the opportunity to participate in community planning. In 2018/19 Nathalia & District completed their community plan and Waaia has commenced its Community Planning and is on track for completion in 2019. - Council continued to fund Neighbourhood Watch in locations across the Shire and facilitated the Moira Shire Community Safety Committee whose mandate it is to develop and implement Council's Safety Strategy 2016-2019.
<p>Our communities are better connected as a result of improved access to digital and transport services.</p>	<ul style="list-style-type: none"> - Community consultation was undertaken during the reporting period for the proposed Yarrawonga Library development including concept designs. In July 2019, Council endorsed a recommendation to proceed with the development at the Yarrawonga Town Hall Precinct. - Council also continues to advocate for rail freight growth and improvements in the arterial road network.
<p>Recreational and sports facilities and clubs are accessible and welcome female participation.</p>	<ul style="list-style-type: none"> - Council continued to implement the recommendations contained in the Recreation Strategy 2016-2026. Masterplans for both the Tungamah Recreation Reserve and Katunga Recreation Reserve were noted by Council during the reporting period. - Council adopted the Aquatic Facilities Strategy 2018-2027 in May 2019. - Feasibility study for the Yarrawonga Multisport Stadium was completed. - The 2018/19 Community Strengthening Grant program allocated funds to 16 sporting groups across the shire to improve their facilities or program offering. - Construction of the Apex Reserve soccer pavilion commenced.

Strategic Indicator/measure	Comments
There is improved flood protection for urban areas.	<ul style="list-style-type: none"> - A rain and stream gauge network upstream of Numurkah has been installed and is in operation. On-ground and aerial surveying was conducted in the Numurkah area north and south of Broken Creek. The survey work is part of developing the Numurkah Flood Mitigation and Flood warning system.

Services

The following statement provides information in relation to the services funded in the 2018/19 budget and the persons or sections of the community who are provided the service.

Service Areas	Description of Services provided	Net Cost Actual Budget ----- Variance \$'000
		Children, youth and families
Community development	<p>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.</p>	<p>984 1,029 <hr/>45</p>
Health and community wellbeing	<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 including Community Houses, MHA Care, Moira Arts and Culture Inc., and Moira Food Share.</p> <p>Council works with committees and volunteer groups to plan for the future needs of our community and to ensure Council fulfills its legislated Public Health and Wellbeing obligations. Council provides targeted grant programs to assist community groups and organisations to achieve goals within their local communities.</p> <p>Council supports the delivery of a diverse range of arts, cultural activities 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, funding through annual arts and events grants programs and through formal funding agreements with Moira Arts and Culture Incorporated and similar independent organisations and service providers.</p>	<p>1,240 1,284 <hr/>44</p>

Service Areas	Description of Services provided	Net Cost
		Actual Budget ----- Variance \$'000
Library services	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.	793 785 <hr/> (8)
Parks and reserves	This service includes the cost of maintaining and upgrading Council's parks and gardens, reserves, town entrances and open spaces including 83 parks and gardens (open spaces), 48 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.	3,730 3,911 <hr/> 181
Public health	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.	632 487 <hr/> (145)
Public safety	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.	942 1,000 <hr/> 58
Roads, footpaths and drainage	This service conducts ongoing maintenance of Council's road and bridge network which includes 80 bridges and major culverts, 1,070 km of sealed roads, 1,600 km of gravel roads varying from link roads to access tracks, 900 km of farm access tracks, 286 km of kerb and channel and 160 km of footpaths. Activities include repairing, resealing, asphaltting, 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.	3,951 3,876 <hr/> (75)
Sports and recreation services	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 reviews of service needs to identify and plan for future requirements.	1,350 1,355 <hr/> 5

Major initiatives

The following statement reviews the progress of council in relation to major initiatives identified in the 2018/19 budget for the year

Major Initiatives	Progress
Yarrowonga Foreshore Development (\$5.4 million)	<ul style="list-style-type: none">- Works are completed in the section along the Yarrowonga foreshore of the Silverwoods Development. Works are being undertaken by GMW along River Road foreshore and are due for completion in late 2019.
Design of the Yarrowonga Multisport Stadium (\$120,000)	<ul style="list-style-type: none">- A feasibility study has been completed.- The detailed concept design is nearing completion ready for review by the steering committee.
Continuing replacement and upgrade of bridges, culverts and drainage across the shire and particularly in Numurkah and Nathalia (\$1.7 million)	<ul style="list-style-type: none">- Culvert and drainage maintenance works were completed on urban and rural roads across the shire to the value of \$206,000.- Shackells Folly Bridge was completed and works are well underway on Wallala and Mahoneys bridges on Stewarts Bridge Road in Lower Moira.
Repair and renew footpaths and kerb and channel and build 'missing links' (\$880,000)	<ul style="list-style-type: none">- A number of kerbs were replaced throughout the shire to the value of \$600,000. An additional \$280,000 was spent on footpath renewal works with the focus on constructing new footpath to link existing footpaths.
Nearly \$5 million invested in Moira's 4,000km local road network and includes widening major works on Naring Road and Humberstone Street, Nathalia	<ul style="list-style-type: none">- Naring Road, Numurkah and Mordens Road, Nathalia – both roads were widened and sealed at a cost of \$1.22 million.- Major sealed road reconstruction works were completed, which included Sandmount Road and Wrights Road. Upgrades to the Forges Pump Lane Intersection with the Murray Valley Highway and widening works on Lake Rowan Road were jointly funded through a grant from Regional Roads Victoria.- A number of unsealed roads and road shoulder works throughout the shire to the value of \$1.3 million.
Nearly \$2 million to upgrade and expand courts, pitches, ovals and facilities at community recreation reserves. The projects include Apex Park soccer pavilion, lighting at Cobram, Nathalia, Numurkah and Yarrowonga sports facilities, a second netball court for Yarrowonga and scoping new change rooms at Tungamah.	<ul style="list-style-type: none">- Cobram and Nathalia sports stadiums have upgraded LED lighting in the main internal court area.

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
	2016	2017	2018	2019	
Libraries					
Utilisation Library collection usage [Number of library collection item loans / Number of library collection items]	2.77	2.94	3.07	2.98	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	45.09%	45.72%	48.19%	49.95%	No material variation.
Service cost Cost of library service [Direct cost of the library service / Number of visits]	\$3.72	\$3.91	\$4.52	\$4.91	No material variation.
Participation Active library members [Number of active library members / Municipal population] x 100	17.11%	18.07%	15.47%	16.60%	No material variation.
Food Safety					
Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.00	1.00	2.43	2.25	No material variation.
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%	106.39%	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]	\$936.42	\$565.43	\$535.67	\$482.06	Food safety contracted to external providers resulting in improved service cost.

Service/Indicator/measure	Results				Material Variations
	2016	2017	2018	2019	
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%	44.00%	21.43%	100.00%	New contractual arrangements for the provision of environmental health services were introduced in the latter part of 2018 calendar year with a strong focus on dealing with non-compliance issues in a timely manner.
Animal Management					
Timeliness Time taken to action animal requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.00	1.00	1.00	1.00	No material variation.
Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected]	15.90%	19.03%	23.72%	24.12%	No material variation.
Service cost Cost of animal management service [Direct cost of the animal management service / Number of registered animals]	\$54.99	\$61.10	\$60.27	\$47.22	1 FTE position remained unfilled for 9 months.
Health and Safety Animal Management prosecutions [Number of successful animal management prosecutions]	0.00	1.00	0.00	0.00	Nil animal management prosecution commenced during the reporting period.
Roads					
Satisfaction of use Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	16.79	24.01	26.63	16.33	Councils ongoing investment in the bitumen resealing program has improved roads resulting in less requests.
Condition Sealed local roads below the intervention level [Number of kilometres of sealed local roads below the renewal intervention level set by council / Kilometres of sealed local roads] x100	99.73%	93.70%	89.81%	91.00%	No material variation.

Service/Indicator/measure	Results				Material Variations
	2016	2017	2018	2019	
Roads					
Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$36.40	\$40.46	\$26.50	\$75.44	Higher costs reflect the significant nature of the projects undertaken.
Service cost Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$4.34	\$5.02	\$4.98	\$4.26	Decrease due to lower supply costs as a result of lower oil prices.
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	52.00	44.00	44.00	49.00	Councils ongoing investment in the bitumen resealing program has improved roads resulting in improved customer satisfaction.
Aquatic Facilities					
Service standard Health inspections of aquatic facilities [Number of authorised officer inspections of council aquatic facilities / Number of council aquatic facilities]	0.00	1.00	0.86	1.00	All aquatic facilities were inspected
Health and Safety Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents]	2.00	1.00	0.00	0.00	No material variation.
Service cost Cost of indoor aquatic facilities [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$10.16	\$10.05	\$10.44	\$10.03	No material variation.
Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$6.62	\$6.89	\$6.12	\$6.55	No material variation.
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	2.76	2.79	3.01	2.99	No material variation.
Maternal and Child Health (MCH)					
Satisfaction Participation in first MCH home visit [Number of first MCH home visits / Number of birth notifications received] x100	99.21%	97.83%	95.14%	101.23%	No material variation.

Service/Indicator/measure	Results				Material Variations
	2016	2017	2018	2019	
Maternal and Child Health (MCH)					
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	95.29%	100.81%	101.62%	101.85%	No material variation.
Service cost Cost of the MCH service ⁱ [Cost of the MCH service / Hours worked by MCH nurses]	\$99.44	\$91.62	\$87.52	\$93.35	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	77.57%	74.18%	80.35%	80.61%	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	72.59%	85.59%	93.27%	93.10%	No material variation.

Strategic objective 2: A thriving local economy

Strategic indicators

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

Strategic Indicator/measure	Result & highlights
Increased business investment and job creation.	<ul style="list-style-type: none"> - During the reporting period Council offered a number of events for businesses including the Moira Shire Grain Corp Business Excellence Awards, and business workshops. Council worked in partnership with Berrigan Shire Council to secure the 2019 Sustainable Economic Growth for Regional Australia Conference (SEGRA) in the region. The conference was held in August 2019.
Increased planning permit processing times with 90 per cent of planning permits processed within 60 days.	<ul style="list-style-type: none"> - Processing times have been impacted by being unable, after many attempts, to replace the Senior Planner who left the business in early 2019.
Implementation of the Economic Development Plan.	<ul style="list-style-type: none"> - During the reporting period the draft Economic Development Strategy 2019-2023 was presented to Council and released for public consultation. The final strategy was endorsed by Council in August 2019.
Access to commercial and industrial land that meets current and 10 year forecast demand.	<ul style="list-style-type: none"> - Major Towns Strategy Plan Review (Yarrawonga, Cobram, Numurkah and Nathalia) was adopted by Council in July 2018. - Industrial land feasibility studies were completed for new estates in Cobram and are underway for Nathalia and Numurkah.
Council representation on regional water and business forums.	<ul style="list-style-type: none"> - Through Councils participation in the GMID Water Leadership Forum, the Murray River Group of Councils and the Murray Darling Association council is continuing to promote and advocate the interests of Moira Shire business, industry and community.
Improved accessibility and digital connectivity.	<ul style="list-style-type: none"> - Katunga and surrounding areas have access to Telstra's 3G and 4GX mobile coverage, following the activation of a new Telstra mobile base station under the Federal Governments mobile black spot program. - Council launched a new improved website with new online services portal available to businesses and ratepayers.
Increased year round tourism visitation and yield across the Shire.	<ul style="list-style-type: none"> - Rollout of the Visitor Services Strategy continues. A range of campaigns were delivered to promote the region, including the Farm Gate Trail, Sun Country on the Murray and the Visiting Friends and Relative's campaign. - Development of a mobile VIC is underway with a mobile visitor services van being ordered and fit out scheduled to occur during 2019.

Major initiatives

The following statement reviews the progress of council in relation to major initiatives identified in the 2018/19 budget for the year

Major Initiatives	Progress
Begin implementation of Moira Shire's Visitor Services Strategy with a mobile visitor services van and development of a piazza in the area surrounding the existing Cobram Visitor Information Centre. (\$1.05 million)	<ul style="list-style-type: none"> - Implementation of the Visitor Services Strategy is well underway. - Development of a piazza surrounding the Cobram Visitor Information Centre is expected to be completed by the end of 2019.

Services

The following statement provides information in relation to the services funded in the 2018/19 budget and the persons or sections of the community who are provided the service.

Service Areas	Description of Services provided	Net Cost Actual Budget ----- Variance \$'000
Building services	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.	371 263 <hr style="border: 1px solid black;"/> (108)
Economic development	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.	688 925 <hr style="border: 1px solid black;"/> 237
Statutory planning	This service monitors the Council's Planning Scheme as well as preparing major policy documents shaping the future of the Shire. It also <ul style="list-style-type: none"> • prepares and processes amendments to the Council Planning Scheme and carries out research on demographic, urban development, economic and social issues affecting Council. • 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. 	300 922 <hr style="border: 1px solid black;"/> 622
Tourism	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.	1,055 1,366 <hr style="border: 1px solid black;"/> 311

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
	2016	2017	2018	2019	
Statutory Planning					
Timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	62.00	56.50	51.00	57.00	Increase in time due to challenges in attracting qualified planning staff to replace those who have left to further their career and officers time being taken up with VCAT appeals and panel hearings.
Service standard Planning applications decided within 60 days [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	59.00%	69.80%	79.75%	69.45%	Due to challenges in attracting qualified planning staff to replace those who have left to further their career and officers time being taken up with VCAT appeals and panel hearings.
Service cost Cost of statutory planning service [Direct cost of statutory planning service / Number of planning applications received]	\$2,382.68	\$3,687.12	\$1,457.47	\$1,474.46	No material variation.
Decision making Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100.00%	85.71%	66.67%	75.00%	4 appeals lodged with VCAT during the reporting period. The outcomes of the decisions; 1 set-aside, 1 affirmed and 2 varied.

Strategic objective 3: A clean and green environment

Strategic indicators

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

Strategic Indicator/measure	Result and highlights
<p>More efficient water and energy use by Council.</p>	<ul style="list-style-type: none"> - Solar panels have been installed on the Murray Building to the rear of Cobram’s Service Centre, Barmah Heritage Centre in Nathalia, the Cobram Civic Centre and library, Cobram Depot and the Yarrawonga Preschool. - Energy efficiency upgrades (including LED lighting) have been installed in various Council buildings and sites across the Shire. - A review of Council owned rural water assets was completed. - Participated in the newly established Goulburn Broken and North East Integrated Management Forums. - Energy efficiency audits have been completed for five Council buildings.
<p>Achieve a net gain in native vegetation for Council activities.</p>	<ul style="list-style-type: none"> - Council commenced implementation of the Landowner Agreement with the Department of Environment Land Water and Planning for a 25-hectare parcel of land adjacent to the Yabba Transfer Station. - Council has started a review of the Roadside Conservation Management Plan (2004) to ensure these significant biodiversity assets in our landscape are getting the attention they deserve. - Council continues to provide offsets for any activities resulting in loss of native vegetation, including exempt activities i.e. those not requiring a permit. - Council have been actively planning revegetation activities for next year.
<p>Business and community confidence in their readiness to respond to change.</p>	<ul style="list-style-type: none"> - Council continues to support business and community initiatives including solar initiatives for cricket clubs and YMCA. - Council in partnership with Goulburn Valley Water, Goulburn Murray Landcare Network and Broken Boosey Conservation Management Network coordinates environmental sustainability activities in our local schools.
<p>Business, community and environment resilience and recovery from natural disasters including flood and fires.</p>	<ul style="list-style-type: none"> - Council adopted the Numurkah Floodplain Management Study and Plan during the reporting period. - A draft Municipal Emergency Management Plan was developed during the reporting period. The plan was endorsed by Council in July 2019.

Strategic Indicator/measure	Result and highlights
Business, community and Council awareness of and compliance with environmental regulatory and legislative obligations.	<ul style="list-style-type: none"> - During the reporting period Council continued to implement the Environmental Sustainability Strategy. - Council adopted and commenced implementation of the Corporate Emissions Reduction Plan and the Waste Management & Services Strategy. - Council worked 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.	<ul style="list-style-type: none"> - Council has decided to extend its kerbside organics service. Planning is underway to roll out the service to the smaller towns within the Shire. This will occur over two stages between September and October 2019.

Services

The following statement provides information in relation to the services funded in the 2018/19 budget and the persons or sections of the community who are provided the service.

Service Areas	Description of Services provided	Net Cost Actual Budget ----- Variance \$'000
Environmental Management	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 <ul style="list-style-type: none"> • implementing Council's roadside management plan, • management of Council's 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. 	415 556 <hr/> 141
Waste Management	This service provides waste collection including kerbside rubbish collection of garbage, recyclables and organic waste from households and some commercial properties in Council. It also operates nine transfer stations and a landfill site, including monitoring to maintain environmental standards.	(3,857) (3,335) <hr/> 522

Service/Indicator/measure	Results				Material Variations
	2016	2017	2018	2019	
Waste Collection					
Satisfaction Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000	26.80	23.51	18.47	19.28	No material variation.
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	0.39	0.63	0.40	0.55	The variation between 2018 and 2019 represents only 16 occasions on which kerbside bin collections were missed over the twelve month reporting period, and is still significantly less than the all councils average.
Service cost Cost of kerbside garbage collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$116.11	\$126.78	\$128.77	\$128.08	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]	\$45.61	\$41.74	\$49.53	\$58.35	The recycling industry experienced significant disruption during the time period relating to these results. Council needed to renegotiate contracts which resulted in a price increase.
Waste Diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	54.27%	54.81%	54.39%	53.41%	Moirā Shire is pleased to be diverting kerbside waste at a higher rate than the all council average.

Strategic objective 4: A well run Council

Strategic indicators

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

Strategic Indicator/measure	Results and Highlights
<p>Community satisfaction with Council is better than for peer Councils as measured by Local Government Performance Reporting Framework (STET) compulsory indicators:</p> <ul style="list-style-type: none"> • Overall view of direction of Council • Community consultation and engagement • Lobbying on behalf of the community • Decisions made in the interest of the community • Overall feeling about performance of Council • Rating of Council for customer service 	<ul style="list-style-type: none"> - Council participates in the Victorian Government commissioned Community Satisfaction Survey annually.
<p>We establish and deliver shared services with regional partners such as neighbouring councils.</p>	<ul style="list-style-type: none"> - As a member of the Local Government Regional Collaborative Alliance with Strathbogie and Shepparton LGA's, Moira Shire continues to explore shared services opportunities. - Participation in the Hume Region Transformation fund.
<p>Improved awareness of capital works progress and delivery.</p>	<ul style="list-style-type: none"> - Council is increasing its use of website and social media to provide updates on major projects.

Services

The following statement provides information in relation to the services funded in the 2018/19 budget and the persons or sections of the community who are provided the service.

Service Areas	Description of Services provided	Net Cost
		Actual Budget

		Variance
		\$'000
Maintain Civic Buildings	This service oversees repairs and maintenance of Council's more than 667 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.	846
		846
		0

Service Areas	Description of Services provided	Net Cost
		Actual Budget ----- Variance \$'000
Commercial Services	This area performs council's tendering function and a range of risk management related services including incident management, risk register maintenance and support of the Audit Committee. The service also includes management of council's insurance and property leasing portfolio.	24 222 <hr/> 198
Communications	This service is responsible for the management and provision of advice on external and internal communications, in consultation with relevant stakeholders, on behalf of Council.	162 244 <hr/> 82
Infrastructure assets	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.	3,418 3,346 <hr/> (72)
Customer service	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.	525 577 <hr/> 52
Emergency response management	This service assists Moira Shire communities to prepare, respond and recover from emergencies and natural disasters in line with Moira Shire's Emergency Management Plan.	68 30 <hr/> (38)
Engineering design and management	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.	948 978 <hr/> 30
Financial services	This service provides financial based services to both internal and external customers including the management of Council's finances, payment of salaries and wages to Council employees, procurement and contracting of services, 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.	(31,442) (20,325) <hr/> 11,117

Service Areas	Description of Services provided	Net Cost
		Actual Budget ----- Variance \$'000
Governance and compliance	This includes Councillor entitlements along with the costs of ensuring we comply with the governance obligations under the Local Government Act and other legislation.	1,038 1,354 <hr/> 316
Information services	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.	2,651 2,692 <hr/> 41
Infrastructure planning	This service conducts capital works planning for Council's main civil infrastructure assets in an integrated and prioritised 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.	13,026 11,891 <hr/> (1,135)
Office of CEO	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.	1,553 1,531 <hr/> (22)
Organisational development	This service provides Council with strategic and operational organisational development support including occupational health and safety obligations. The service develops and implements strategies, policies and procedures through the provision of human resources and industrial relations services. The service also assists managers to determine and progress toward future structures, capability and cultures in their service units.	1,621 1,966 <hr/> 345

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
	2016	2017	2018	2019	
Governance					
<p>Transparency Council resolutions at meetings closed to the public [Number of council resolutions made at ordinary or special meetings of council, or at meetings of a special committee consisting only of councillors, closed to the public / Number of council resolutions made at ordinary or special meetings of council or at meetings of a special committee consisting only of councillors] x100</p>	27.87%	21.11%	20.61%	8.14%	The significant reduction is attributed to council's decision to consider contractual matters including tenders in the open session of council meetings.
<p>Consultation and engagement Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]</p>	53.00	53.00	50.00	53.00	No material variation.
<p>Attendance Council attendance at council meetings [The sum of the number of councillors who attended each ordinary and special council meeting / (Number of ordinary and special council meetings) x (Number of councillors elected at the last council general election)] x100</p>	89.58%	94.44%	94.44%	96.83%	No material variation.

Results					
Service/Indicator/measure	2016	2017	2018	2019	Material Variations
Governance					
Service cost Cost of governance [Direct cost of the governance service / Number of councillors elected at the last council general election]	\$40,433.78	\$38,629.89	\$40,509.56	\$41,403.44	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	48.00	49.00	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 2018/19 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 2018/19 where the Councillor was eligible to attend. Absence is recorded if the councillor did not seek leave prior to the meeting.

Councillors	Council Meeting	Special Council Meeting	Total
Cr Libro Mustica (Mayor)	11/11	3/3	14
Cr Peter Lawless (Deputy Mayor)	10/11	3/3	13
Cr Ed Cox	9/11	3/3	12
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	11/11	3/3	14
Cr John Beitzel	11/11	3/3	14
Cr Marie Martin	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	11	Baulkamaugh Recreation Reserve
Bundalong Dan Cronin Recreation Reserve and Public Hall Committee of Management	1	1	9	6	Bundalong Dan Cronin Recreation Reserve and Public Hall
Cobram Historical Precinct Committee of Management	1	1	12	12	Cobram Historical Precinct
Cobram Scott Reserve Committee of Management	1	1	17	10	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	16	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

Special Committee (cont'd)	Councillor	Officer	Positions Available	Number Appointed	Purpose
Katunga Recreation Reserve and Community Centre Committee of Management	1	1	8	8	Katunga Recreation Reserve and Community Centre
Koonoomoo Recreation Reserve Committee of Management	1	1	12	12	Koonoomoo Recreation Reserve
Lake Rowan Hall Committee of Management	1	1	10	10	Lake Rowan Hall
Nathalia Historical Precinct Committee of Management	1	1	6	4	Nathalia Historical Precinct
Nathalia Showgrounds and Recreation Reserve Committee of Management	1	1	19	19	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	10	Picola Recreation Reserve
St James Public Hall Committee of Management	1	1	15	13	St James Public Hall
St James Recreation Reserve Committee of Management	1	1	9	9	St James Recreation Reserve
Strathmerton Public Hall Committee of Management	1	1	11	9	Strathmerton Public Hall
Strathmerton Recreation Reserve Committee of Management	1	1	13	13	Strathmerton Recreation Reserve
Tungamah Jubilee Park Recreation Reserve Committee of Management	1	1	9	6	Tungamah Jubilee Park Recreation Reserve
Waaia Recreation Reserve Committee of Management	1	1	15	10	Waaia Recreation Reserve

Special Committee (cont'd)	Councillor	Officer	Positions Available	Number Appointed	Purpose
Wilby Memorial Hall Committee of Management	1	1	9	8	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
Yarrowonga Eastern Foreshore Committee of Management	1	1	11	10	Yarrowonga Eastern Foreshore
Yarrowonga JC Lowe Oval Reserve Committee of Management	1	1	8	8	Yarrowonga JC Lowe Oval Reserve
Yarrowonga Showgrounds Reserve / Victoria Park Committee of Management	1	1	26	21	Yarrowonga Showgrounds Reserve / Victoria Park
Yarroweyah Memorial Hall Committee of Management	1	1	12	11	Yarroweyah Memorial Hall
Yarroweyah Recreation Reserve Committee of Management	1	1	8	8	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 2019)	Councillor
Moira Shire Tourism Advisory Committee	1
Moira Shire Disability Advisory Committee	2
Moira Shire Environment Sustainability Advisory Committee	2
Moira Shire Youth Council	4
Moira Shire Community Safety Committee	2
Moira Shire Municipal Public Health and Wellbeing Plan Advisory Committee	2
Moira Shire Council Audit Committee	3
Numurkah Flood Mitigation Implementation Committee	1
Barmah Forest Heritage and Education Centre Advisory Committee	1

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 2018/19, 7 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 2018 to 30 November 2018, the councillor annual allowance for a category 2 council (as defined by the Local Government Act 1989) was fixed at \$25,225 per annum and the

allowance for the mayor was \$78,051 per annum. The Minister for Local Government approved an annual adjustment of 2 per cent to take effect as from 1 December 2018.

The annual allowances were adjusted for the period 1 December 2018 to 30 June 2019 at \$25,730 per annum excluding superannuation for the councillor allowance and \$79,612 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)	86,452
Cr Peter Lawless (Deputy Mayor)	27,939
Cr John Beitzel	27,939
Cr Kevin Bourke	27,939
Cr Wendy Buck	27,939
Cr Gary Cleveland	27,939
Cr Ed Cox	27,939
Cr Peter Mansfield	27,939
Cr Marie Martin	27,939

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 2018/19 year are set out in the following table.

Councillors	TR	CM	CC	IC	CT	Total
	\$	\$	\$	\$	\$	\$
Cr Libro Mustica (Mayor)	-	-	-	558	1,426	1,984
Cr Peter Lawless (Deputy Mayor)	40	2,872	-	181	-	3,093
Cr John Beitzel	-	-	-	181	-	181
Cr Kevin Bourke	1,680	5,863	-	181	-	7,724
Cr Wendy Buck	6,120	3,881	-	181	2,978	13,161
Cr Gary Cleveland	-	-	-	558	817	1,375
Cr Ed Cox	-	-	-	558	705	1,263
Cr Peter Mansfield	-	4,097	-	181	3,451	7,729
Cr Marie Martin	160	3,865	-	558	5,812	10,395
TOTAL	8,000	20,578	-	3,137	15,190	46,905

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

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

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

Management

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

Audit 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, Mr Shaun Quinn (Chair) Ms. Julie Guest and Ms. Lisa Ford 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 2018/19. The Internal Auditor, Chief Executive Officer, General Manager Corporate and Manager Commercial Services attend the meetings. Other management representatives and staff attend as required to present reports. The external auditors attend as required each year to present the external audit plan, management letter and independent audit reports.

Recommendations from each Audit 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 2018/19 the following reviews were conducted:

Infrastructure Asset Management;
Information Privacy/Records Management;
Risk Management;
Organisation Risk Assessment;
Credit Card Usage
Past Issues Review.

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

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

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

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

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

A review of the Risk Management and Fraud Prevention and Control Policies will be completed by 18 September 2019 and a review of the Risk Management Plan is in progress.

Governance and Management Checklist

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

Governance and Management Items	Assessment
<p>1. Community engagement policy (policy outlining council's commitment to engaging with the community on matters of public interest)</p>	<p>Communication Engagement Strategy: 06/2007. Communication Strategy amended 09/2011.</p> <p>The draft Local Government Bill 2019 requires policy to be reviewed in line with the requirements of the new Local Government Act.</p> <p>A review of the Community Engagement Policy will occur at that time.</p>
<p>2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)</p>	<p>Communication Engagement Strategy: 06/2007. Communication Strategy amended 09/2011.</p> <p>The draft Local Government Bill 2019 requires policy to be reviewed in line with the requirements of the new Local Government Act.</p> <p>A review of the Community Engagement Guidelines will occur at that time.</p>
<p>3. Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)</p>	<p>Adopted in accordance with Section 126 of the Act Date of Adoption : 12 June 2019</p>
<p>4. Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)</p>	<p>Adopted in accordance with section 130 of the Act Date of Adoption: 12 June 2019</p>
<p>5. Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)</p>	<p>Plans Date of operation of current plans: 17 August 2009</p>

Governance and Management Items (cont'd)	Assessment
6. Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Plans 27 March 2019
7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 19 September 2016
8. Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 19 September 2016
9. Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Municipal Emergency Management Plan prepared: 6/07/2016, Reviewed Plan scheduled to be presented to Council meeting 24/07/2019
10. Procurement policy (Policy under section 186A of the Act outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the Local Government Act 1989 Date of approval: 22 November 2017
11. Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Business Continuity Plan: Date of Approval: 23 January 2018
12. Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation of the current plan: 22 May 2018
13. Risk management framework (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

Governance and Management Items (cont'd)	Assessment
<p>14. Audit Committee (advisory committee of council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements)</p>	<p>Established in accordance with section 139 of the Act Date of establishment: March 1997 Audit Committee Charter adopted: 23 August 2017</p>
<p>15. Internal audit (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)</p>	<p>Engaged Date of engagement of current provider 12 April 2016</p>
<p>16. Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)</p>	<p>Framework Date of operation of current framework: 26 June 2019</p>
<p>17. Council Plan reporting (report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)</p>	<p>Report Report prepared: 27 February 2019</p>
<p>18. Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)</p>	<p>Quarterly Statements Annual Report 13/09/2018, 28/11/2018, 19/12/2018, 17/04/2019</p>
<p>19. Risk reporting (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)</p>	<p>Reports: 26/07/2018, 25/10/2018, 7/02/2019 9/05/2019</p>

Governance and Management Items (cont'd)	Assessment
<p>20. Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)</p>	<p>Annual report: 26 September 2018 Six monthly report: 27 February 2019</p>
<p>21. Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)</p>	<p>Considered at meeting of Council in accordance with section 134 of the Act. Date considered: 26 September 2018</p>
<p>22. Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)</p>	<p>Reviewed in accordance with section 98(6) of the Act Date of review: 8 February 2017</p>
<p>23. Delegations (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)</p>	<p>Reviewed in accordance with section 98(6) of the Act Date of review: 25 October 2017 Instruments updated: 28 March 2018</p>
<p>24. Meeting procedures (a local law governing the conduct of meetings of council and special committees)</p>	<p>Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 24 May 2017</p>

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



Mark Henderson
Chief Executive Officer

Dated: 12 September 2019



Cr Libro Mustica
Mayor

Dated: 12 September 2019

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 entered into the following contracts without conducting a competitive process:

1. Supply of fuel from a supplier based in Tungamah
2. Security Services at the Numurkah tyre removal site
3. Renewal of faulty IT cabling and switches
4. Provision of support services for corporate management software

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 2018/2019 financial year.

- Engagement with community members and school children for activities celebrating International Day of People with Disability, including an all abilities fishing carnival.
- Audit of designated Disabled Car Parking bays, including upgraded works in Yarrawonga.
- Increased community presence and awareness of Disability Advisory Committee through individual attendance to self-advocate.
- Support and advocacy work, including support local service providers to seek funding and grants for disability advocacy roles and programs; examples include the Women's Hub and Here We Are Project through Women with Disability Victoria.

- Implemented new employee Disability Awareness and Inclusion orientation program.
- Provided and supported NDIS information sessions by multiple service providers, including AMAZE, VALiD and Interreach
- Completed footpath strategy, with direct input and review by the Disability Advisory Committee.
- Design and implementation of new all abilities playground in Yarrowonga
- Review and prioritisation of future programmed works for disabled car parking bays for Townships of Nathalia and Cobram.

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 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.

2018/19 Domestic Animal Management activity at 30 June 2019		
	Dogs	Cats
Impounded	221	401
Claimed/returned to owner	124	20
Rehoused	61	147
Euthanised Aggressive/unsuitable/feral	28	217
In foster care/pound	8	11
Escaped from pound	0	5
Died in pound	0	1

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 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 2018/19 Council had no infrastructure and development contributions.

The cover features a vibrant yellow background. At the top, there is a horizontal orange bar with a rounded right end. Below this, the text 'Performance Statement' is centered in a large, white, sans-serif font. The lower half of the cover is decorated with three overlapping, rounded horizontal bars in shades of green and teal, creating a layered, modern aesthetic.

Performance Statement

Description of municipality

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

Moira includes four major towns; Cobram, Nathalia, Numurkah and Yarrawonga and 22 smaller communities with a total population of 29,799 residents.

Moira's population median age is 47 years, which is higher than the state and national medians of 37 and 38 years. In July 2018 total employment in the area is estimated at 10,913 jobs and the labour force participation rate is 42.72%.

The major contributors to employment are Agriculture, Forestry and Fishing (19.5%), Manufacturing (13.9% and Health Care & Social Assistance (11.7%).

More than 5,800 businesses are registered in the Moira Shire. Food product manufacturing represents the largest gross revenue generated by businesses in Moira this includes dairy, meat, fruit and oils.

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

Sustainable Capacity Indicators

For the year ended 30 June 2019

<i>Indicator/measure</i>	Results				Material Variations
	2016	2017	2018	2019	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,741.36	\$1,797.90	\$1,758.39	\$1,888.82	No material variation.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$14,039.52	\$15,118.98	\$15,188.70	\$15,451.76	No material variation.
<i>Population density per length of road</i> [Municipal population / Kilometers of local roads]	7.89	7.89	8.08	8.15	No material variation.
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,347.09	\$1,380.72	\$1,419.52	\$1,484.38	No material variation.
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$384.11	\$696.02	\$519.94	\$472.90	No material variation.
Disadvantage					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	2.00	2.00	2.00	2.00	No material variation.

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

"population" means the resident population estimated by council

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

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

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

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

Service Performance Indicators

For the year ended 30 June 2019

Service/indicator/measure	Results				Material Variations
	2016	2017	2018	2019	
AQUATIC FACILITIES					
Utilisation					
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	2.76	2.79	3.01	2.99	No material variation.
ANIMAL MANAGEMENT					
Health and safety					
Animal management prosecutions [Number of successful animal management prosecutions]	0.00	1.00	0.00	0.00	Nil animal management prosecutions commenced during the reporting period.
FOOD SAFETY					
Health and safety					
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%	44.00%	21.43%	100.00%	New contractual arrangements for the provision of environmental health services were introduced in the latter part of 2018 calendar year with a strong focus on dealing with non-compliance issues in a timely manner.
GOVERNANCE					
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	48.00	49.00	No material variation.

HOME AND COMMUNITY CARE					
Participation					
<i>Participation in HACC service</i>	0.00%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	
[Number of people that received a HACC service / Municipal target population for HACC services] x100					Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
Participation					
<i>Participation in HACC service by CALD people</i>	0.00%	Reporting Ceased 1 July 2016	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					
<i>Active library members</i>	17.11%	18.07%	15.47%	15.71%	No material variation.
[Number of active library members / Municipal population] x100					
MATERNAL AND CHILD HEALTH					
Participation					
<i>Participation in the MCH service</i>	77.57%	74.18%	80.35%	80.61%	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					
<i>Participation in the MCH service by Aboriginal children</i>	72.59%	85.59%	93.27%	93.10%	No material variation.
[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100					

<p>ROADS</p> <p>Satisfaction</p> <p><i>Satisfaction with sealed local roads</i></p> <p>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</p>	52.00	44.00	44.00	49.00	Council's ongoing investment in the bitumen resealing program has improved roads resulting in improved customer satisfaction.
<p>STATUTORY PLANNING</p> <p>Decision making</p> <p><i>Council planning decisions upheld at VCAT</i></p> <p>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</p>	100.00%	85.71%	66.67%	75.00%	4 appeals lodged with VCAT during the reporting period. The outcomes of the decisions; 1 set-aside, 1 affirmed and 2 varied.
<p>WASTE COLLECTION</p> <p>Waste diversion</p> <p><i>Kerbside collection waste diverted from landfill</i></p> <p>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</p>	54.27%	54.81%	54.39%	53.41%	Moira Shire is pleased to be diverting kerbside waste at a higher rate than the all council average.

Definitions

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

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

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

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

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

"class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

Financial Performance Indicators

For the year ended 30 June 2019

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
EFFICIENCY									
Revenue level									
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,824.22	\$1,853.27	\$1,856.21	\$1,871.26	\$1,899.28	\$1,927.62	\$1,956.39	\$1,985.59	No material variation.
Expenditure level									
Expenses per property assessment [Total expenses / Number of property assessments]	\$2,879.87	\$2,976.28	\$2,962.66	\$3,196.56	\$3,182.45	\$3,288.15	\$3,361.46	\$3,426.13	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	10.10%	9.11%	9.75%	15.62%	9.84%	9.73%	9.73%	9.73%	2018/19 variance due to outsourcing Environmental Health function, other roles not being filled along with a higher than average number of retirements.
LIQUIDITY									
Working capital									
Current assets compared to current liabilities [Current assets / Current liabilities] x100	334.10%	399.38%	444.74%	333.69%	359.58%	351.41%	273.72%	224.92%	Variance is due to increased liability for income received in advance to be recognised when Capital works projects are completed in 2019/20.

Dimension/indicator/measure	Results				Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i>	252.29%	318.30%	360.82%	268.14%	273.98%	254.38%	176.31%	120.23%	Variance is due to increased liability for income received in advance to be recognised when Capital works projects are completed in 2019/20.
[Unrestricted cash / Current liabilities] x100									
OBLIGATIONS									
Asset renewal									
<i>Asset renewal compared to depreciation</i>	67.24%	89.95%	77.59%	82.30%	79.84%	87.42%	98.54%	100.82%	No material variation.
[Asset renewal expenses / Asset depreciation] x100									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i>	16.83%	13.54%	10.07%	6.73%	3.89%	2.58%	1.28%	0.00%	Variance is due to reducing loan balance resulting from debt reduction program.
[Interest bearing loans and borrowings / Rate revenue] x100									
Loans and borrowings									
<i>Loans and borrowings repayments compared to rates</i>	4.46%	3.98%	3.82%	3.73%	3.04%	1.36%	1.31%	1.27%	Reducing measure over forecast is due to lower loan balances from debt reduction program.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i>	40.23%	37.29%	33.41%	29.91%	33.08%	32.45%	31.29%	31.32%	Variance is 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
	2016	2017	2018	2019	2020	2021	2022	2023	
OPERATING POSITION									
Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	0.20%	14.30%	11.34%	7.22%	-9.90%	-1.19%	-1.24%	-0.87%	Variance is due to timing differences in receiving Commonwealth Government's Financial Assistance Grant.
STABILITY									
Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	66.26%	56.22%	60.70%	60.01%	73.30%	67.17%	67.56%	67.88%	No material variation.
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.66%	0.63%	0.64%	0.60%	0.61%	0.63%	0.64%	0.65%	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 2019

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 13 June 2018 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: 12 September 2019

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

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

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

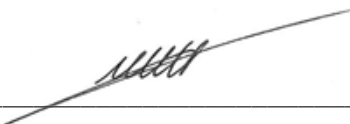
We have been authorised by the council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify this performance statement in its final form.



Councillor Libro Mustica - Mayor
Councillor
Dated: 12 September 2019



Councillor Peter Lawless – Deputy Mayor
Councillor
Dated: 12 September 2019



Mark Henderson
Chief Executive Officer
Dated: 12 September 2019

Independent Auditor's Report

To the Councillors of Moira Shire Council

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


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

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

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

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

MELBOURNE
16 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria



Financial Report

**Moira Shire Council
Financial Report
Table of Contents**

	Page
FINANCIAL REPORT	
Certification of the Financial Statements	76
Victorian Auditor-General's Office Report	77
Financial Statements	
Comprehensive Income Statement	79
Balance Sheet	80
Statement of Changes in Equity	81
Statement of Cash Flows	82
Statement of Capital Works	83
Overview	
Notes to Financial Statements	
Note 1 Performance against budget	85
1.1. Income and expenditure	85
1.2. Capital works	86
Note 2 Analysis of Council results by program	89
Note 3 Funding for the delivery of our services	92
3.1. Rates and charges	92
3.2. Statutory fees and fines	92
3.3. User fees	92
3.4. Funding from other levels of government	93
3.5. Contributions	94
3.6. Net gain/(loss) on disposal of property, infrastructure, plant and equipment	94
3.7. Other income	94
Note 4 The cost of delivering services	95
4.1. Employee costs	95
4.2. Materials and services	95
4.3. Depreciation	96
4.4. Bad and doubtful debts	96
4.5. Borrowing costs	96
4.6. Other expenses	96
Note 5 Our financial position	97
5.1. Financial assets	97
5.2. Non-financial assets	98
5.3. Payables	99
5.4. Interest bearing liabilities	99
5.5. Provisions	100
5.6. Financing arrangements	102
5.7. Commitments	102
Note 6 Assets we manage	104
6.1. Property, infrastructure plant and equipment	104
6.2. Investments in associates and joint arrangements	112
Note 7 People and relationships	115
7.1. Council and key management remuneration	115
7.2. Related party disclosure	115

**Moira Shire Council
Financial Report
Table of Contents**

	Page
Notes to Financial Statements	
Note 8 Managing uncertainties	
8.1. Contingent assets and liabilities	116
8.2. Change in accounting standards	116
8.3. Financial instruments	117
8.4. Fair value measurement	119
8.5. Events occurring after balance date	119
Note 9 Other matters	120
9.1. Reserves	120
9.2. Reconciliation of cash flows from operating activities to surplus/(deficit)	122
9.3. Superannuation	123

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 : 12 September 2019

Cobram

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

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

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



Libro Mustica

Mayor

Date : 12 September 2019

Cobram



Peter Lawless

Deputy Mayor

Date : 12 September 2019

Cobram



Mark Henderson

Chief Executive Officer

Date : 12 September 2019

Cobram

Independent Auditor's Report

To the Councillors of Moira Shire Council

Opinion I have audited the financial report of Moira Shire Council (the council) which comprises the:

- balance sheet as at 30 June 2019
- comprehensive income statement for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- statement of capital works for the year then ended
- notes to the financial statements, including significant accounting policies
- certification of the financial statements.

In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the *Local Government Act 1989* and applicable Australian Accounting Standards.

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

My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants* (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.

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

Councillors' responsibilities for the financial report 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 *Local Government Act 1989*, 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.

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.

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
16 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Income			
Rates and charges	3.1	36,555	35,469
Statutory fees and fines	3.2	1,511	1,511
User fees	3.3	2,249	2,281
Grants - operating	3.4(a)	14,643	12,976
Grants - capital	3.4(b)	2,896	4,062
Contributions - monetary	3.5	489	112
Contributions - non monetary	3.5	2,411	593
Net gain on disposal of property, infrastructure, plant and equipment	3.6	243	-
Share of net profit of associates and joint ventures	6.2	-	22
Other income	3.7	3,675	2,605
Total income		64,672	59,631
Expenses			
Employee costs	4.1	20,284	19,972
Materials and services	4.2	25,495	21,574
Depreciation	4.3	9,453	9,053
Bad and doubtful debts	4.4	142	59
Borrowing costs	4.5	234	315
Net loss on disposal of property, infrastructure, plant and equipment	3.6	-	62
Share of net loss of associates and joint ventures	6.2	53	77
Other expenses	4.6	624	761
Total expenses		56,285	51,873
Surplus/(deficit) for the year		8,387	7,758
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	6.1	664	18,472
Total comprehensive result		9,051	26,230

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

Balance Sheet As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1(a)	9,609	3,191
Other financial assets	5.1(b)	27,000	32,000
Trade and other receivables	5.1(c)	4,286	3,514
Inventories	5.2(a)	944	1,048
Other assets	5.2(b)	846	598
Total current assets		42,685	40,351
Non-current assets			
Property, infrastructure, plant and equipment	6.1	586,968	577,952
Investments in associates and joint arrangements	6.2	1,093	928
Intangible assets	5.2(c)	2,523	2,013
Total non-current assets		590,584	580,893
Total assets		633,269	621,244
Liabilities			
Current liabilities			
Trade and other payables	5.3(a)	6,495	2,697
Trust funds and deposits	5.3(b)	1,318	1,045
Interest-bearing liabilities	5.4	988	1,123
Provisions	5.5	3,991	4,207
Total current liabilities		12,792	9,072
Non-current liabilities			
Interest-bearing liabilities	5.4	1,461	2,449
Provisions	5.5	11,768	11,526
Total non-current liabilities		13,229	13,975
Total liabilities		26,021	23,047
Net assets		607,248	598,197
Equity			
Accumulated surplus		191,620	190,714
Reserves	9.1	415,628	407,483
Total Equity		607,248	598,197

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

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

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

		Total	Accumulated	Revaluation	Other
		\$'000	Surplus	Reserves	Reserves
2018		\$'000	\$'000	\$'000	\$'000
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)	9.1(a)	18,472	-	18,472	-
Transfers to other reserves	9.1(b)	-	(5,816)	-	5,816
Transfers from other reserves	9.1(b)	-	69	-	(69)
Balance at end of the financial year		598,197	190,714	400,526	6,957

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

Statement of Cash Flows
For the Year Ended 30 June 2019

		2019	2018
		Inflows/ (Outflows)	Inflows/ (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Rates and charges		36,114	35,498
Statutory fees and fines		1,517	1,520
User fees		2,474	2,508
Grants - operating		14,011	13,371
Grants - capital		6,095	4,533
Contributions - monetary		677	112
Interest received		883	694
Trust funds and deposits taken		4,311	4,634
Other receipts		377	970
Net GST (payment)/refund		4,243	2,096
Employee costs		(22,513)	(20,031)
Materials and services		(26,635)	(24,737)
Trust funds and deposits repaid		(4,037)	(4,674)
Other payments		(839)	(1,099)
Net cash provided by / (used in) operating activities	9.2	16,678	15,395
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(14,941)	(10,052)
Proceeds from sale of property, infrastructure, plant and equipment		1,037	394
Net cash provided by / (used in) investing activities		(13,904)	(9,658)
Cash flows from financing activities			
Finance costs		(234)	(315)
Repayment of borrowings		(1,123)	(1,041)
Net cash provided by / (used in) financing activities		(1,357)	(1,356)
Net increase / (decrease) in cash and cash equivalents		1,417	4,381
Cash and cash equivalents at the beginning of the financial year		35,191	30,810
Cash and cash equivalents at the end of the financial year		36,608	35,191
	Note		
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

Statement of Capital Works
For the Year Ended 30 June 2019

	2019 \$'000	2018 \$'000
Property		
Land	64	210
Land improvements	1,864	243
Total land	<u>1,928</u>	<u>453</u>
Buildings	1,561	1,584
Total buildings	<u>1,561</u>	<u>1,584</u>
Total property	<u>3,489</u>	<u>2,037</u>
Plant and equipment		
Plant, machinery and equipment	1,865	1,018
Fixtures, fittings and furniture	73	-
Computers and telecommunications	203	53
Total plant and equipment	<u>2,141</u>	<u>1,071</u>
Infrastructure		
Roads	5,348	5,286
Bridges	1,748	156
Footpaths and cycle ways	329	381
Drainage	589	873
Recreational, leisure and community facilities	481	199
Waste management	202	-
Parks, open space and streetscapes	11	-
Aerodromes	7	-
Off street car parks	-	49
Other infrastructure	596	-
Total infrastructure	<u>9,311</u>	<u>6,944</u>
Total capital works expenditure	<u>14,941</u>	<u>10,052</u>
Represented by:		
New asset expenditure	4,499	1,559
Asset renewal expenditure	7,779	7,024
Asset expansion expenditure	-	108
Asset upgrade expenditure	2,663	1,361
Total capital works expenditure	<u>14,941</u>	<u>10,052</u>

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

Notes to the Financial Report For the Year Ended 30 June 2019

OVERVIEW

Introduction

The Moira Shire Council was established by an Order of the Governor in Council on 18 November 1994 and is a body corporate. The Council's main office is located at 44 Station Street, Cobram.

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5).

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 2019**

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

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

1.1 Income and Expenditure

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance 2019 %	Ref
Income					
Rates and charges	36,391	36,555	164	0.5	
Statutory fees and fines	1,245	1,511	266	21.4	1
User fees	2,390	2,249	(141)	(5.9)	2
Grants - operating	6,094	14,643	8,549	140.3	3
Grants - capital	6,611	2,896	(3,715)	(56.2)	4
Contributions - monetary	3,403	489	(2,914)	(85.6)	5
Contributions - non monetary	200	2,411	2,211	1105.5	6
Net gain on disposal of property, infrastructure, plant and equipment	-	243	243	-	7
Other income	1,131	3,675	2,544	225.0	8
Total income	57,464	64,672	7,208	12.5	
Expenses					
Employee costs	22,035	20,284	(1,751)	(7.9)	9
Materials and services	22,706	25,495	2,789	12.3	10
Bad and doubtful debts	10	142	132	1320.0	11
Depreciation	10,632	9,453	(1,179)	(11.1)	12
Borrowing costs	234	234	-	-	
Net loss on disposal of property, infrastructure, plant and equipment	135	-	(135)	(100.0)	7
Share of net loss of associates and joint ventures	10	53	43	430.0	13
Other expenses	883	624	(259)	(29.3)	14
Total expenses	56,646	56,285	(361)	(0.6)	
Surplus/(deficit) for the year	818	8,387	7,569	924.8	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	Receipt of higher than budgeted planning fees, building fees and domestic animal registration fees.
2	User fees	Lower fee income from commercial use of Cobram Landfill and lower than budgeted fee income from community facilities controlled by Section 86 committees.

**Notes to the Financial Report
For the Year Ended 30 June 2019**

Variance Ref	Item	Explanation
3	Grants - operating	Variance due to early receipt of 50% of 2019/20 Commonwealth Financial Assistance Grant, receipt of unbudgeted grants to fund the Numurkah Tyre stockpile removal and the second Action Plan for the Regional Fruit Fly program.
4	Grants - capital	Funding for capital projects not yet completed in 2018/19 not recognised in accounts as income, including: Cobram Piazza and Federation Park redevelopment; JC Lowe Oval and Nathalia Showground lighting, Cobram Commercial Waste facility, Apex Reserve Cobram redevelopment; The Point Yarrowonga foreshore development and Yarrowonga Boat Ramp.
5	Contributions - monetary	Contributions for capital projects not yet completed in 2018/19 not recognised in accounts as income, including: Cobram Piazza and Federation Park redevelopment; JC Lowe Oval and Nathalia Showground lighting, Apex Reserve Cobram redevelopment; The Point Yarrowonga foreshore development and Yarrowonga Boat Ramp.
6	Contributions - non monetary	Contribution of fixed assets from developers (Roads, Kerbs and Channels, Footpaths and Drainage).
7	Net gain/loss on disposal of property, infrastructure, plant and equipment	Higher than budgeted net gain from the sale of land at the old Cobram Saleyards site and the sale of heavy plant and light fleet during 2018/19. No write-off of replaced infrastructure during 2018/19 required.
8	Other income	Income from the recognition of Fixed Assets classified as "Found", higher than budgeted interest income due to higher than expected cash balances, income derived from revaluation of Water Share assets and trading of excess water entitlements.
9	Employee costs	Savings from outsourcing Environmental Health services to an outside provider, delays in backfilling roles during 2018/19 and delays in commencement dates for new roles. Other savings from lower Workcover premiums and Fringe Benefits Tax.
10	Materials and services	Costs for the Numurkah Tyre Stockpile removal and the Regional Fruit Fly Action Plan 2 were not included in the adopted budget, these were fully funded by operating grants. Additional maintenance costs on roads, parks, gardens and building facilities was funded from employee cost savings.
11	Bad and doubtful debts	In accordance with AASB 9 Management has decided to prudently make a provision for Infringement Debtors after writing off those amounts unlikely to recovered at this point in time. Management will increase focus on the Infringement dues to ascertain the probability of recovering dues on a regular basis and update the provision accordingly.
12	Depreciation	Lower than budgeted depreciation charge against Fixed Assets, budget calculated using higher asset value estimates prior to revaluations on assets being finalised.
13	Share of net loss of associates and joint ventures	Higher than budgeted loss on 2018/19 operating result from Goulburn Valley Regional Library Corporation.
14	Other expenses	Lower interest cost on Landfill rehabilitation provision, lower than budgeted Audit Fees and lower rates refunds.

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 1 Performance against budget (cont.)

1.2 Capital Works

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance 2019 %	Ref.
Property					
Land	-	64	64	-	
Land improvements	6,820	1,864	(4,956)	(72.7)	1
Total Land	6,820	1,928	(4,892)	(71.7)	
Buildings	2,272	1,561	(711)	(31.3)	2
Total Buildings	2,272	1,561	(711)	(31.3)	
Total Property	9,092	3,489	(5,603)	(61.6)	
Plant and Equipment					
Plant, machinery and equipment	1,308	1,865	557	42.6	3
Fixtures, fittings and furniture	-	73	73	-	
Computers and telecommunications	-	203	203	100.0	4
Total Plant and Equipment	1,308	2,141	833	63.7	
Infrastructure					
Roads	4,923	5,348	425	8.6	5
Bridges	1,080	1,748	668	61.9	6
Footpaths and cycle ways	280	329	49	17.5	7
Drainage	981	589	(392)	(40.0)	8
Recreational, leisure and community facilities	575	481	(94)	(16.3)	9
Waste management	1,000	202	(798)	(79.8)	10
Parks, open space and streetscapes	1,046	11	(1,035)	(98.9)	11
Aerodromes	7	7	-	-	
Other infrastructure	815	596	(219)	(26.9)	12
Total Infrastructure	10,707	9,311	(1,396)	(13.0)	
Total Capital Works Expenditure	21,107	14,941	(6,167)	(29.2)	
Represented by:					
New asset expenditure	8,884	4,499	(4,385)	(49.4)	
Asset renewal expenditure	9,448	7,779	(1,669)	(17.7)	
Asset upgrade expenditure	2,775	2,663	(112)	(4.0)	
Total Capital Works Expenditure	21,107	14,941	(6,168)	(29.2)	

(i) Explanation of material variations

Variance Ref.	Item	Explanation
1	Land improvements	The Point at Silverwoods (Yarrowonga) is only 25% complete. The Yarrowonga Boat Ramp has been deferred subject to grant funding.
2	Buildings	The Apex Park (Cobram) Soccer Pavilion project has been commenced and the project is 20% complete. Construction of the Yarrowonga Foreshore Public Toilet facility has not commenced.
3	Plant, machinery and equipment	Purchase of light fleet vehicles originally budgeted in 2017/18 financial year, unbudgeted purchase of replacement grader which replaced a leased grader, and a replacement tractor.

**Notes to the Financial Report
For the Year Ended 30 June 2019**

Variance Ref.	Item	Explanation
4	Computers and telecommunications	Renewal of IT switches and new internet cabling originally budgeted in the 2017/18 financial year.
5	Roads	New grant funded project on widening of Lake Rowan Road completed in 2018/19.
6	Bridges	Shackell's Folly Bridge completed in 2018/19. Two remaining bridge projects: Wallala and Mahoney's Bridges under construction.
7	Footpaths and cycle ways	Footpath renewal program included works originally budgeted in the 2017/18 financial year.
8	Drainage	Anchorage Way (Yarrawonga) drainage improvements commenced, 20% completed as at 30 June 2019. Rowe Street (Numurkah) drainage basin extension works not yet commenced.
9	Recreational, leisure and community facilities	Nathalia Showgrounds Oval and Court Lighting upgrades under construction. JC Lowe Oval (Yarrawonga) Lighting and Court project under development.
10	Waste Management	The Cobram Commercial Waste Sorting Facility is currently under construction.
11	Parks, open spaces and streetscapes	Cobram Piazza and Federation Park Redevelopment is under design as at 30 June 2019.
12	Other infrastructure	Wilby Community Facilities upgrade is under development.

Note 2.1 Analysis of Council results by program

2.1 (a) Council programs

Council delivers its functions and activities through the following programs.

Office of CEO

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

Organisational Development

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

Commercial Services

Commercial Services is responsible for the maintenance, management and strategic planning for Council's buildings, land and property leases. Services include procurement and contracting of goods and services, insurance and enterprise risk.

Finance and Revenue

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

Governance and Communications

Governance and Communication ensures Council complies with the governance obligations under the Local Government Act and other legislation. This service is also responsible for the management and provision of advice on external and internal communication, in consultation with relevant stakeholders, on behalf of Council and is the main customer interface with the community and includes face-to-face and online customer service.

Information Services

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

Community Development

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

Economic Development

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

Environmental Services

Environmental Services develops environmental policy, implements environmental projects, delivers educational programs and works with other agencies to improve environment sustainability and natural resource management.

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

2.1 (a) Council programs (cont.)

Waste Management

Waste Management provides waste collection including kerbside rubbish collection of garbage, recyclables and organic waste from households and some commercial properties in Council. It also operates nine transfer stations and a landfill site, including monitoring to maintain environmental standards.

Operations

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

Construction and Assets

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

Building, Safety and Amenity

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

Planning

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

Notes to the Financial Report
For the Year Ended 30 June 2019

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

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

	Operating Income	Operating Expenses	Operating Surplus/ (Deficit)	Capital Expenses	Grants included in income	Total Assets
	\$'000	\$'000	\$'000		\$'000	\$'000
2019						
Office of CEO	1	1,951	(1,950)	-	-	-
Organisational Development	16	1,637	(1,621)	-	15	-
Commercial Services	480	1,174	(694)	-	-	-
Finance and Revenue	40,747	11,615	29,132	-	7,271	46,301
Governance and Communications	13	1,342	(1,329)	-	-	-
Information Services	-	2,651	(2,651)	-	-	-
Community Development	705	5,817	(5,112)	-	472	-
Economic Development	813	2,556	(1,743)	-	598	-
Environmental Services	124	832	(708)	-	-	-
Waste Management	11,114	7,258	3,856	-	2,204	-
Operations	4,345	14,077	(9,732)	-	4,032	-
Construction and Assets	4,890	2,557	2,333	14,941	2,896	586,968
Building, Safety and Amenity	827	1,921	(1,094)	-	51	-
Planning	597	897	(300)	-	-	-
	64,672	56,285	8,387	14,941	17,539	633,269
	Operating Income	Operating Expenses	Operating Surplus/ (Deficit)	Capital Expenses	Grants included in income	Total Assets
	\$'000	\$'000	\$'000		\$'000	\$'000
2018						
Office of CEO	120	2,040	(1,920)	-	-	-
Organisational Development	7	1,870	(1,863)	-	2	-
Commercial Services	426	1,215	(789)	-	-	-
Finance and Revenue	37,413	11,687	25,726	-	6,824	43,292
Governance and Communications	39	1,340	(1,301)	-	-	-
Information Services	-	2,338	(2,338)	-	-	-
Community Development	717	5,569	(4,852)	-	477	-
Economic Development	521	2,437	(1,916)	-	490	-
Environmental Services	43	773	(730)	-	21	-
Waste Management	8,755	4,945	3,810	-	29	-
Operations	5,392	12,672	(7,280)	-	5,105	-
Construction and Assets	4,814	2,374	2,440	10,052	4,062	577,952
Building, Safety and Amenity	697	1,666	(969)	-	28	-
Planning	687	947	(260)	-	-	-
	59,631	51,873	7,758	10,052	17,038	621,244

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019	2018
	\$'000	\$'000

Note 3 Funding for the delivery of our services

3.1 Rates and charges

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

The valuation base used to calculate general rates for 2018/19 was \$6,070 million (2017/18 - \$5,527 million).

General rates	23,231	22,637
Municipal charge	5,501	5,374
Environmental levy	1,943	3,630
Waste management charges	5,551	3,506
Supplementary rates and rate adjustments	179	198
Interest on rates and charges	150	124
Total rates and charges	36,555	35,469

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

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

3.2 Statutory fees and fines

Town planning fees	519	604
Building services fees	497	427
Land information certificates	40	44
Permits	38	55
Business registration fees	144	138
Animal registration fees and fines	206	198
Other statutory fees and fines	67	45
Total statutory fees and fines	1,511	1,511

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

3.3 User fees

Leisure centre and recreation	26	26
Waste management services	1,327	1,433
Rent and other property income	128	143
Public hall and park hire fees	281	264
Sundry works and works within road reserve fees	166	105
Caravan park charges	268	240
Other user fees and charges	53	70
Total user fees	2,249	2,281

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 2019**

	2019 \$'000	2018 \$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of Grants		
Commonwealth funded grants	12,913	15,437
State funded grants	4,626	1,601
Total grants received	17,539	17,038
(a) Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grants	11,234	10,659
<i>Recurrent - State Government</i>		
Community health	53	64
Community safety	56	57
Environmental planning	-	20
Economic development and tourism	598	481
Maternal and child health	336	351
Recreation	29	29
Roadside weeds and pest management	68	75
School crossing supervisors	24	-
Other	15	2
Total recurrent operating grants	12,413	11,738
<i>Non-recurrent - Commonwealth Government</i>		
Disaster recovery	-	1,196
<i>Non-recurrent - State Government</i>		
Community facilities	-	3
Environmental planning	-	1
Waste management*	2,204	29
Community safety	26	-
Recreation	-	9
Total non-recurrent operating grants	2,230	1,238
Total operating grants	14,643	12,976
*Increase in Waste management due to one-off grant to remove abandoned tyre stockpile in Numurkah, which fully funded all expenditure.		
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	1,679	3,582
Total recurrent capital grants	1,679	3,582
<i>Non-recurrent - State Government</i>		
Buildings	128	-
Recreation, leisure and community facilities	15	8
Roads	920	348
Parks, open space and streetscapes	-	36
Bridges	139	-
Drainage	15	88
Total non-recurrent capital grants	1,217	480
Total capital grants	2,896	4,062

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019	2018
	\$'000	\$'000
3.4 Funding from other levels of government (cont.)		
(c) Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	420	810
Received during the financial year and remained unspent at balance date	29	262
Received in prior years and spent during the financial year	(388)	(652)
Balance at year end	61	420

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

3.5 Contributions

Monetary	489	112
Non-monetary	2,411	593
Total contributions	2,900	705

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

Land	4	47
Roads	1,199	81
Other Infrastructure	1,208	465
Total non-monetary contributions	2,411	593

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

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

Proceeds of sale	1,016	417
Written down value of assets disposed	(773)	(453)
Impairment losses on infrastructure assets replaced	-	(26)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	243	(62)

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

3.7 Other income

Interest on investments	858	744
Reimbursements and subsidies	111	102
Legal costs recouped	75	275
Energy rebate scheme income	81	86
Sale of recyclables income	80	140
Revaluation of intangible asset (water shares)	510	388
Visitor Information Centre income	19	21
Recognition of assets under Council control	1,594	656
Water trading income	97	18
Property valuation costs recouped	142	-
Other income	108	175
Total other income	3,675	2,605

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 2019**

	2019 \$'000	2018 \$'000
Note 4 The cost of delivering services		
4.1 (a) Employee costs		
Wages and salaries	17,367	17,026
WorkCover	282	410
Apprentices and trainees	420	366
External contract employees	51	97
Superannuation	1,608	1,577
Fringe benefits tax	192	181
Other employee costs	364	315
Total employee costs	20,284	19,972
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1	15
Total	1	15
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,129	1,172
Employer contributions - other funds	478	390
Total	1,607	1,562
Employer contributions payable at reporting date.	62	60
Refer to note 9.3 for further information relating to Council's superannuation obligations.		
4.2 Materials and services		
Building and facilities management	992	883
Community health and safety	532	357
Community services and events	540	745
Council contributions, donations and grants	947	754
Economic development and tourism	1,408	1,161
Engineering design and management	323	329
Environmental management	446	432
Finance and administration	1,271	1,426
Flood recovery	24	471
Governance	502	673
Information technology	1,723	1,459
Infrastructure and asset management	512	359
Insurance	506	494
Library services	784	756
Parks and gardens maintenance	1,044	998
Planning and building services	394	259
Plant and fleet maintenance	2,519	2,346
Pools and recreation	815	922
Roads, footpaths and drainage maintenance	4,412	3,335
Waste management	5,801	3,415
Total materials and services	25,495	21,574

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019 \$'000	2018 \$'000
4.3 Depreciation		
Property	2,743	2,892
Plant and equipment	675	590
Infrastructure	6,035	5,571
Total depreciation	9,453	9,053

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

4.4 Bad and doubtful debts		
Sundry debtors	2	-
Rates debtors	-	59
Infringement debtors	140	-
Total bad and doubtful debts	142	59

Movement in provisions for doubtful debts

Balance at the beginning of the year	60	55
New Provisions recognised during the year	25	59
Amounts already provided for and written off as uncollectible	(60)	(54)
Balance at end of year	25	60

Provision for doubtful debt is recognised using the simplified approach to the expected loss model where impairment is recognised over the life of the debt. Bad debts are written off when identified.

4.5 Borrowing costs		
Interest - Borrowings	234	315
Total borrowing costs	234	315

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

4.6 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	53	50
Auditors' remuneration - Internal audit program	31	28
Councillors' allowances	310	304
Interest on unwinding of discount on provisions	148	286
Refunds of rates	26	55
Other	56	38
Total other expenses	624	761

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019	2018
	\$'000	\$'000
Note 5 Our financial position		
5.1 Financial Assets		
(a) Cash and cash equivalents		
Cash on hand	8	8
Cash at bank	2,101	1,183
Cash at call	5,000	2,000
Term deposits	2,500	-
Total cash and cash equivalents	9,609	3,191
(b) Other financial assets		
Term deposits - current	27,000	32,000
Total other financial assets	27,000	32,000
Total financial assets	36,609	35,191
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
- Trust funds and deposits (Note 5.3)	1,318	1,045
Total restricted funds	1,318	1,045
Total unrestricted cash and cash equivalents	8,291	2,146
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Unspent conditional grants received (Note 3.4(c))	61	420
- Cash held in other reserves (Note 9.1(b))	14,438	6,957
Total funds subject to intended allocations	14,499	7,377
Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.		
Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.		
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	2,405	1,964
Provision for doubtful debts - rates debtors	-	(60)
Fire services levy debtors	250	227
Special rate debtors	3	7
Infringement debtors	60	162
Provision for doubtful debts - infringement debtors	(25)	-
<i>Non-statutory receivables</i>		
Other debtors	1,260	625
Net GST receivable	333	590
Total trade and other receivables	4,286	3,515

**Notes to the Financial Report
For the Year Ended 30 June 2019**

5.1 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.

(i) Ageing of Receivables	2019	2018
The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:	\$'000	\$'000
Current (not yet due)	1,156	539
Past due by up to 30 days	96	81
Past due between 31 and 180 days	8	5
Total trade & other receivables	1,260	625

(ii) Ageing of individually impaired Receivables

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

5.2 Non-financial assets

(a) Inventories

Inventories held for distribution	936	1,038
Inventories held for sale	8	10
Total inventories	944	1,048

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	148	132
Accrued income	389	194
Section 86 Committee of Management	309	272
Total other assets	846	598

(c) Intangible assets

Water share entitlements	2,523	2,013
Total intangible assets	2,523	2,013

	Water share entitlements
Gross carrying amount	\$'000
Balance at 1 July 2018	2,013
Fair value adjustment	510
Balance at 30 June 2019	2,523

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 2019 by Wes Ridd (API Member 62427) of Preston Rowe Paterson Shepparton.

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019	2018
	\$'000	\$'000
5.3 Payables		
(a) Trade and other payables		
Trade payables	109	142
Accrued expenses	6,386	2,555
Total trade and other payables	6,495	2,697
(b) Trust funds and deposits		
Refundable deposits	731	669
Fire services levy	494	346
Retention amounts	93	30
Total trust funds and deposits	1,318	1,045

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.

5.4 Interest bearing liabilities

Current

Borrowings - secured	988	1,123
	988	1,123

Non-current

Borrowings - secured	1,461	2,449
	1,461	2,449

Total Interest bearing liabilities	2,449	3,572
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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	988	1,123
Later than one year and not later than five years	1,461	2,449
	2,449	3,572

**Notes to the Financial Report
For the Year Ended 30 June 2019**

5.4 Interest bearing liabilities (cont.)

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

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

5.5 Provisions

2019	Employee	Landfill restoration	Total
	\$'000	\$'000	\$'000
Balance at beginning of the financial year	4,545	11,188	15,733
Additional provisions	294	106	400
Amounts used	(521)	(2)	(523)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	148	148
Balance at the end of the financial year	4,319	11,440	15,759
	Employee	Landfill restoration	Total
	\$'000	\$'000	\$'000
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
Balance at the end of the financial year	4,545	11,188	15,733
		2019	2018
		\$'000	\$'000
(a) Employee provisions			
Current provisions expected to be wholly settled within 12 months			
Annual leave		1,274	1,414
Annual leave loading		114	112
Rostered days off		161	147
Long service leave		2,312	2,349
		3,861	4,022

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019 \$'000	2018 \$'000
5.5 Provisions (cont.)		
(a) Employee provisions (cont.)		
Current provisions expected to be wholly settled after 12 months		
Annual leave	110	95
	110	95
Total current employee provisions	3,971	4,117
Non-current		
Long service leave	348	428
Total non-current employee provisions	348	428
Aggregate carrying amount of employee provisions:		
Current	3,971	4,117
Non-current	348	428
Total aggregate carrying amount of employee provisions	4,319	4,545

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

Wages and salaries and annual leave

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

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

Long service leave

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

Key assumptions:	2019	2018
- discount rate	1.324	2.647
- wage inflation rate	4.313	3.875

(b) Landfill restoration

Current	20	90
Non-current	11,420	11,098
Total aggregate carrying amount of landfill restoration provision	11,440	11,188

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 2019**

	2019	2018
	\$'000	\$'000
5.5 Provisions (cont.)		
(b) Landfill restoration (cont.)		
Key assumptions:	2019	2018
- discount rate	1.324	2.647
- inflation rate	4.313	3.875

5.6 Financing arrangements

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

Credit card facilities	126	123
Fixed rate loan facilities	2,450	3,572
Total facilities	2,576	3,695
Used facilities	2,474	3,598
Unused facilities	102	97

Council does not have an overdraft facility.

5.7 Commitments

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

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Operating					
Garbage, recycling and organic waste collection and landfill management	2,865	2,538	6,447	1,061	12,911
Computers and telecommunications	759	655	1,775	159	3,349
Maintenance and security of Council buildings	165	73	-	-	238
Cleaning of Council buildings	178	-	-	-	178
Environmental management	653	654	1,214	1,171	3,692
Recreation facilities management	836	850	2,551	2,551	6,789
Other services	385	86	131	-	602
Total	5,842	4,856	12,117	4,943	27,759
Capital					
Building design and construction	2,373	-	-	-	2,373
Roads	4,033	2,309	-	-	6,342
Plant and equipment	546	-	-	-	546
Total	6,953	2,309	-	-	9,261

**Notes to the Financial Report
For the Year Ended 30 June 2019**

5.7 Commitments (cont.)

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
Operating					
Garbage, recycling and organic waste collection and landfill management	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
Total	4,820	2,690	5,892	4,565	17,967
Capital					
Building design and construction	1,319	-	-	-	1,319
Roads	4,534	3,403	2,589	-	10,526
Plant and equipment	349	-	-	-	349
Total	6,202	3,403	2,589	-	12,194

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):

	2019 \$'000	2018 \$'000
Not later than one year	1,044	1,202
Later than one year and not later than five years	1,269	1,548
Later than five years	-	2
Total	2,313	2,752

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 2019**

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2018	Additions	Contributions	Found	Revaluation	Disposal	Write-offs	Transfers	Depreciation	At Fair Value 30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	216,958	1,684	5	-	(2,926)	(425)	-	785	(2,743)	213,338
Plant and Equipment	2,992	2,148	-	-	-	(348)	-	-	(675)	4,117
Infrastructure	355,305	7,858	2,407	1,594	3,591	-	-	430	(6,035)	365,150
Work in progress	2,697	3,251	-	-	-	-	(370)	(1,215)	-	4,363
Total	577,952	14,941	2,412	1,594	665	(773)	(370)	-	(9,453)	586,968

Summary of Work in Progress

	Opening WIP 1 July 2018	Additions	Transfers	Write Offs	Closing WIP 30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	657	1,816	(558)	(21)	1,894
Infrastructure	2,040	1,435	(657)	(349)	2,469
Total	2,697	3,251	(1,215)	(370)	4,363

**Notes to the Financial Report
For the Year Ended 30 June 2019**

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

(a) Property

	Land - specialised \$'000	Land - non specialised \$'000	Land improvements \$'000	Total Land \$'000	Buildings - non specialised \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 2018	5,918	94,872	50,629	151,419	144,418	144,418	657	296,494
Accumulated depreciation at 1 July 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
Movements in fair value								
Additions	-	64	372	436	1,248	1,248	1,816	3,500
Contributions	5	-	-	5	-	-	-	5
Revaluation	-	(672)	(3,280)	(3,952)	36	36	-	(3,916)
Disposal	-	(425)	-	(425)	-	-	-	(425)
Write-offs	-	-	-	-	-	-	(21)	(21)
Transfers	-	-	42	42	791	791	(558)	275
	5	(1,033)	(2,866)	(3,894)	2,075	2,075	1,237	(582)
Movements in accumulated depreciation								
Depreciation charge	-	-	(993)	(993)	(1,750)	(1,750)	-	(2,743)
Revaluation	-	-	991	991	(1)	(1)	-	990
Transfers	-	-	-	-	(48)	(48)	-	(48)
	-	-	(2)	(2)	(1,799)	(1,799)	-	(1,801)
At fair value 30 June 2019	5,923	93,839	47,763	147,525	146,493	146,493	1,894	295,912
Accumulated depreciation at 30 June 2019	-	-	(21,004)	(21,004)	(59,676)	(59,676)	-	(80,680)
	5,923	93,839	26,759	126,521	86,817	86,817	1,894	215,232

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

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

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and Telecom- munications	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	4,923	160	130	5,213
Accumulated depreciation at 1 July 2018	(2,047)	(96)	(78)	(2,221)
	2,876	64	52	2,992
Movements in fair value				
Additions	1,872	73	203	2,148
Disposal	(1,187)	-	(35)	(1,222)
	685	73	168	926
Movements in accumulated depreciation				
Depreciation charge	(644)	(27)	(4)	(675)
Disposal	839	-	35	874
Transfers	-	33	(33)	-
	195	6	(2)	199
At fair value 30 June 2019	5,608	233	298	6,139
Accumulated depreciation at 30 June 2019	(1,852)	(90)	(80)	(2,022)
	3,756	143	218	4,117

Notes to the Financial Report
For the Year Ended 30 June 2019

6.1 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 2018	356,765	30,043	18,669	66,876	2,490	474,843	2,040	476,883
Accumulated depreciation at 1 July 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	2,040	357,347
Movements in fair value								
Additions	5,868	1,170	329	408	83	7,858	1,435	9,293
Contributions	1,199	-	299	909	-	2,407	-	2,407
Found	1,125	-	2	467	-	1,594	-	1,594
Revaluation	(1,671)	(319)	(21)	5,627	(16)	3,600	-	3,600
Write-offs	-	-	-	-	-	-	(349)	(349)
Transfers	347	(399)	-	19	8	(25)	(657)	(682)
	6,868	452	609	7,430	75	15,434	429	15,863
Movements in accumulated depreciation								
Depreciation charge	(4,244)	(289)	(500)	(766)	(236)	(6,035)	-	(6,035)
Revaluation	210	-	-	(219)	-	(9)	-	(9)
Transfers	(2)	456	-	-	-	454	-	454
	(4,036)	167	(500)	(985)	(236)	(5,590)	-	(5,590)
At fair value 30 June 2019	363,633	30,495	19,278	74,306	2,565	490,277	2,469	492,746
Accumulated depreciation at 30 June 2019	(89,006)	(10,515)	(2,998)	(22,370)	(237)	(125,126)	-	(125,126)
	274,627	19,980	16,280	51,936	2,328	365,151	2,469	367,620

**Notes to the Financial Report
For the Year Ended 30 June 2019**

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

Acquisition

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

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

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

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

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

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation

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

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

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

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

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

Repairs and maintenance

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

Valuation of 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 2019 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 2019**

6.1 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 2019 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	DoV
Land - specialised	-	-	5,923	06/2019
Land - non specialised	-	58,183	35,656	06/2018
Land improvements	-	-	26,759	06/2017
Buildings - non specialised	-	-	86,817	06/2018
Total	-	58,183	155,155	

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 2019/20.

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

6.1 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 2019/20.

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 2019 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	DoV
Roads	-	-	274,627	06/2017
Bridges	-	-	19,980	06/2017
Footpaths and cycle ways	-	-	16,280	06/2016
Drainage	-	-	51,936	06/2019
Recreational, leisure and community facilities	-	-	2,328	06/2018
Total	-	-	365,151	

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.

	2019 \$'000	2018 \$'000
Reconciliation of specialised land		
Land under roads	5,923	5,918
Total specialised land	<u>5,923</u>	<u>5,918</u>

**Notes to the Financial Report
For the Year Ended 30 June 2019**

6.2 Investments in associates and joint arrangements

(a) Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

(b) Investments in associates

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

	2019	2018
	\$'000	\$'000
Investments in associates accounted for by the equity method are:		
Goulburn Valley Regional Library Corporation	655	708
Total investments in associates	655	708

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%.

Fair value of Council's investment in Goulburn Valley Regional Library Corporation	655	708
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Council's share of accumulated surplus/(deficit)

Council's share of accumulated surplus/(deficit) at start of year	(131)	(128)
Prior year reported surplus/(deficit) adjustment	-	22
Reported surplus/(deficit) for year	(53)	(25)
Council's share of accumulated surplus/(deficit) at end of year	(184)	(131)

Council's share of reserves

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

Movement in carrying value of specific investment

Carrying value of investment at start of year	708	711
Prior year reported surplus/(deficit) adjustment	-	22
Share of surplus/(deficit) for year	(53)	(25)
Carrying value of investment at end of year	655	708

Council' share of expenditure commitments

Operating commitments	100	146
Council share of expenditure commitments	100	146

**Notes to the Financial Report
For the Year Ended 30 June 2019**

6.2 Investments in associates and joint arrangements (cont.)	2019	2018
	\$'000	\$'000

(c) Joint Arrangements

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

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

Creekside Estate Nathalia - Joint Venture

Background

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

Fair value of Council's investment in Creekside Estate Nathalia - Joint Venture	438	220
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	(52)	-
Write down of accumulated surplus	-	(52)
Council's share of accumulated surplus/(deficit) at end of year	(52)	(52)
Movement in carrying value of specific investment		
Carrying value of investment at start of year	220	-
Investment contributions	218	272
Write down of investment	-	(52)
Carrying value of investment at end of year	438	220

**Notes to the Financial Report
For the Year Ended 30 June 2019**

Note 7 People and relationships

7.1 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 6.2.

(b) Key Management Personnel

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

Councillors

Councillor Libro Mustica (Mayor 1 July 2018 - 30 June 2019)
Councillor John Beitzel
Councillor Kevin Bourke
Councillor Wendy Buck
Councillor Gary Cleveland
Councillor Ed Cox
Councillor Peter Lawless
Councillor Peter Mansfield
Councillor Marie Martin
Chief Executive Officer
General Manager - Community
General Manager - Corporate
General Manager - Infrastructure

	2019	2018
	No.	No.
Total Number of Councillors	9	9
Chief Executive Officer and other Key Management Personnel	4	4
Total Key Management Personnel	13	13

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

	2019	2018
	\$'000	\$'000
Short-term benefits	1,130	1,102
Post-employment benefits	96	95
Other Long-term benefits	(7)	16
Termination benefits	-	80
Total	1,219	1,293

Other long term-benefits shows as a negative in 2018/19 due to correction of a payroll system error in 2017/18.

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

	2019	2018
	No.	No.
\$20,000 - \$29,999	3	2
\$30,000 - \$39,999	5	5
\$40,000 - \$49,999	-	1
\$60,000 - \$69,999	-	1
\$80,000 - \$89,999	1	-
\$190,000 - \$199,999	2	2
\$200,000 - \$209,999	1	-
\$210,000 - \$219,999	-	1
\$270,000 - \$279,999	1	1
	13	13

**Notes to the Financial Report
For the Year Ended 30 June 2019**

7.1 Council and key management remuneration (cont.)

(d) Senior Officer Remuneration

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

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$148,000.

The number of Senior Officers are shown below in their relevant income bands:	2019	2018
Income Range:	No.	No.
Less than \$148,000	1	4
\$150,000 - \$159,999	4	-
\$160,000 - \$169,999	-	1
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	1	-
\$200,000 - \$209,999	-	1
	6	7
	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	951	1,119

7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties.	2019	2018
	\$'000	\$'000
(i) Fees and charges charged to entities controlled by key management personnel	31	27
(ii) Employee expenses for close family members of key management personnel	143	122
(iii) Purchase of materials and services from associates of key management personnel	1	1
(iv) Purchase of materials and services from entities controlled by key management personnel	14	8

(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 2019 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 2019 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	2019	2018
	\$'000	\$'000
(i) Fees and charges charged to entities controlled by key management personnel	2	-
(ii) Employee expenses for close family members of key management personnel	6	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 2019

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent assets

Developer contributions expected to be received in respect of property subdivisions currently under development total \$200,000 (2017/18 \$200,000).

(b) Contingent liabilities

Bank guarantees

Council has a bank guarantee of \$697,500 (2017/18 \$697,500).

Superannuation

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

Future superannuation contributions

In addition to the contributions disclosed in Note 4.1, Moira Shire has not paid any unfunded liability payments to Vision Super during the 2018/19 year (2017/18 \$Nil). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2019. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 is \$Nil.

Liability Mutual Insurance

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

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

8.2 Change in accounting standards

The following new accounting standards have been issued that are not mandatory for the 30 June 2019 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Revenue from contracts with customers (AASB 15) (applies 2019/20 for 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.

Council has made a detailed assessment of its income for the year 2018/19 and has classified it based on the criteria stated in AASB 15 and 1058 accordingly. For comparison purposes Council has estimated \$946k under AASB 15 and \$3,859k under AASB 1058.

8.2 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.

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will see the initial recognition of \$2,313 million in lease related assets and an equivalent liability.

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.

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

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

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

8.3 Financial instruments (cont.)

(c) Credit risk

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

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

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

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

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

(e) Sensitivity disclosure analysis

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

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

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

Notes to the Financial Report For the Year Ended 30 June 2019

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

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

Revaluation

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

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

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

Impairment of assets

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

8.5 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 2019**

Note 9 Other matters

9.1 Reserves

(a) Asset revaluation reserves

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
2019			
Property			
Land	48,387	(673)	47,714
Land Improvements	16,020	(2,289)	13,731
Buildings	64,785	35	64,820
	<u>129,192</u>	<u>(2,927)</u>	<u>126,265</u>
Infrastructure			
Roads	193,370	(1,461)	191,909
Bridges	16,948	(319)	16,629
Footpaths and cycleways	22,945	(21)	22,924
Drainage	33,022	5,408	38,430
Recreational, leisure and community facilities	1,915	(16)	1,899
Other infrastructure	3,135	-	3,135
	<u>271,334</u>	<u>3,591</u>	<u>274,925</u>
Total asset revaluation reserves	<u>400,526</u>	<u>664</u>	<u>401,190</u>
2018			
Property			
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>
Infrastructure			
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>
Total asset revaluation reserves	<u>382,054</u>	<u>18,472</u>	<u>400,526</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 2019**

9.1 Reserves (cont.)

(b) Other reserves

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
2019				
Recreational open space reserve	718	64	(112)	670
Car parking reserve	140	-	-	140
Net gain native vegetation reserve	91	28	-	119
Botts Road - MV Highway intersection reserve	247	-	-	247
Yarrowonga Wetlands drainage reserve	27	73	-	100
Capital works carried forward reserve	5,734	7,428	-	13,162
Total Other reserves	6,957	7,593	(112)	14,438
2018				
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
Yarrowonga Wetlands drainage reserve	-	27	-	27
Capital works carried forward reserve	-	5,734	-	5,734
Total Other reserves	1,210	5,816	(69)	6,957

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

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

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

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

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

Capital works carried forward reserve represents funds allocated for capital works not completed as at the end of the 2018/19 financial year.

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019	2018
	\$'000	\$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus / (deficit) for the year	8,387	7,758
Depreciation/amortisation	9,453	9,053
Profit / (Loss) on disposal of property, infrastructure, plant and equipment	(243)	36
Impairment losses	-	26
Contributions - Non-monetary assets	(2,411)	(593)
Share of net loss of investments in associates	53	55
Prior year capital works expensed	370	526
Fair value adjustment of intangible asset	(510)	(388)
Net value of previously unrecognised assets	(1,594)	(656)
Finance costs	234	315
Bad debts	142	59
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(1,193)	(242)
(Increase)/decrease in prepayments	(16)	71
(Increase)/decrease in accrued income	(195)	(72)
(Increase)/decrease in inventories	107	(308)
Increase/(decrease) in trade and other payables	300	(1,597)
Increase/(decrease) in other liabilities	3,768	1,123
Increase/(decrease) in provisions	26	229
Net cash provided by / (used in) operating activities	16,678	15,395

9.3 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2019, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan. Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2018/19).

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 2019 was 107.1%.

Notes to the Financial Report For the Year Ended 30 June 2019

9.3 Superannuation (cont.)

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.

Defined Benefit 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.

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

END OF REPORT

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