

**MOORABOOL**  
SHIRE COUNCIL



**ANNUAL REPORT**  
2018/2019

# WELCOME

Moorabool Shire Council's 2018-19 Annual Report reflects Council's performance during the year against the goals set in the Council Plan 2017-2021.

This report is intended as a point of reference for Council, residents and businesses in the Shire, community organisations and government departments.

The Council Plan 2017-2021 is structured under the following Strategic Framework:

- Providing good governance and leadership.
- Minimising environmental impact.
- Stimulating economic development.
- Improving social outcomes.

## COUNCIL'S PURPOSE:

### OUR VISION:

Viable and vibrant communities with unique identities.

### OUR PURPOSE:

1. The Moorabool Shire Council exists to co-design local solutions that enable the Moorabool communities to prosper now and into the future.
2. The Council exists to be in service to the communities of the Moorabool Shire.
3. The Council is accountable to the community and has legislative responsibilities.

## OUR VALUES:

**INTEGRITY** I say what I mean and always do what's right.

**CREATIVITY** I consider situations from multiple angles and perspectives.

**ACCOUNTABILITY** I have courage to make decisions and take ownership for their outcomes.

**RESPECT** I seek to understand and treat people how I would like to be treated.

**EXCELLENCE** I take calculated risks to seek out better ways of doing things.

These values translate to the acronym **I CARE**.

This Annual Report can be viewed online at [www.moorabool.vic.gov.au](http://www.moorabool.vic.gov.au) or can be obtained from all Council offices.



# A MESSAGE FROM THE MAYOR AND THE CEO

We are pleased to present the Annual Report for the period July 2018 to June 2019.

Thank you to all our staff who have helped deliver significant strategic work, an extensive capital works program and pushed forward on many projects that will drive change and improvement in the digital space, as well as catering for the physical population growth of our towns.

Moorabool is growing at a rate greater than we all anticipated and this poses many challenges for our Council. It also provides a chance to deliver investment opportunities, better services and assets to our communities. We are committed to doing this into the future.

The result of our income statement reflects a total comprehensive gain of \$82.147 million. This includes a \$4.12 million increase in external monetary contributions due to the timing of significant developer contributions received in 2018/19, and a \$4.94 million increase in non-monetary contributions due a substantial amount of development throughout the Shire.

This enabled Council to increase its capital works spend by almost \$4 million, including new streetscapes for Ballan and Gordon, continued work on the Bacchus Marsh Recreation Racecourse Reserve and significant investment in attracting new business to the Shire.

Other achievements for the 2018/19 period include digitising many components of our service delivery, such as grant applications, and upgrading our GIS platform.

You can read about more highlights from the year, and the challenges our Council has faced, starting on page 9.

We hope you enjoy reading the 2018/19 Annual Report.

**Paul Tatchell, Mayor**

**Derek Madden, CEO**

*Cr. Paul Tatchell, Mayor*



*Derek Madden, CEO*



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# COUNCILLORS

The current Moorabool Shire was established in 1994 following an Order of Parliament under the Victorian Local Government Act to amalgamate the Shires.

Moorabool Shire is divided into four Council wards. East Moorabool is represented by four Councillors, Central, Woodlands and West Moorabool are each represented by one Councillor.

They are selected by the community for a four-year term and are responsible for setting the overall strategic direction of the Council and overseeing the performance of the organisation on behalf of the community.

Councillors attend Ordinary Meetings of Council on the first Wednesday of every month and make decisions on the items listed in the Council meeting agenda.

Where required, they also attend Special Meetings of Council to make decisions on important issues.



## CENTRAL WARD

### Cr Paul Tatchell

MAYOR

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DEPUTY MAYOR

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## EAST MOORABOOL WARD

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## EAST MOORABOOL WARD

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## WEST MOORABOOL WARD

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## WOODLANDS WARD

### Cr Pat Toohey

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# SNAPSHOT OF MOORABOOL

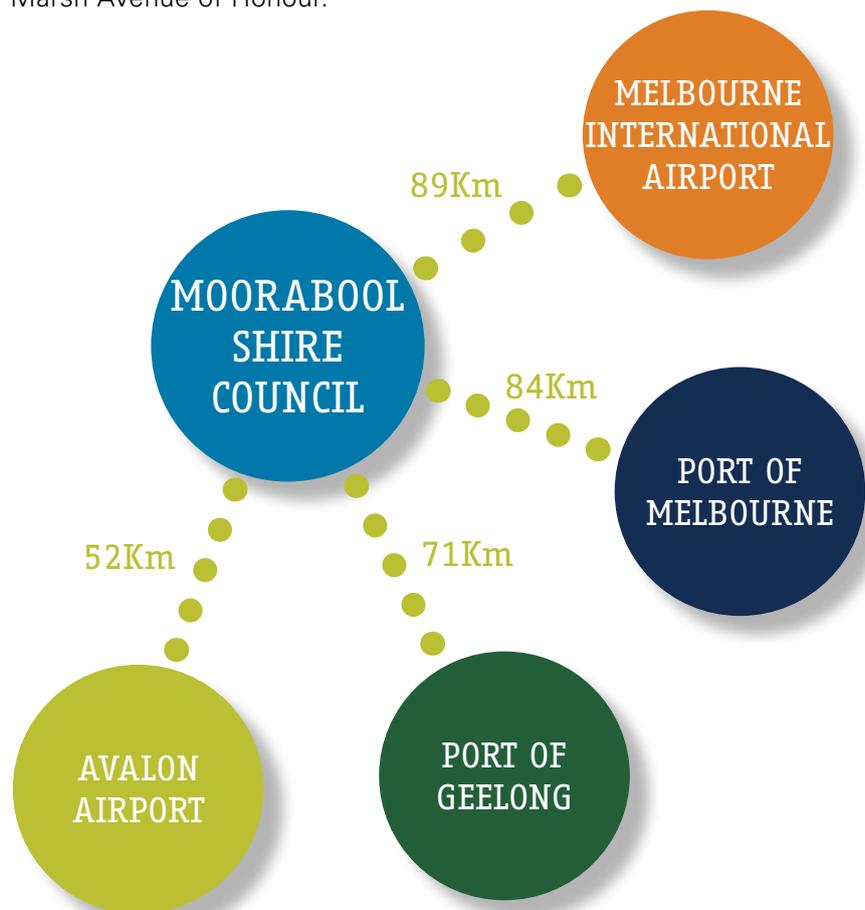
Moorabool Shire is a fast growing semi-rural municipality ideally placed between Melbourne, Geelong and Ballarat. It is equidistant to Melbourne International and Avalon Airports and close to the sea ports of Geelong and Melbourne. The Shire is positioned along the major road and rail transport corridors between Melbourne and Adelaide.

It offers residents picturesque and friendly surrounds with the vibrancy of an active, growing community.

Residents can opt for an urban lifestyle in towns like Bacchus Marsh (45km west of the Melbourne CBD) and Ballan (70km west of the Melbourne CBD) or enjoy life in one of Moorabool's small towns and hamlets, rural open spaces and natural surrounds.

Moorabool is made up of 64 localities, hamlets and towns.

About three quarters of the Shire is water catchments, state forests and national parks. Moorabool boasts breathtaking landscapes, national parks, forests, gorges, mineral springs and tourism attractions. Key attractions include the Wombat State Forest, Brisbane Ranges National Park, Lerderderg State Park, Werribee Gorge State Park and the Bacchus Marsh Avenue of Honour.



# TRADITIONAL OWNERS

**We acknowledge the Indigenous history of Moorabool Shire.**

The land was traditionally occupied by and connected to a number of Aboriginal communities, most notably the Wathaurung Tribe in the south and west, the Wurundjeri Tribe in the east and the Dja Dja Wurrung Tribe in the north west.



# OUR POPULATION

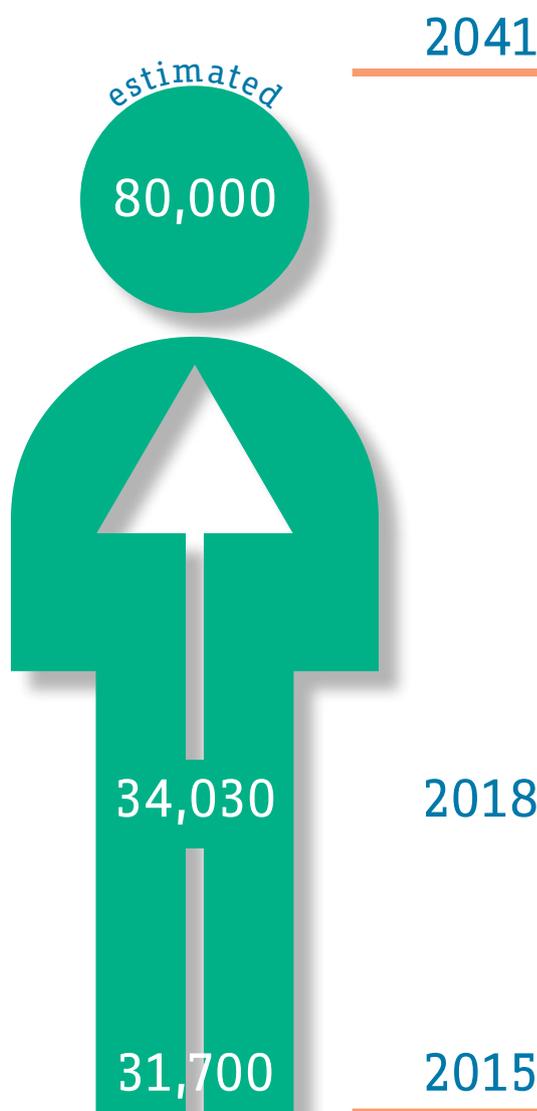
Moorabool Shire is a popular tree change destination, growing as fast as any other local government area in inland regional Victoria.

The official population of Moorabool Shire in 2018 was 34,030. More than half the population lives in Bacchus Marsh and surrounds. The Shire's second largest population can be found in and around Ballan. The remaining population is distributed throughout the large number of small towns, hamlets and farming areas within the Shire. The majority of people who relocate to Moorabool Shire are young families seeking a semi-rural lifestyle. Moorabool's demographic reflects this trend.

## POPULATION GROWTH

When considering future growth of Moorabool Shire, Council has identified three key residential locations where the majority of that growth will occur. These locations – Bacchus Marsh, Ballan and Gordon – already have established infrastructure to accommodate new growth. As part of the Moorabool 2041 (Small Towns and Clusters Settlement Strategy) framework, Council is also consulting with other settlements such as Wallace and Bungaree in reference to the growth opportunities.

The population of the Shire is estimated to increase by 72% between 2015 and 2041 to 80,000.



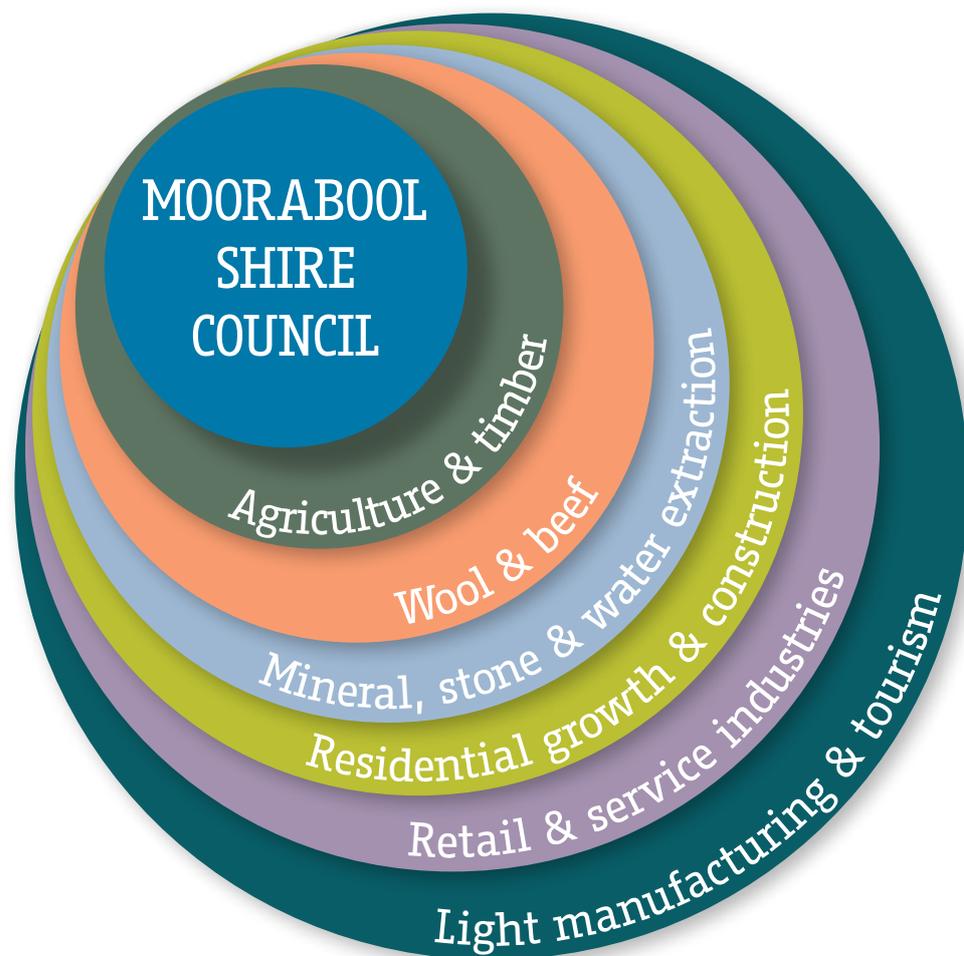
# OUR BUSINESS

## BUSINESS PROFILE

Traditional economic drivers such as agriculture, timber, wool and beef production and mineral, stone and water extraction remain extremely important to Moorabool's economy.

Residential growth, construction, retail and service industries, light manufacturing and tourism are emerging factors of growth.

The Shire's growing population provides tremendous opportunities for business growth and investment. The excellent services we provide, and those planned for the future, will see Moorabool become an even more attractive prospect.



# COMMUNITY ASSETS & INFRASTRUCTURE

## Asset Management

### Highlights

#### Implementation of the Maintenance Management System

The implementation of an electronic maintenance management system has seen a shift from manual to electronic/automated processes for many of Council's inspection and maintenance activities, with data being captured by field staff using GPS enabled tablets.

In the first year of implementation, staff used the system for the management and maintenance of roads, paths, bridges, trees, playgrounds, and public amenity cleaning, as well as asset data collection.

The next phase of implementation will focus on buildings, street sweeping, open space (active and passive), and full system integration (customer request, GIS and asset management systems).

#### Successful Grant Funding

Council was successful in securing grants for a range of improvement projects.

The full list of successful grants are on page 82.

#### Review of Council's Asset Management Plans

Council is responsible for the management of over \$500M of assets across the Shire, divided into four asset classes: transport; buildings; open space; and water. The Asset Management Plan (AMP) for each asset class outlines how Council will manage those assets, providing an agreed level of service for the best financial value, to meet the requirements of the current and future community.

The plans present four ten-year funding scenarios for consideration, outlining the impact on backlog and renewal gap to assist in informing future capital works.

A review of the existing AMPs has been undertaken to improve the document format, provide succinct and valuable information including graphical summaries, and to meet proposed changes to legislation. The AMPs directly link to the Long Term Financial Plan and improvement actions identified within the Plan will feed into Council's Asset Management Strategy.

#### Development of a Graffiti Policy

As a first step to helping address the negative impact of graffiti, a Graffiti Management Policy was developed to provide an overview of Council's approach to graffiti management and the methodology for the removal of graffiti from Council and other assets.

Council successfully obtained grant funding for the development of a Graffiti Management Strategy (to be delivered in the 2019/20 financial year).



# COMMUNITY ASSETS & INFRASTRUCTURE

## Asset Management

### Challenges

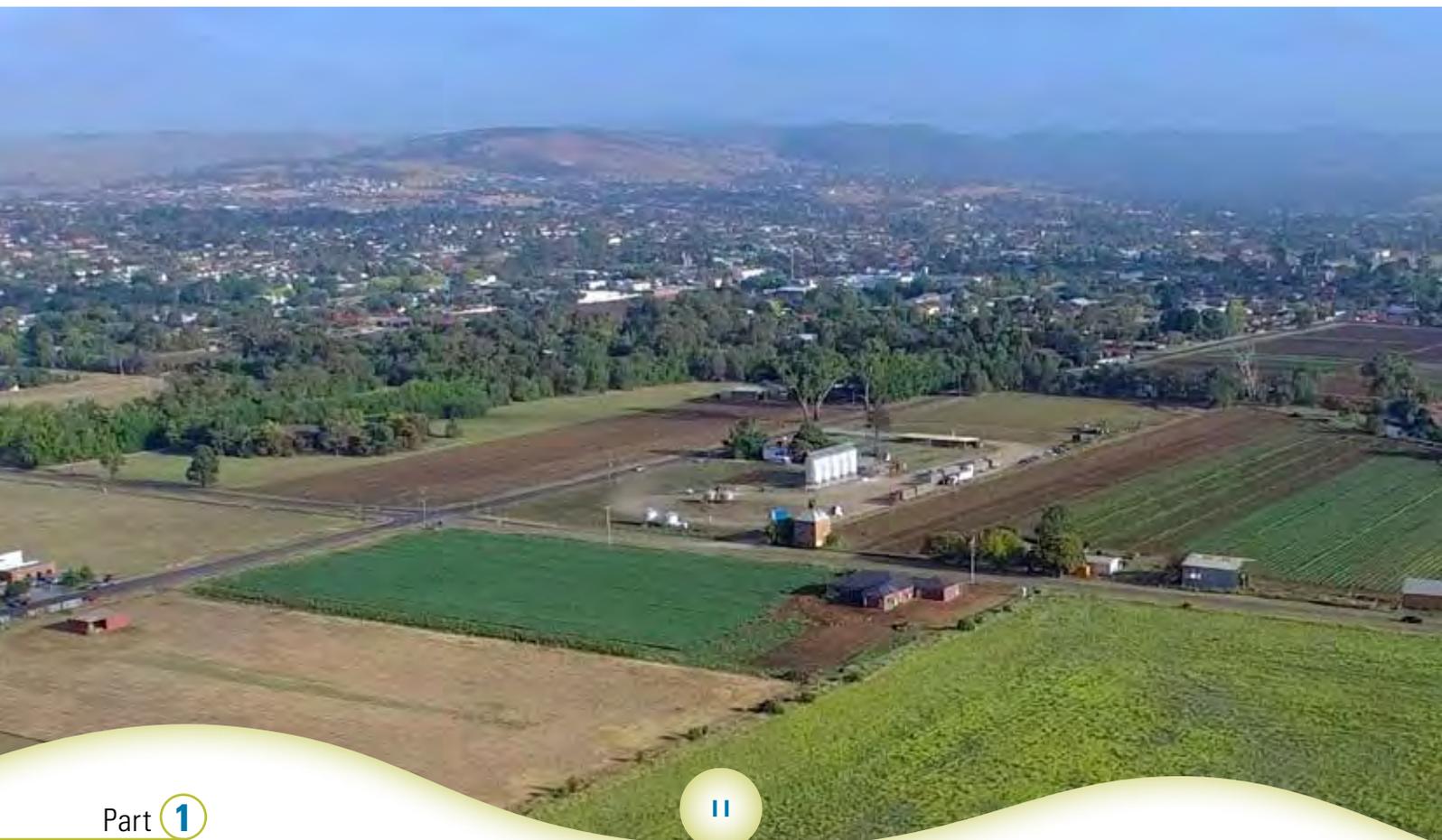


#### Large Asset Base & Future Growth

As a growth Council with significant future development forecast, particularly for the Merrimu and Parwan areas, pressure on existing infrastructure and the need for new infrastructure and services is going to be critical for Council to manage and resource in order to support the current and future communities.

#### Staff Attraction & Retention

As a semi-rural municipality, located between the major centres of Ballarat, Geelong and Melbourne, attracting and retaining suitably qualified and experienced staff is a challenge faced by Council.



# COMMUNITY ASSETS & INFRASTRUCTURE

## Operations

### Highlights

#### Development of Educational Messaging to Improve Kerbside Recycling

Bold new messaging graphics were designed for application onto the contractor's fleet of waste management trucks. These were designed to improve community habits in "getting it right on bin night", to reducing contamination and lost resources in kerbside bin streams.

This truck livery design will be a standard resource for related educational materials and campaigns throughout the coming years.

#### Roll out of E-Waste Landfill Ban

Council successfully applied for State Government funding to erect infrastructure at its main transfer stations. The custom-designed sheds accept and safely store electrical and electronic waste ('e-waste') in readiness for collection by specialised re-processors.

The project was completed in time for the commencement of the 1 July 2019 State-wide ban from landfill. It ties in with print, radio, and electronic educational collateral created by Sustainability Victoria that help the public identify and responsibly dispose of e-waste.

#### Audit of Closed Landfills

An audit of closed landfill sites across the Shire has been completed, using the Local Council Self-Assessment Tool for Closed Landfill Environmental Risk, a resource developed by the Environmental Protection Agency (EPA).

The self-assessment tool provides a basic assessment of the level of risk to public health and the environment. Council officers continue to engage with EPA and consultants with regards to environmental monitoring and site remediation to ensure Council continues to comply with requirements.

#### Review of the Greenwaste Service

A review was completed of Council's greenwaste service and a subsequent report was generated resulting in Council resolving to permanently implement the non-compulsory kerbside greenwaste collection service within residential and low density residential zoned (urban) areas of the municipality.

#### Capital Improvement Program

The Operations construction team successfully assisted with the delivery of Council's annual capital improvement program. The team completed Ballan-Meredith Road, Morrisons pavement widening, Duncan Street, Ballan kerb and channel replacement, Myrniong-Korobeit Road, Myrniong pavement rehabilitation works, Ironbark Road, Ingliston gravel road resheeting and sealing, Edols Street, Ballan pavement reconstruction, Ingliston Road, Ingliston preparation and seal works, Glenmore Road, Rowsley shoulder resheeting and seal, and Sydney Street, Bacchus Marsh kerb and channel upgrade.

#### Tree Planting Program

The annual tree planting program was completed, which involved infill and new planting of 625 trees across the Shire. The plantings are a blend of natives and exotics depending upon the location.

Careful planning and consideration were given with regards to the species of trees, the environment, climate, soil conditions, aesthetics and the growth of the trees. This year's planting was concentrated on Bacchus Marsh, Ballan, Mount Egerton, Myrniong and Dunnstown.

#### Elaine Township Landscape Improvements

Landscaping, including tree planting and garden bed establishment, to the Elaine township was completed, amounting to approximately \$35k, in line with Township Improvement Plans.

# COMMUNITY ASSETS & INFRASTRUCTURE

## Operations

### Challenges

#### Management of Waste and Recycling in the Shire

Challenges arising from the 2017/18 overseas restrictions imposed on accepted recyclables has meant a difficult year, as local governments and industry sought investment commitments from State and Federal Governments into onshore initiatives.

The Shire's population and community interest around waste management correspondingly continues to grow. Council and its contractors have therefore experienced added pressures around not only keeping up with demand, but also carrying out these vital services in more sustainable ways.

#### Emergency Response

Maintenance crews responded during and the immediate aftermath of the major storm event in late December 2018, at times working around the clock to ensure essential infrastructure was kept operational for the community.



# COMMUNITY ASSETS & INFRASTRUCTURE

## Engineering

### Highlights

#### Wittick St, Darley – Pavement Reconstruction

The Capital Works team delivered pavement rehabilitation works in Wittick Street, Darley between Halletts Way and Nicholson Street using a foam bitumen treatment. This allowed the works to be completed more quickly and without major reconstruction of the road. This section of road was experiencing significant pavement distress which was affecting other associated road infrastructure. The road rehabilitation in association with recent footpath construction works has created an improved asset for both drivers and pedestrians within the area. The area is heavily utilised by local residents, neighbouring school and child care facilities and Council office traffic.

#### Inglis St, Ballan – Streetscape Upgrade Works (Stage 2)

Stage 2 of the Streetscape Upgrade works in Inglis Street, Ballan between Cowie Street and Fiskien Street was completed in 2018/19.

The upgrade works continued the significant investment by Council into Ballan’s local community (with the final stage of the streetscape works to be delivered through the 2019/20 Capital Improvement Program).

The project adopted a streetscape style which included new bluestone paving and asphalt treatments, with upgrades to street furniture including seating, garbage bins, bike racks, new gardens beds and additional tree planting to improve Ballan’s signature autumn foliage.

#### Subdivision Development Increase

In 2018/2019 development engineering oversaw the construction of 19 residential subdivision stages, producing a total of 424 new lots.

These subdivisions transferred approximately \$14M worth of new assets to Council. This is nearly double the average number of lots over the previous three years (220 pa).

### Challenges

#### Windfarm Development

Moorabool has experienced significant investment in wind energy projects within the region in recent years with 3 separate wind farms constructing in excess of 150 turbines throughout the south of the municipality. The construction of these windfarms has put pressure on Council’s road infrastructure with a large increase in heavy vehicle movements and volume of general traffic. The Engineering Services team has been working with all windfarms’ entities to monitor and manage the damage to the Shire’s local road network during construction.

#### Flood Recovery Program

In December 2018, the municipality experienced a rainfall event which had a significant impact on specific road infrastructure throughout various areas of the Shire.

The rainfall event was declared by the Federal and State Governments, therefore Council was able to source funding to rehabilitate damaged infrastructure. The Engineering Services team led the reinstatement effort by undertaking initial assessments of the infrastructure damage and worked with State and Federal Government agencies to determine eligible infrastructure for restoration funding. Reinstatement works commenced in June 2019 and will continue until later in 2019/20.

#### Subdivision Development Increase

The 2019/20 financial year has started with 11 stages under construction, with a further yield of 293 lots.

This increase poses a challenge on workloads.

# COMMUNITY PLANNING

## Strategic and Sustainable Development

### Highlights

#### Bacchus Marsh Urban Growth Framework

Approval of the Bacchus Marsh Urban Growth Framework and Bacchus Marsh Housing Strategy was granted by the Minister for Planning in November 2018. The approval of the framework was the culmination of several years of joint work and collaboration between Council and the Victorian Planning Authority.

Both the Housing Strategy and the Growth Framework set a strong vision and direction for the growth and development of Bacchus Marsh to 2041.

#### Economic Development Business Breakfast

In May 2019 Council held the first Moorabool Breakfast at St Anne's Winery.

More than 100 people attended and heard from Council's CEO Derek Madden about the challenges and opportunities facing the Shire with the increased population growth that is expected in Bacchus Marsh and Ballan.

Nathan Potter from VECCI presented on how VECCI can help businesses develop and grow.

Another business breakfast is scheduled for late 2019.

Planning is being undertaken to increase the level of support offered to local businesses and further activities are planned for the year ahead.

### Challenges

#### Growth of the Municipality

There has been significant increase in interest in development within Moorabool Shire, as the municipality is seen as a desirable place to live and work. This is a positive but it has resulted in an increase in development applications.





# COMMUNITY PLANNING

## Information and Communication Technology

### Highlights

#### Implement Phase 2 (Intranet) of the Digital Strategy (2017-2019)

A fully functioning Intranet was implemented on the LiveTiles platform. The establishment of the Intranet set a global record time in LiveTiles history (3.5 weeks start to finish).

#### Implement Phase 3 (GIS replacement) of the Digital Strategy (2017-2019)

As part of implementing Phase 3 of the Digital Strategy (2017-2019), the current Geographic Information System (GIS) platform was successfully moved to Spectrum Spatial Analyst (SSA) platform across all Council service units with minimum disruption.

#### Development of ICT Disaster Recovery Plan

A draft ICT Disaster Recovery Plan has been developed. The plan is a living document that will be updated on a regular basis.

#### PC Refresh

Successful completion of new hardware rollout across the entire Council with minimal disruption.

#### Project Phoenix Commencement

To support strategic goals, we have undertaken an exciting IT transformational program (Project Phoenix) to reduce operational cost, enhance mobility, improve customer experience and end user productivity.

### Challenges

#### Improvements to Customer Needs

While Council is working to improve transparency to respond to the needs of our customers and community, outdated technology solutions are proving challenging.

In order to respond to community and customer's expectations for convenience, a focus on mobile and digital channels to communicate with ratepayers and to provide better services is required.



# COMMUNITY PLANNING

## Emergency Management

### Highlights

#### Clarendon Community Centre Opening

The Clarendon Community Centre was officially opened in March 2019. This project was an outcome of funding provided by the State Government to the recovering community after the Scotsburn Fires in December 2015. The project was managed by the Committee of Management and will be a wonderful community asset for future generations.

#### Livestreaming Community Meetings for Emergency Incidents

In January 2019 the Lerderderg area was impacted by a fire that started through a lightning strike. Moorabool along with the CFA and Forest Fire Management Victoria held a community meeting as the fire was burning and for the first time it was livestreamed on Facebook to provide the community with all of the first hand information from the Incident Controller.

#### Safer Together Project – Mt Egerton

The first cross tenure fire mitigation project was funded in Mt Egerton. This project saw major fire mitigation works undertaken on land that was owned by Council, the Education Department and the Department of Land Water and Planning. This project saw major weed infestation removed and a treatment plan put in place for further follow up.

### Challenges

#### Increased Number of Emergency Events

Moorabool saw an increased number of emergency events occur across the 2018/19 year. A further fire in Scotsburn impacted residents, a fire in the Lerderderg area and flooding challenges that occurred in December 2018, May 2019 and June 2019 saw major impacts on community and Council emergency staffing resourcing. Moorabool also saw an increased number of house fires in the area.



# COMMUNITY PLANNING

## Environment

### Highlights

#### Roadside Pest Plant and Animal Program

During the 2018/19 financial year Council completed its annual roadside pest plant and animal control program which targets the management of serrated tussock, gorse, blackberry and rabbit warren destruction on selected roads.

In total 1,220km of roadside vegetation was managed for these target species:

- Gorse: 420km
- Blackberry: 274km
- Serrated Tussock: 335km
- Rabbit warrens: 191km

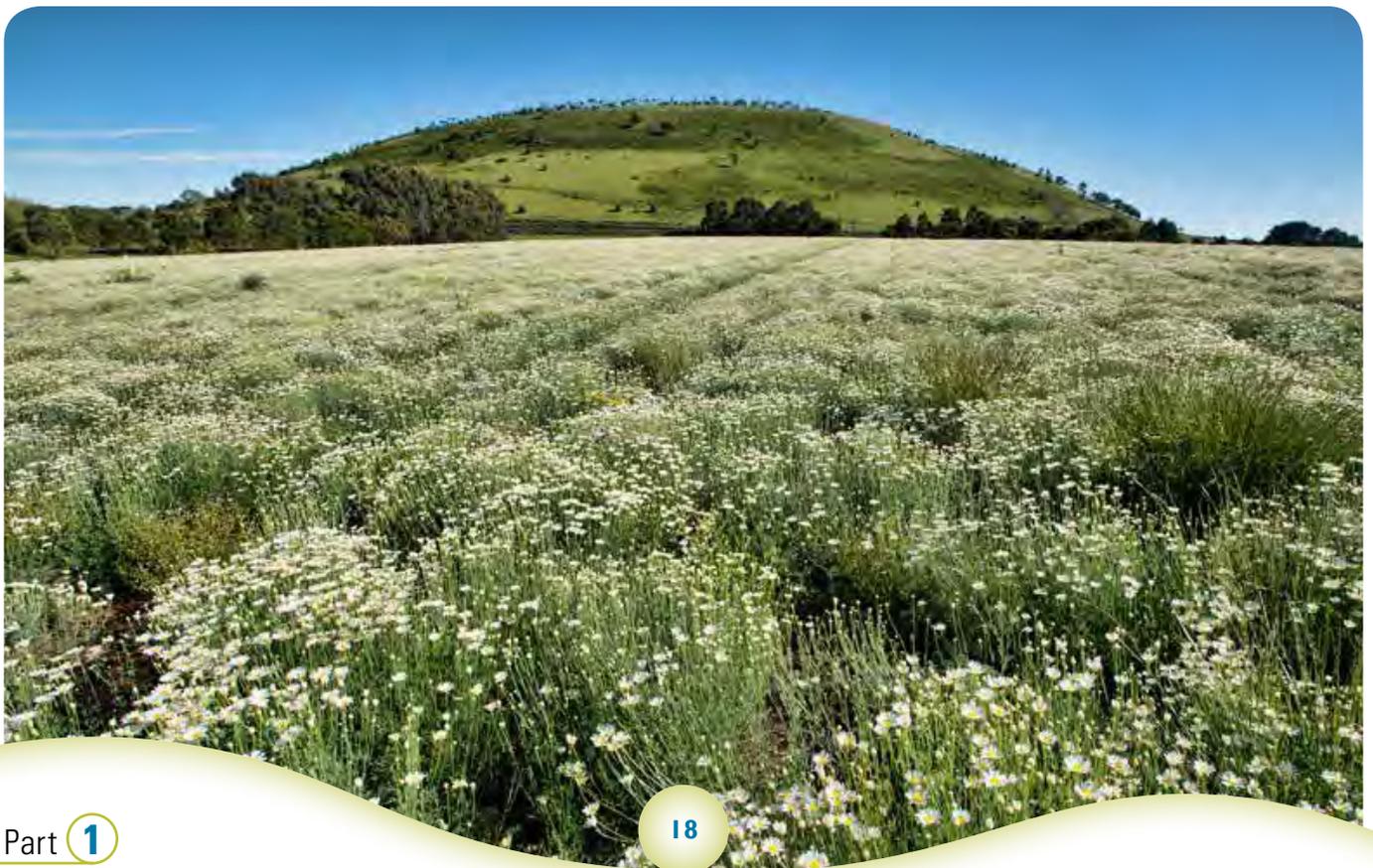
#### Blackberry Control - Gordon

A partnership between a local landowner and the emergency management and environment teams saw 5.7km of dense blackberry removed from Old Melbourne Road, Gordon.

#### Gardens for Wildlife

Working in partnership with local Landcare groups, the Gardens for Wildlife program was launched in Moorabool Shire. The program engaged residents in urban areas about local plants and animals and activities they can take on the property to attract more native wildlife.

Council was successful in receiving a grant to assist in the continued delivery of this program with Landcare groups in 2019/20.



# COMMUNITY DEVELOPMENT

## Child, Youth & Family Services

### Highlights

#### Increased Participation in Early Start Kindergarten

An improvement area for the Child, Youth and Family Services team in 2018 was to streamline the processes for enrolment and access for children eligible for Early Start Kindergarten. The goal was to improve outcomes for children through increased participation.

In 2017 Moorabool had 26.9% of children known to Child Protection enrolled in Early Start Kindergarten. In 2018 this increased significantly to 71.4% of children known to Child Protection enrolled in Early Start Kindergarten. The Victoria State average for children known to Child Protection enrolled in Early Start Kindergarten in 2018 was 26.9%.

The partnership and change processes between Council, local agencies and kindergarten providers has resulted in a significant increase in participation in Moorabool for Early Start kindergarten.

#### Youth Engagement Support (YES) Program

The Youth Services team successfully obtained an Empower Youth Grant of \$471,000 from the Victorian State Government. As a result, an additional youth worker who provides intensive, coordinated support to young people to strengthen their health and wellbeing, has been appointed.

### Challenges

#### Van Go Project

In February 2017, the Council and WRISC Family Violence formed a partnership for the Van Go Project, with WRISC being successful in securing State Government funding of \$2M for the two-year pilot project. Van Go is an innovative model of child-centred therapeutic services which is provided to infants, children and young people and their families who have experienced family violence. At the time of the establishment of the service there was a lack of these types of services and supports for families and children in Moorabool.

The Van Go pilot ceased on 30 June, 2019 and Council are advocating to ensure that this important service continues to be provided locally to Moorabool residents.

Family Violence is a significant health and wellbeing issue for Moorabool residents.

In 2017/18, there were 488 recorded police callouts for family violence incidents in the Moorabool Shire, representing a higher rate across the population than the Victorian average (incidents per 100,000 people).

Council is hopeful that ongoing funding will be secured through the Victorian State Government for Van Go. Cessation of the service locally would mean Moorabool residents will no longer be able to access specialist family violence therapy within the Moorabool Shire. While WRISC Ballarat is funded to provide services into Moorabool, in the year prior to the establishment of the Moorabool Van Go funding they saw 31 clients from the Moorabool Shire. In the year following the establishment of the Van Go service locally in Moorabool, WRISC Family Violence saw 231 clients.

# COMMUNITY DEVELOPMENT

## Active Ageing and Community Access

### Highlights

#### Age Well Live Well and Access and Inclusion Plan

The Age Well Live Well Strategy and Disability Access and Inclusion Plan (Phase 2) 2018-2021 – Integrated Action Plan, set out Council’s plan for the provision of services, programs and infrastructure to meet the needs of a diverse and changing population, and to create an age-friendly municipality. It built on the initial Age Well Live Well Strategy and Disability Access and Inclusion Plan 2015-2021, by adding new actions, responsibilities and timelines, and incorporated the World Health Organisation’s eight domains for an Age-Friendly Community.

The Plan outlined how each goal will be achieved with detailed actions, responsibilities and timelines, and included outcomes and indicators to assist Council measure progress and success.

#### Age Friendly Project

The Active Ageing and Community Access team rolled out the Age Friendly project where the aim was to make Moorabool a great place to grow old. Six Age Friendly Ambassadors were recruited from the community to undertake extensive community consultation to see how we could fund Age Friendly projects and included the implementation of the following:

- A very active Positive Ageing Facebook page which currently has a reach of 2000 people per week.
- The Bungaree newsletter and directory to better inform the community regarding groups, services and events.
- Rejuvenation of the Bungaree Community Noticeboard.
- A Community Newsletter Committee has formed to develop a community driven newsletter. The Project was able to expand upon a voluntary service provided through the Shire’s library service, to include and rollout the Be Connected Program to other areas within Moorabool Shire. Response to the program to date has been positive.

#### Positive Ageing Advisory Committee

A Positive Ageing Advisory Committee was established with eight Moorabool residents, representation from Ballan and District Health and Care and Djerriwarrh Health Services to provide an opportunity for informed discussion on issues impacting older folk and to increase community awareness of the needs of older members of the community.

#### Bacchus Marsh Dementia Alliance

The purpose of the Bacchus Marsh Dementia Alliance was to improve dementia awareness within the Bacchus Marsh community and reduce the stigma associated with dementia, enabling people living with dementia to remain actively involved in their community.

The Dementia Alliance aim was to inform and guide the development of a Dementia Friendly Community Action Plan and play an advisory role in the future implementation and evaluation of this Plan.

Moorabool Shire Council and Djerriwarrh Health co-lead the establishment, implementation and evaluation of the Bacchus Marsh Dementia Alliance.



# COMMUNITY DEVELOPMENT

## Active Ageing And Community Access

### Challenges

#### Aged Care Reforms

Since 2013 the aged and disability sectors have been undergoing transformational reform, including the transfer of responsibility for funding and regulation of aged and disability services to the Commonwealth Government. These reforms had a profound impact on Councils and their role in planning, funding and delivering aged care.

In addition, a new Quality and Safety Framework has been applied to Aged Care services. Whilst all of these changes have been implemented, Council has still provided a high-quality service in tandem to over 750 clients.

#### An Ageing Population

There is a projected 88% increase in persons aged 65 years and over between the years 2016 to 2031. In addition, Dementia Australia currently predicts a 5-fold increase in the rate of dementia in Moorabool between 2019 and 2041. The demand for home support services will increase exponentially with the increase in the ageing population and a greater desire for choice in aged care and greater autonomy.



# COMMUNITY DEVELOPMENT

## Community and Recreation Development

### Highlights

#### Digitalisation of Service Delivery

The Community & Recreation Development Unit transitioned a number of its key processes from inefficient manual paper methods to far more efficient and progressive digital alternatives. The digital transition has resulted in a range of Council improvements and community benefits.

The Council Community Grants Program is now hosted by SmartyGrants, the leading community grants administration portal in Australasia.

Council has transformed from a paper recreational facility application to an online booking system powered by IMS. The new platform uses automation and allows the community to view facility information, including availability, before making application.

Finally, Council has transitioned its digital engagement platform to Engagement Hub. The new platform provides far more community engagement tools and opportunities and will allow Council to more efficiently and effectively evaluate community feedback.

#### Community Grants Program

Council's Community Grants Program has awarded \$354,024 of grant funding to community groups and not for profit organisations during the 2018/19 financial year in comparison with previous years (17/18 \$150,811 and 16/17-\$148,908).

#### External Funding for Community Sporting Facilities

During the past year, the Community and Recreation Development team have submitted grant applications. The full list is on page 82.

#### Pool Lifeguard Scholarship Program

In 2018/2019 the project of delegating seven pool lifeguard scholarships to young Moorabool residents aged 16-25 was introduced. The scholarship consisted of supplying relevant qualifications and seasonal employment at Moorabool's swimming pools.

In line with Council's strategic objectives, this project aimed to give successful applicants employment as a Pool Lifeguard across Moorabool's swimming pools who otherwise may not have the opportunity to hold this position.

The Pool Lifeguard scholarship program was recently nominated for the Best Regional/ Rural Industry Contribution award at the annual Victorian Parks and Leisure Australia conference held in May. While the program did not receive the award, the nomination was an outstanding achievement for all involved in the successful program. It is intended the program will continue in future years.

#### Library Programs

Our Library Services had a very successful year, running a huge range of programs, some for the first time. Programs included:

- The Paperwork Lounge
- The Peter Carey Short Story Awards
- Moorabool Makers
- After School Club
- Book Chats
- 1000 Books Before School

Programs for all ages continued to be a major feature of the Library Service.

There were 229 children's programs attracting more than 6,000 attendees. In addition, 114 events were held for adults with more than 9,000 attendees and 45 digital literacy sessions were held with 256 attendees.

# COMMUNITY DEVELOPMENT

## Community and Recreation Development

### Challenges

#### Seasonal Outdoor Pools

Unreliable weather conditions and a relatively transient workforce made keeping Moorabool's outdoor pools open for the public a challenge at times, however staff worked hard to mitigate these challenges which resulted in a 28% increase in attendance for the 2018/2019 season.

#### Instability of Technology Platforms

The instability of the technology platforms to support workflow and community responsiveness was an ongoing challenge in 2018-2019. Issues with the community grants and community engagement portals led to community frustration and inefficiencies in workflow. This has been addressed with the introduction of 2 new portals.



# PEOPLE & CULTURE

## Highlights

### Introduction of Process Mapping as a Business Improvement Tool

The People and Organisational Development team introduced the use of process mapping as a business improvement tool to streamline processes and highlight inefficiencies. This has enabled the identification of several opportunities for improvement including non-value add activities resulting in efficiencies in both the Recruitment and Employee Maintenance processes.

### Business Excellence - Service Planning

The frameworks support improved business knowledge, focusing on aligning and managing key result areas. The Service Plans articulate Purpose, Services, Value, Customers, Stakeholders, Focus, Challenges and Improvements to ensure clarity and alignment, and using visual management techniques to improve awareness and engagement across the organisation.

### Payroll

A procedure manual and payroll training to conduct the fortnightly payroll function has ensured there is a backup resource.

Electronic timesheets have been rolled out across the organisation for all employees that have access to a computer, reducing the number of manual timesheet entries. Single Touch Payroll has been implemented in line with the legislative requirements from the Australian Taxation Office.

### Workcover

Improved case management with process improvements ensure we meet the requirements of WorkSafe. This activity has reduced days lost with return to work plans developed to return injured workers back to work where possible.

## Challenges

### Changes to Reporting Lines

Changes in the team management position resulted in periods of increased workloads resulting in the need for the team to step up and manage throughout this period. However, the changed reporting structure directly into the CEO ensures greater organisational development focus and support for key initiatives as well as appropriate escalation and confidentiality around key people matters.

### Digital Transformation

The move to greater digital transformation and the need to work differently and think differently around processes and systems has been a change across the business, which initially increased workloads and people understanding new paperless processes.

### Payroll - Alignment of Enterprise Agreement and Payroll System

There have been several changes to the payroll system required to deliver new pay configuration for payroll entitlements tied into the Enterprise Agreement. Manual processing/monitoring has been increased as the system does not allow for required condition changes and is not user-friendly or responsive to Moorabool's needs.

Extra procedures have been added to facilitate manual processes and as a result the payroll system is an area of improvement focus.

## Highlights

### Procurement of Low Interest Loans for Community Infrastructure

A successful application was made under the Community Sports Infrastructure Loan Scheme for the Bacchus Marsh Racecourse Recreation Reserve project and the sports ground lighting project, resulting in \$8.6 million in heavily subsidised low interest loans to fast track the construction of important community infrastructure projects.

### Implemented GPS Tracking

Implementation of GPS tracking for operational vehicles and plant and machinery will result in improved safety and better visibility of plant and vehicle use. This will result in better resource allocation decisions in the future.

### Budgeting and Reporting

Continued implementation of prudent financial frameworks and associated controls has resulted in Moorabool Shire enjoying an increasing level of financial sustainability and improved financial results. For the 2018/19 financial year, the finance team undertook a review of significant finance related policies, made significant changes and enhancements to its long-term financial plans and has put measures in place to ensure better visibility over future financial risks.

## Challenges

### Population Growth in an Environment of Significant Change

Moorabool Shire experienced a significant growth in both population and tenement numbers in the 2018/19 year. As population and tenement numbers grow, internal resources are continually stretched to meet increasing demand. The implementation of new corporate systems has required careful resource planning to ensure customer service standards and project priorities do not decline. This will continue to be a focus for future years.

### Evolution of the Finance Function

The traditional view of the finance function as being the corporate scorekeeper is changing and the finance department is continually being challenged to evolve into a solution focussed and value adding business unit of the Council. To this end, the finance department implemented business partnering and has focussed on increased collaboration with business units to help drive accountability and improved organisational performance.





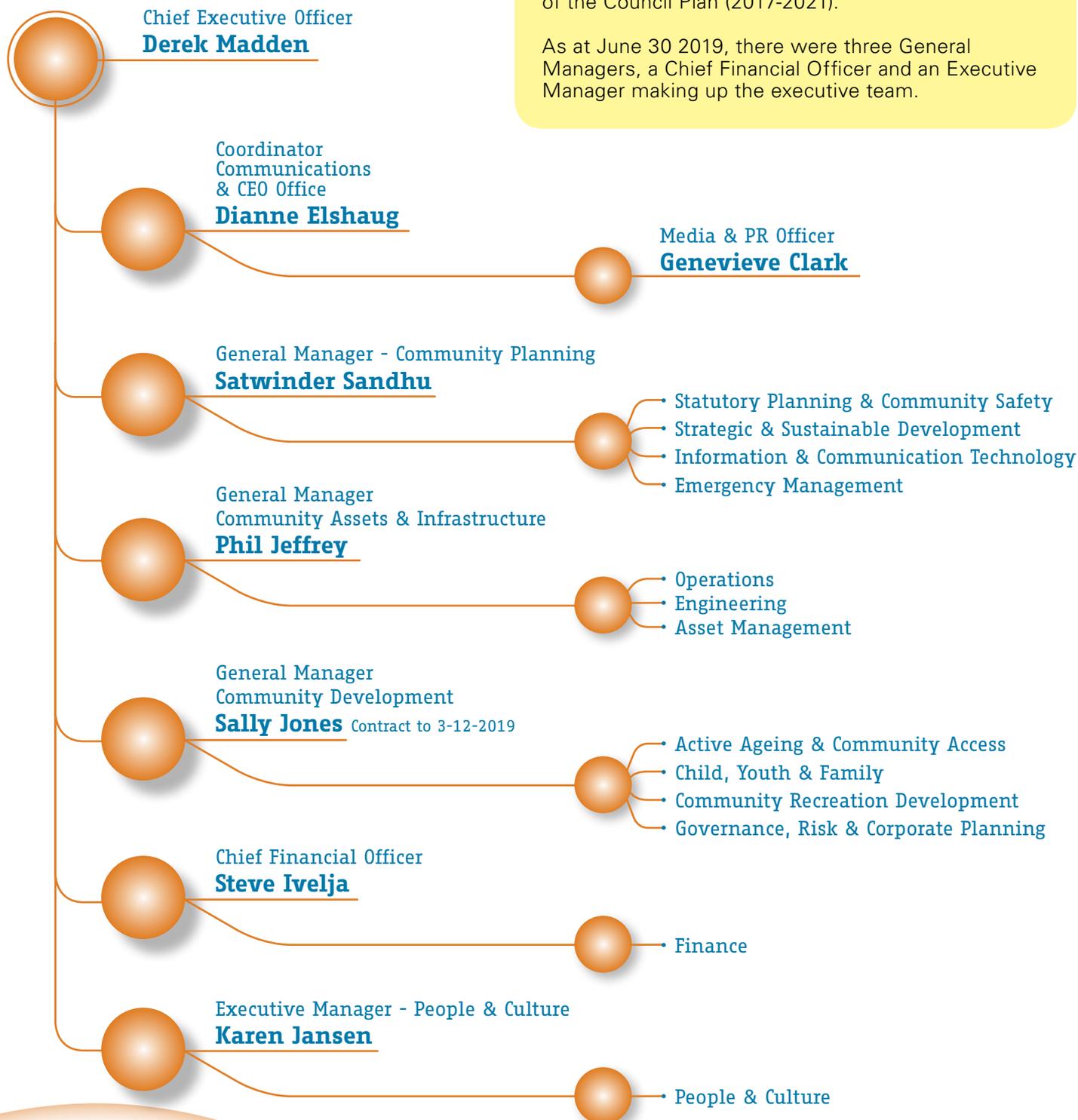
# Part 2

OUR  
COUNCIL

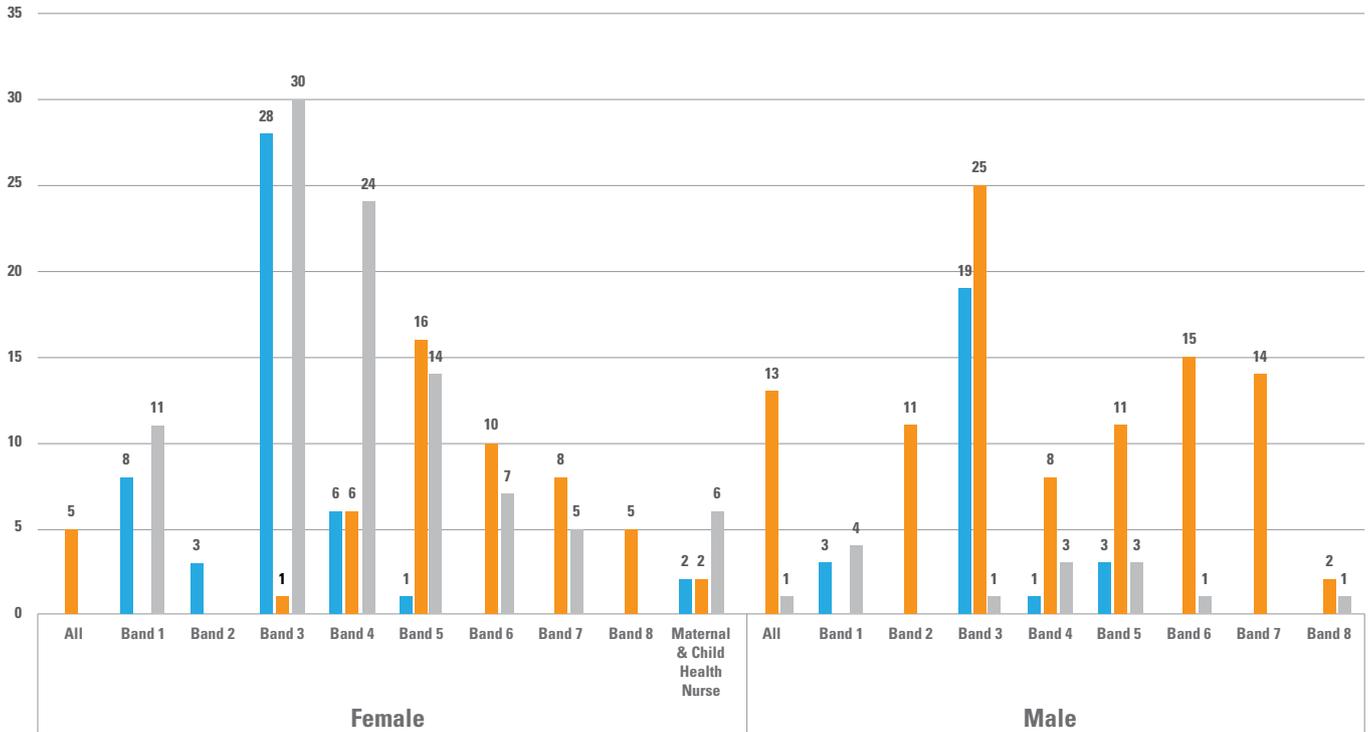
# ORGANISATIONAL STRUCTURE

Council appoints a Chief Executive Officer (CEO) who is accountable for the day to day management of operations in accordance with the strategic directions of the Council Plan (2017-2021).

As at June 30 2019, there were three General Managers, a Chief Financial Officer and an Executive Manager making up the executive team.



# EMPLOYEE LISTING BY GENDER



### Employee Type

- Casual
- Full Time
- Part Time



# TRAINING

## Insurance

An external company conducted in-house training for all managers, co-ordinators and key staff to handle insurance claims. The key take-away was to distinguish between customer feedback, complaints and claims and to learn about negligence and tort law.

## Business Continuity Plan

Training was conducted for the executive team, managers and co-ordinators on the concepts of Business Continuity Plan.

The training was followed by a presentation by each manager on their respective critical sub-function plans.

A further workshop, called BCP Scenario Testing, was conducted later in the year to test the effectiveness of the sub-plans, assuming a scenario whereby Council had to continue providing the critical services with less than 50% of employees available for work.

## Emergency Management

Emergency Management Training is conducted every year with two types of training conducted - Fire Warden training with fire drills run at all office sites and a site evacuation drill.

## Health and Safety Representative

Health and Safety Representatives (HSRs) need relevant knowledge and skills to allow them to exercise their powers to promote and ensure the health and safety of members of their work-groups.

HSR training was conducted by qualified external training providers in 2018 for all new HSR's.

## Corporate Risk Register Workshop

A workshop was organised to brainstorm and develop the Corporate Risk Register for Council. The workshop was facilitated by an external Risk Consultant. Sixteen corporate risks were identified during the session.

## Insurance Related to Tree Roots and Road Works

A workshop for the Works and Parks & Gardens teams was organised to learn the legal aspects of an insurance claim.

The training covered the topics tree roots and road works.

## Fraud Awareness

Fraud Awareness Training was conducted in 6 sessions of 2-hours each covering close to 200 employees and managers. The training was conducted by an external provider.

## Insurable Risk Review Workshop

A workshop was organised based on the recommendations in the Victorian Auditor-General's Office (VAGO) report of July 2018 and the recommendation of the Internal Audit of Risk Management – Environment Scan Review, to review the core insurable risks on public liability, professional indemnity and industrial special risks.

## First Aid and CPR

Regular First Aid and CPR training sessions are regularly conducted by qualified external training providers. This ensures our employees are up to date with compliance training and are well equipped to take the necessary action in case of an emergency.

This training is offered throughout the year to ensure employees maintain relevant certification.

# RISK AND INSURANCE

The following documents related to risk management were adopted in 2018-19.

## a. Risk Management

### Framework

The Risk Management Framework is based on the risk management principles declared in ISO 31000:2018.

The Framework provides a guideline to manage the risks associated with the Council and outlines the risk management methodology (process) provided in ISO 31000:2018. The Framework maps the role of different governance structures supporting the Council at various levels and the documents required to manage these risks.

## b. Strategic Risk Profiles

The nine strategic risks and their respective action plans were developed based on the Council Plan 2017-21. The strategic risks were derived at the two workshops conducted in succession on the 6 and 13 August by an external consultant. The workshop was attended by the members of the executive team, managers, coordinators and the risk team.

## c. Risk Management Policy

The Risk Management Policy describes the responsibilities related to risk at different levels of Council. The Risk Management Policy includes the Moorabool Shire Risk Appetite Statement.

## OHS Strategy

The Occupational Health and Safety Strategy has been developed and will now enter into the next phase enhancing our OHS systems and procedures for the organisation throughout 2019-2021.

Sixteen Occupational Health and Safety procedures have been developed in accordance with the draft Occupational Health and Safety Management System.

The draft OHS Strategy provides a platform for action to build a safety system that delivers a safer workplace and community.

The two-year plan will drive our compliance along with focusing on proactive improvements that will foster a safe culture throughout Council. The plan provides a roadmap which by 2021 will have created a robust health and safety system which meets the requirements of the relevant Australian standard.

One of the biggest drivers at the OHS Committee and Corporate Induction Training is to inform staff about their responsibilities to themselves and those around them in relation to OHS and to encourage staff to fill in an incident report if an incident or near miss occurs, even if there are no injuries. Staff are also encouraged to notify the risk team of any hazards at their workplace.

The designated workplace audit inspection is undertaken with a schedule charted out for each area. Managers and deputies responsible for an area have been notified and reminders sent to carry out the inspection. The inspections are conducted throughout the whole Council to identify areas that require attention. The inspections are logged into the Incident Management system with any supporting pictures and documentation.

## StaySafe App

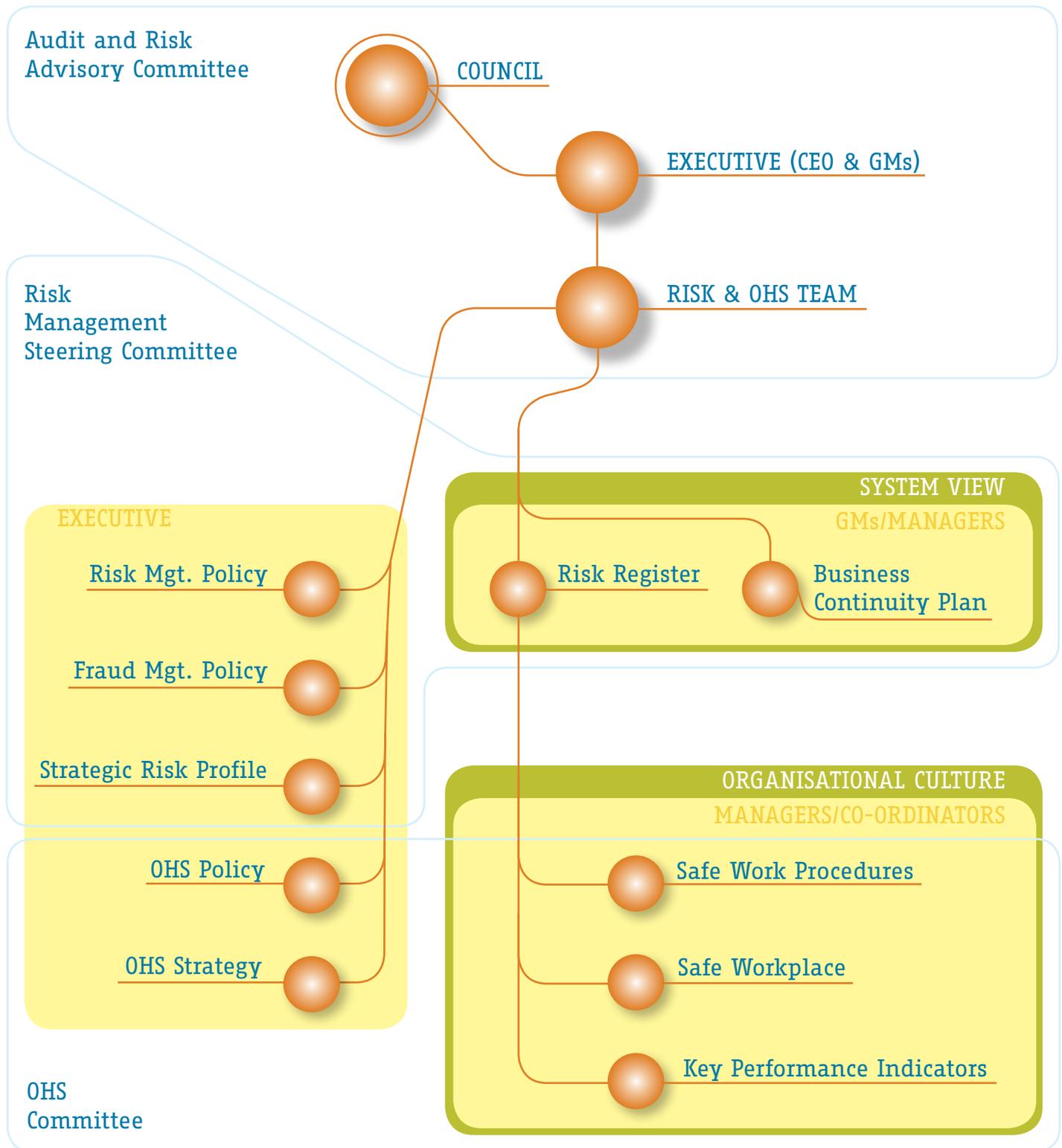
Council has invested in procuring licences for an app to ensure the safety of staff working in isolation. This app helps to locate a staff member in distress, when working in isolation or in remote locations.

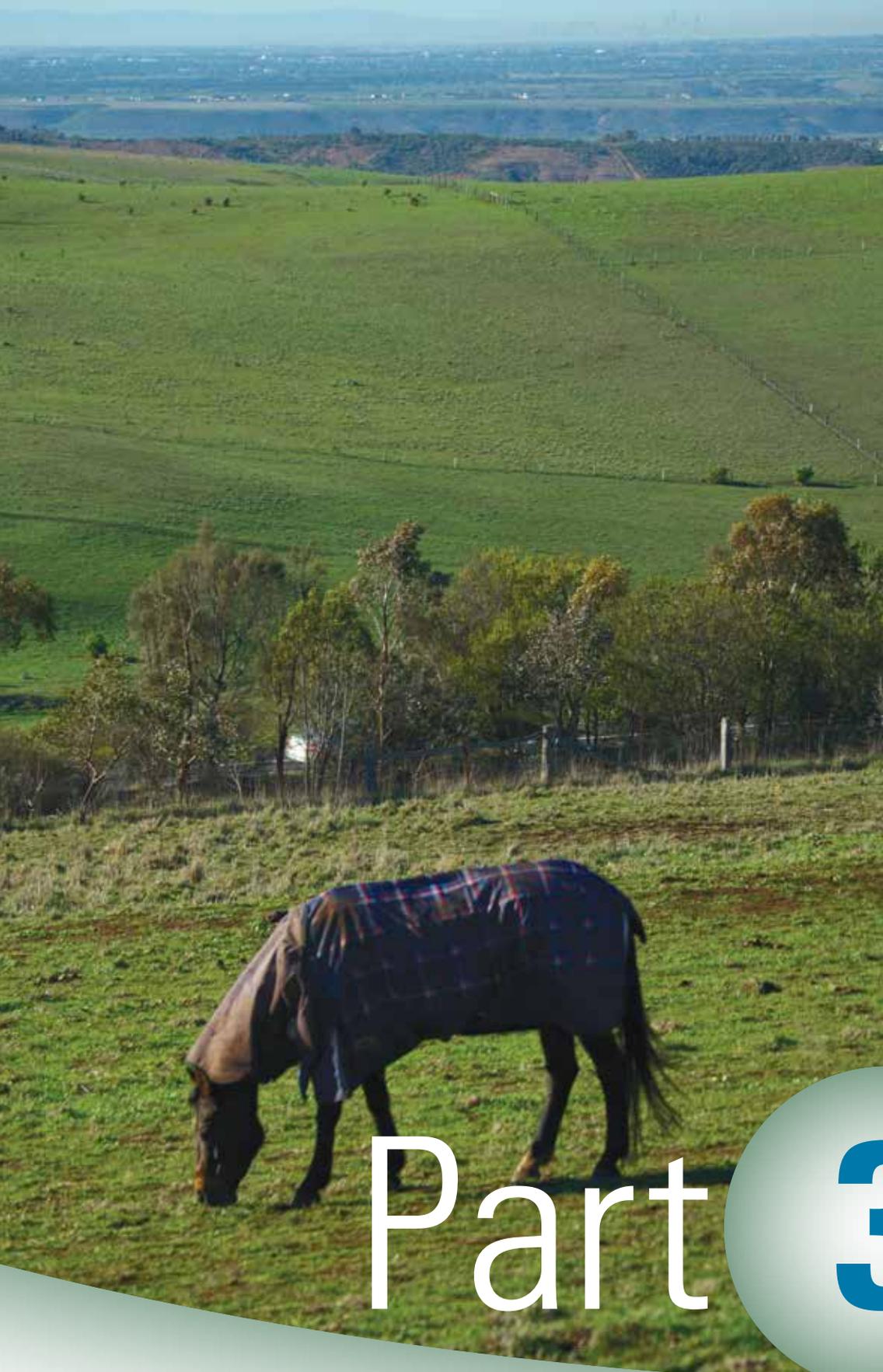
## Insurance

2018-19 saw an overall increase in the cost of all insurance policies. Council's insurance portfolio is maintained to ensure that corporate risk exposures are minimised.

As per the recommendation of the Victorian Auditor-General's Office (VAGO) report of July 2018, Council conducted a tender process to engage insurance brokers for 2019-20.

# RISK MANAGEMENT FRAMEWORK





# Part **3**

OUR  
PERFORMANCE

# PERFORMANCE

Council's performance for the 2018-19 year has been reported against strategic objectives to demonstrate how Council is performing in achieving the 2017-2021 Council Plan.

Performance has been measured as follows:

- Results achieved in relation to the strategic objectives in the Council Plan.
- Progress in relation to the major initiatives identified in the Budget.
- Services funded in the Budget and the persons or sections of the community who are provided those services.
- Results against the prescribed service performance indicators and measures.



# OUR PERFORMANCE STRATEGIC OBJECTIVES

## STRATEGIC OBJECTIVE 1: PROVIDING GOOD GOVERNANCE AND LEADERSHIP

**Context IA: Our Assets and Infrastructure**

**Context IB: Our People**

**Context IC: Our Business and Systems**

The following statements reviewed the performance of Council against the Council Plan including results achieved in relation to the Strategic Objectives.

## 2018/19 RESULTS and ACHIEVEMENTS

Strategic Objective Projects	Progress	Comments
Review Asset Management Plan – Transport	Completed	A review of Council’s four existing Asset Management Plans has been completed.
Review Asset Management Plan – Buildings	Completed	The suite of updated plans will be presented to Council in late 2019 following the completion of a condition audit of Councils Road Infrastructure.
Review Asset Management Plan - Water	Completed	
Review Asset Management Plan - Open Space	Completed	
Produce State of the Assets Reports	Completed	

# 2018/19 RESULTS and ACHIEVEMENTS

Strategic Objective Projects	Progress	Comments
Produce State of the Assets Reports	Completed	The first State of the Assets report has been prepared. The report will be updated in late 2019 following completion of the next Road Condition Audit.
Produce 10 Year Capital Improvement Programs - Year 2 Progress	Completed	A Draft Capital Improvement Program for 2019/2020 has been developed and was adopted at the Ordinary Meeting of Council on Wednesday 3 July 2019. As this action is allocated over multiple years, the program is intended to be expanded to a ten-year program for the 2020/2021 budget.
Deliver Annual Capital Improvement Programs (2017-2021) - Year 2 Progress	Completed	The Capital Improvement Program for 2018/19 achieved a completion rate of 85.3%.
Finalise the Community Infrastructure Framework	In Progress	<p>Fitness for Purpose Assessments of pavilions, community venues, libraries, kindergartens and Maternal &amp; Child Health Services has been completed and feedback from managers is being incorporated into the final framework. These meetings will confirm the appropriate scoring and weighting for each of the facilities.</p> <p>The Community Infrastructure Framework was presented at the August 2019 Ordinary Meeting of Council for endorsement for community consultation.</p>
Develop Infrastructure Policy for Traffic Calming - Year 2 Progress	Completed	The Traffic Calming Policy was adopted at the Ordinary Meeting of Council in July 2018.
Councillor Development – Induction and Ongoing Professional Development (2017-2021) - Year 2 Progress	Completed	Ongoing support and training opportunities are available to Councillors as required.

# 2018/19 RESULTS and ACHIEVEMENTS

Strategic Objective Projects	Progress	Comments
Prepare an Organisational Development Strategy	In Progress	<p>A Framework was developed for consultation.</p> <p>The Framework includes strategies and plans for leadership development, employee engagement, integration of systems and process, future workforce planning including reward and recognition. This action will be completed by November 2019.</p>
Review the Customer Service Policy & Strategy	Deferred	Due to other projects and issues impacting on customer service provision this item has been deferred into the 2019/20 year.
Develop an OHS Strategy	In Progress	The Occupational Health and Safety Strategy has been developed and will now enter into the next phase under the Council Plan to enhancing our OHS systems and procedures for the organisation throughout 2019-2021.
Enhance OHS Systems and Procedures (2017-2021) - Year 2 Progress	In Progress	Sixteen Occupational Health and Safety procedures have been developed in accordance with the Draft Occupational Health and Safety Management System. The procedures were presented to the OHS Committee for review and feedback, with the project to be finalised in the first quarter of 2019/20.
Review Identified Corporate, Strategic and Operational Risks (2017-2021) - Year 2 Progress	In Progress	Council's Strategic Risk Profile was adopted by the Council at its Ordinary Meeting on Wednesday 3 April 2019. Operational risks have been reviewed by individual service units. The management team has reviewed and identified the main corporate risks and these risks are being prepared for final review. Project will be finalised within the first quarter of 19/20.

# 2018/19 RESULTS and ACHIEVEMENTS

Strategic Objective Projects	Progress	Comments
Implement Child Safety Standards across the Organisation	Completed	<p>The Child Safety Standards and Reportable Conduct Scheme Policies were adopted by Council at the Ordinary Meeting of Council in May 2018. An action plan has been developed and this is currently being implemented across the organisation.</p> <p>A Child Safety Statement is now listed on job advertisements for Council and all new or updated staff position descriptions reflect Council's commitment to child safety. The next step is for each manager to complete an action plan for their areas in relation to how their unit meets the Child Safety Standards.</p>
Review the Risk Management Strategy and Framework	Completed	The Risk Management Strategy and Framework has been completed. The Strategic Risk Profile, as a component of the Framework, was endorsed by Council at the Ordinary Meeting of Council in April 2019.
Review the Local Law	In Progress	The Local Law was adopted at the August 2019 Ordinary Meeting of Council.
Review the Municipal Strategic Statement (MSS) (2017-2019)	In Progress	<p>Delivery of the Moorabool Planning Scheme Review will be facilitated and the project finalised in 2019. The review comprises of 3 stages. The first two stages (review and recommendations) will be delivered by a Consultant, stage 3 (amendment) will be undertaken by Council.</p> <p>Stage One draft report was presented to Council for input at the June 2019 Section 86 Moorabool Growth Management Committee. Stage 2 has commenced.</p>
Develop an Enforcement Policy	In Progress	The draft policy has been completed with the view to trial for 12 months before full adoption.
Implement Phase 2 (Intranet) of the Digital Strategy (2017-2019)	Completed	Successfully implemented fully functioning new intranet product on the LiveTiles platform.

# 2018/19 RESULTS and ACHIEVEMENTS

Strategic Objective Projects	Progress	Comments
Streamline Integrated Corporate Reporting Systems and Methods	Completed	A review of the corporate reporting systems and methods has been undertaken. Actions have been identified, including the better use of electronic systems to report on performance against agreed actions.
Implement Phase 3 (GIS replacement) of the Digital Strategy (2017-2019)	Completed	The current Geographic Information System platform has now successfully moved to Spectrum Spatial Analyst platform across all Council's service units.
Develop Service Plans for all Services (2017-2019) - Year 2 Progress	Completed	Service Plans have been developed for service units for 2018/2019.
Undertake Service Review in Accordance with the Policy and Framework	In Progress	The Governance Service Review and Governance Framework will be presented for endorsement in the first quarter of 2019/20.
Cleaning of Public Toilets: Undertake Service Review in Accordance with the Policy and Framework	Completed	The Service Review has been completed.
Visitor Information Centre: Undertake Service Review in Accordance with the Policy and Framework	In Progress	A Service Review of the Bacchus Marsh Visitor Information Centre has been completed. Workshops with volunteers were held in April 2019. Council officers are awaiting the outcomes of a State Government Review into Visitor Information Services. A presentation to Council outlining the review findings and proposed recommendations will be provided late 2019.
Annually Review the Long Term Financial Plan (2017-2021) - Year 2 Progress	Completed	A revised long term financial plan was developed as part of the 2019/20 Adopted Budget and has been incorporated into the adopted Strategic Resource Plan.
Annually Review the need to make a Rate Cap Variation (2017-2021) - Year 2 Progress	Completed	Council resolved to not apply for a rate cap variation at an Ordinary Meeting of Council held on 5 December 2018.

# 2018/19 RESULTS and ACHIEVEMENTS

Strategic Objective Projects	Progress	Comments
<p>Identify and Develop Shared Services with other Local Governments, Community and Private Sector Organisations (2017-2021) – Year 2 Progress</p>	<p>In Progress</p>	<p>The project is being undertaken in phases over the four-year life of the Council Plan 2017-2021. Phase one was the preparation of a report to the Executive Management Team; phase 2 is the preparation of scoping/business plans for new or expanded shared service opportunities including the determination of charge out rates and preparation of marketing materials; phase three is the implementation of the new or expanded shared service opportunities.</p> <p>Opportunities for shared services with Hepburn Shire Council and Golden Plains Shire Councils are progressing in relation to waste, recycling and building surveying services. The Central Highlands Group of Councils have established an incorporated association and secured resources from the Victorian Government to facilitate the establishment of shared services in the region.</p>
<p>Seek Funding for New, Upgraded and Renewed Community Facilities (2017-2021) - Year 2 Progress</p>	<p>In Progress</p>	<p>Applications for funding under the Country Football Netball Program were submitted and were successful for the Ballan Recreation Reserve Netball Courts &amp; Lighting Upgrade (\$50,000) and Darley Parks Oval Lighting Upgrade Projects (\$50,000).</p> <p>Applications for the Bacchus Marsh Racecourse &amp; Recreation Reserve Stage 1 A Pavilion, Gordon Recreation Reserve Netball Facilities and Bald Hill Activation Plan were successful.</p> <p>Staff assisted the Darley Football Netball Club with a successful application for a Federal Government grant of \$150,000 for a lighting project at Darley Park.</p>

# MAJOR INITIATIVES

Major Initiatives	Progress
Ballarat Rail Line Action Committee (BRAC) - The Ballarat Rail Line Action Committee (BRAC) was formed in late 2015 with a brief to advance investment in the Ballarat rail line following concerns over congestion, reliability and predictions of rapid growth in passenger numbers. The Committee is a united voice for priority projects. The operation of BRAC is funded largely by the City of Melton who provide secretarial services on behalf of the group.	100% complete.
Councillor Training - An increase in existing budgets is required to facilitate further training and mentoring for Councillors.	100% complete.
Youth Traineeship Revenue Unit - This proposal is to offer a Youth traineeship within the Revenue Unit to an eligible school leaver through one of the many Commonwealth employment subsidy schemes that currently exist. This initiative is consistent with the Council Plan action to advocate and support the development of programs and services to increase employment opportunities for young people in Moorabool Shire.	Still in development phase and will be completed in 2019/20 financial year.
Additional Resources in Revenue Department - This initiative recommends the creation of a new Full Time Revenue Officer to assist with the day to day operations and current workload within the business unit. Updated analysis suggests that currently the Revenue team has a shortfall of approximately 199 staffing hours per month based on current work volumes. This is primarily funded from savings from the net costs of current bi-annual revaluations and the processing of all valuation objections being transferred to the Valuer General.	100% complete.
Employment Subsidies for Eligible Job Seekers - Proposal that a budget be allocated to engage eligible jobseekers through leveraging Commonwealth employment subsidies in roles that would provide them with experience and training. The roles would also add value to the respective service unit/s in which the people are engaged.	Still in development phase and will be completed in 2019/20 financial year.
Statutory Disclosure and Compliance Software - Following an audit process undertaken in 2017 it was recognised by both our auditors and the Audit & Risk Committee that there were significant risks by a failure to ensure legislative compliance. This initiative is requesting funding to purchase cloud-based software which will alert MSC to any changes in legislation that require alteration of policy or practice.	100% complete.

# MAJOR INITIATIVES



Major Initiatives	Progress
<p>Property, Rating, Local Laws, Stat Planning, Building and Records System Replacement - This initiative is for the replacement of Lynx Property &amp; Regulatory and Content+ Records Management System. This is initiative 2.02 of the ICT Strategy and was listed as a business-critical item. The amount for 2018/19 is the initial amount required to engage consulting assistance for tendering, evaluation and tender contract assistance.</p>	100% complete.
<p>Bacchus Marsh Racecourse Recreation Reserve - Increase of Maintenance Budget - This initiative proposes an increase to the sportsground maintenance budget within the Parks and Gardens Unit to undertake the required programmed and reactive maintenance of new sportsgrounds as part of the Bacchus Marsh Racecourse and Recreation Reserve development.</p>	100% complete.
<p>Small Town and Reserve Improvements - This initiative proposes a financial allocation to enable the improvement and amenity of existing small town entrances, open spaces, and reserves. Council has commenced a process of developing township improvement plans for small towns across the municipality. If Council adopts the key recommendations of the Parks Review, this project can be delivered within the existing Parks budget allocation.</p>	100% complete.
<p>Masons Lane Sportsground - Increase of Maintenance Budget - This initiative proposes a financial increase to the sportsground maintenance budget to undertake the seasonal covering of the cricket wicket pitch at Masons Lane No.2 sportsground, which will add capacity to allow for greater sporting participation opportunities at a currently under-utilised sportsground during the winter season.</p>	100% complete.
<p>Parks and Gardens Unit Resource Increase - This initiative seeks to increase resources within the Parks and Gardens Unit to cope with significant growth in new subdivisions and reserves. These assets have progressively been handed over to Council's Parks and Gardens Unit from developers and contractors. Additional funds will be required to manage the programmed and reactive maintenance of these new open space areas.</p>	100% complete.
<p>Local Area Traffic Management Study, Bacchus Marsh (Stage 2) - In 2017/18 Council funded the development of a Local Area Traffic Management (LATM) study for an area in central Bacchus Marsh. This initiative seeks to build on that study by delivering a LATM for a further precinct within the township as a second stage to the project.</p>	100% complete.

# SERVICES FUNDED IN THE 2018-19 BUDGET

Service	Description	Net Cost / Actual Budget Variance \$000
Governance	This area, being Governance includes the Mayor, Councillors and Chief Executive Officer, General Managers and associated support which cannot be easily attributed to the direct service provision areas.	2,611 2,403 (208)
Public Relations and Marketing	Provide an open and accessible communication network that is accurate, accessible, user friendly, relevant and timely.	55 85 30
Personnel Management	To provide, develop and implement strategies, policies and procedures through the provision of human resource and industrial relations services, that minimise the risk to Council.	741 761 (20)
Risk Management	To develop, build and identify effective management of Council's exposure to all forms of risk and to foster safer work places and environments within the municipality.	518 484 (34)
Finance	Financial management and accounting of Council's finances, including property rating and valuation services, collection of revenue and internal support and advice to internal departments. These services will be delivered by increasing the financial knowledge base of the whole of Council through customer awareness, consistency and clearly defined processes.	(10,041) (9,829) 212
Customer Service	Manage service provisions to provide an open and accessible communication network that is accurate, accessible, user friendly, relevant and timely.	661 679 18
Document Management	Electronic document management of Council's external correspondence, maintain an effective and efficient electronic document management system and maintain Council's archive program.	470 398 (72)
Information Communication and Technology	To provide a range of services to the organisation that supports its development through the effective management and expansion of Council's information systems and technology.	2,360 2,154 (206)
Fleet Management	To provide fleet management services for Council's passenger and light commercial vehicles, buses, trucks, and earthmoving and roadwork machinery.	(707) (930) (223)

# SERVICES FUNDED IN THE 2018-19 BUDGET

Service	Description	Net Cost / Actual Budget Variance \$'000
Animal Management and Local Laws Compliance	Deliver and maintain a responsive and proactive animal management service throughout the Shire. Review, develop and implement local laws that promote peace and good order in Moorabool.	137 69 (68)
Building Maintenance	This service prepares maintenance management programs for Council's property assets. These include municipal buildings, pavilions and other community buildings.	1,541 1,185 (356)
Parks and Gardens	Maintain Council's parks and gardens assets and provide facilities for our residents for the future. Enhance and upgrade the aesthetic appearance of Moorabool townships.	2,778 3,079 301
Road Safety	This service is for the provision of street lighting and bus stop maintenance.	425 397 (28)
Asset Management	This service undertakes the design and coordination of Council's Capital Improvement Program.	1,323 1,503 180
Road and Off Road Maintenance	To undertake maintenance to Council's road assets to ensure they are in a safe and serviceable condition for all users. This includes sealed and unsealed roads, bridges, kerb and channel, drainage, footpaths and signage.	4,422 5,224 802
Geographical Information Services	Spatial maintenance of all land parcels.	44 11 (33)
Property Asset Management	To effectively manage Council land, property leases and licences as per the property register.	(185) (130) 55
Public Toilets	Cleaning and general maintenance of all public toilets.	200 200 0

# STRATEGIC OBJECTIVE 2: MINIMISING ENVIRONMENTAL IMPACT

Context 2A: Built Environment  
Context 2B: Natural Environment

## 2018/19 RESULTS and ACHIEVEMENTS

Strategic Objective Projects	Progress	Comments
<p>Develop Frameworks for Each Small Town and Action Plans to Address Components Identified in the Small Towns Strategy, Bacchus Marsh Urban Growth Framework, Ballan Structure Plan, Tree Strategy and Gateways Strategy (2017-2021) - Year 2 Progress</p>	<p>In Progress</p>	<p>Council has completed a Township Improvement Plan for Elaine. Council is putting together a delivery timetable for the Township Improvement Plans for other small towns and settlements.</p> <p>Ballan Strategic Directions was presented to the March 2019 Ordinary Meeting of Council and was authorised to proceed to Panel.</p> <p>The Tree Strategy was adopted May 2018.</p> <p>Council has reviewed the Destination Management Plan 2013 to 2018, a project outline for the next iteration of the Destination Management Plan and its relationship with the Economic Development Strategy 2015 is currently being developed.</p>

# SERVICES FUNDED IN THE 2018-19 BUDGET

Strategic Objective Projects	Progress	Comments
Implement the Gordon Infrastructure Plan (2017-2019) - Year 2 Progress	In Progress	<p>The Gordon Infrastructure Plan involves upgrading the Russell Street and Main Street intersection, bus stop relocation, car parking improvements, the development of high amenity/place making locations, drainage improvements, footpath connection improvements and landscape improvements between the Gordon Public Hall and Lyndhurst Street.</p> <p>Tenders were advertised in November 2018 and Council approved the contract award on 17 December 2018 to Butler Excavations.</p> <p>Works commenced on site in early March 2019 and were expected to be completed by the end of the 2018-2019 financial year. Minor delays due to adverse weather during May and minor scope changes will now see the completion of site works in early September 2019.</p>
Implement the Gordon Structure Plan (2017-2019) - Year 2 Progress	Completed	The project has been removed from the Council Plan (refer updated Council Plan that was adopted on 13 July 2019).
Incorporate Flood Mapping into the Planning Scheme (2017-2021) - Year 2 Progress	In Progress	A peer review of Melbourne Water's modelling has now been completed.
Review Bushfire Management Overlays (BMO) (2017-2021) - Year 2 Progress	Completed	The Department of Environment, Land, Water and Planning (DELWP) has undertaken mapping and finalised a planning scheme amendment to include the Bushfire Management Overlay. Council officers notified residents of the State Government driven amendment in October 2017.

# SERVICES FUNDED IN THE 2018-19 BUDGET

Strategic Objective Projects	Progress	Comments
Review and implement a Bacchus Marsh Avenue of Honour Management Plan	In Progress	A project control group has been established to review and update the existing draft of the Bacchus Marsh Avenue of Honour Management Plan. Council's tree inspection contractor completed the assessment of the trees in the Avenue in March 2019, and the updated tree condition data will be used to further inform the plan. At this stage, it is anticipated that a draft will be ready for initial review in the first half of the 2019/20 financial year.
Prepare and Revise a Rolling Cycle of Reserve Master Plans (2017-2021) - Year 2 Progress	Completed	The rolling cycle continued in 2018/19 with the completion of the Greendale Reserve Master Plan. The Master Plan was presented to Council in March 2019 for endorsement. Council has allocated funding in the 2019/20 budget to allow the Master Plan cycle to continue. Master plans for Maddingley Park and Darley Park will be undertaken in the 2019/20 year.
Complete Bald Hill Activation Plan Feasibility Study	In Progress	A Consultant has been appointed and is currently undertaking background and economic assessments. A draft scoping report has been received and is being reviewed by staff. This will form the final Feasibility Study.
Finalise and Implement the Action Plan of the Moorabool Sustainable Environment Strategy (2017-2021) - Year 2 Progress	In Progress	<p>This is a multi-year project across the period 2017 to 2021.</p> <p>Within 2018/19 the following identified actions have been undertaken:</p> <ul style="list-style-type: none"> <li>• In principle support provided for the integrated water management strategic direction statements.</li> <li>• Implementation of annual pest and animal control programs.</li> <li>• Continued support of Landcare and community-based environment groups.</li> <li>• Mapping of open space assets.</li> </ul>

# SERVICES FUNDED IN THE 2018-19 BUDGET

Strategic Objective Projects	Progress	Comments
Complete a Trial and Undertake a Review of the Greenwaste Service	Completed	A report was provided to the Ordinary Meeting of Council in August 2018, where Council resolved to permanently implement the non-compulsory kerbside greenwaste collection service within residential and low density residential zoned (urban) areas of the municipality.
Undertake an Audit of Closed Landfills	Completed	Audits of closed landfill sites have been completed.
Develop an Open Space Integrated Water Management Plan - Stage One	Completed	The Open Space Integrated Water Management Plan is a strategic document that informs the policy, infrastructure and systems required to improve amenity and functionality of the open space areas in Moorabool and manage water resources equitably. The draft plan has been completed.
Develop and Implement a Policy on Allocation, Use and Trading of Water for Council Water Assets - Stage One	Completed	A Draft Water Allocation, Use and Trading Policy has been developed, alongside the Open Space Integrated Water Management Strategy.



# MAJOR INITIATIVES



Major Initiatives	Progress
<p>Maddingley Waste Hub Investigation Study - Planning study required to determine and confirm a full set of appropriate uses within and adjoining the Maddingley Brown Coal (MBC) site and surrounding area. Zone controls and overlays supported by potentially supplementary odor/dust/noise modelling, to consolidate and leverage off the State significant MBC site.</p>	<p>50% complete. Project to be finalised in the 2019/20 financial year.</p>
<p>Roadside Weed Control - Proposed increased funding of recurrent roadside weed control budget so that a program targeting blackberry can be implemented. Currently there is a significant roadside blackberry issue throughout parts of Moorabool including Gordon, Mt Egerton, Lal Lal and Barkstead. Unfortunately, due to limited available funds, Council programs have only been able to target Gorse, Serrated Tussock and rabbits.</p>	<p>100% complete.</p>

## SERVICES FUNDED IN THE 2018-19 BUDGET

Service	Description	Net Cost / Actual Budget Variance \$000
Waste Management	This unit covers maintenance, collection and disposal of domestic waste and waste related products, litter and litter bins around the Shire and cleaning of roads and other public places. The unit is responsible for managing recycling, the transfer stations and related services.	3,653 3,957 304
Environmental Management	This service develops environmental policy, coordinates and implements environmental projects and works with other services to improve Council's environmental performance.	68 192 124

# STRATEGIC OBJECTIVE 3: STIMULATING ECONOMIC DEVELOPMENT

**Context 3A: Land Use Planning**  
**Context 3B: Investment and Employment**

## 2018/19 RESULTS and ACHIEVEMENTS

Strategic Objective Projects	Progress	Comments
Incorporate Strategic Documents into the Planning Scheme - Ballan Structure Plan (2017-2021) - Year 2 Progress	In Progress	The Ballan Strategic Directions went to a panel hearing in May 2019. The panel report was received in July 2019. Council will be briefed on the panel report and a report will go to a Council meeting in October 2019.
Incorporate Strategic Documents into the Planning Scheme - Housing Strategy (2017-2021) - Year 2 Progress	Completed	Amendment C79 which implements the Bacchus Housing Strategy was approved by the Minister for Planning on 15 November 2018.
Incorporate Strategic Documents into the Planning Scheme - West Moorabool Heritage Study (2017-2021) - Year 2 Progress	In Progress	<p>The Consultants have completed a review of West Moorabool Heritage Study 2a to ensure alignment with the current Planning Scheme. Any proposed changes to the West Moorabool Heritage Study 2a will need to be approved by the authors of the original Study.</p> <p>Council staff are currently reviewing the list of recommendations and impacts on project timelines including the Planning Scheme Amendment .</p>



# 2018/19 RESULTS and ACHIEVEMENTS

Strategic Objective Projects	Progress	Comments
Develop a Program for Services and Utilities in Small Towns (2017-2021)	Deferred	Based on the Small Town Strategy, a key common infrastructure plan will be developed.  Elaine completed for 2017/18. Gordon is scheduled for 2018/19.
Finalise the Bulky Goods Investigation	Completed	The Bulky Goods Investigation Study has been updated to reflect the Bacchus Marsh Urban Growth Framework.  It is proposed to exhibit this and include it in the Planning Scheme via the Planning Scheme Review Amendment.
Develop and Finalise the Bacchus Marsh Urban Growth Framework Plan in Partnership with the Victorian Planning Authority	Completed	The Bacchus Marsh Urban Growth Framework (BMUGF) was adopted by Council on 19 September 2018. Amendment C81 which implements the BMUGF was approved by the Minister for Planning on 6 December 2018.
Develop a Long Term Strategy for the Bacchus Marsh Civic Precinct	Deferred	A grant application was submitted to the Victorian Planning Authority (VPA) to assist in the implementation of this project. Council was unsuccessful in receiving grant funding. Council officers are exploring alternative funding sources.



# 2018/19 RESULTS and ACHIEVEMENTS

Strategic Objective Projects	Progress	Comments
Implement the Action Plan of the Economic Development Strategy (2017-2021) - Year 2 Progress	In Progress	<p>The implementation of the action plan associated with the Economic Development Strategy will continue throughout the 2018-2021 period as scheduled.</p> <p>In 2018 the following occurred:</p> <ul style="list-style-type: none"> <li>• Creation of Economic Development Taskforce.</li> <li>• Moorabool Business Network Forums were held at Blackwood, Gordon and Bacchus Marsh with over 70 attendees.</li> <li>• Five editions of Moorabool Shire Business e-newsletter to 3,000+ businesses.</li> </ul> <p>In 2019 the following occurred:</p> <ul style="list-style-type: none"> <li>• Seven editions of Moorabool Shire Business e- newsletter to 3,000+ business.</li> <li>• Business Breakfast delivered with 100 guests.</li> <li>• 50 points of engagement with businesses implemented.</li> <li>• More than 200 businesses attended workshops, training and networking.</li> </ul>
Scope and Develop a Plan for the Bacchus Marsh Town Centre Revitalisation	Deferred	<p>A grant application was submitted to the Victorian Planning Authority (VPA) to assist in the implementation of this project. Council was unsuccessful in receiving grant funding. Council officers are exploring alternative funding sources.</p>
Facilitate the Parwan Employment Precinct Planning and Marketing (2017-2021) - Year 2 Progress	In Progress	<p>Council was successful in obtaining funding from the Victorian Planning Authority under Streamlining for Growth.</p> <p>The Victorian Planning Authority has commenced planning for this precinct.</p> <p>This funding will assist with final background studies and further work on a Precinct Structure Plan.</p> <p>Council Officers are undertaking investigations of stakeholder engagement of existing and potential businesses in the PEP with the aim to facilitate economic investment, expansion of current businesses and to inform future planning studies. A briefing will be provided to Council by November 2019.</p>

# 2018/19 RESULTS and ACHIEVEMENTS

Strategic Objective Projects	Progress	Comments
Refer Infrastructure Actions from the Bacchus Marsh Integrated Transport Strategy to the Long Term Capital Program (2017-2021) - Year 2 Progress	Completed	The infrastructure actions from the Bacchus Marsh Integrated Transport Strategy have been included in Council’s Long Term Capital Improvement Program for consideration, along with other priority projects, as part of each annual budget process. Currently working with Regional Roads Victoria on scoping further capacity improvement projects along Gisborne Road and Grant Street. Council is also part of the Steering Committee for the Eastern Link Road planning study that is currently in progress.
Review and Implement the Action Plan from the Destination Management Plan (Tourism) Review - Year 2 Progress	In Progress	<p>The Draft Destination Management Plan was reviewed in July 2018 to assess alignment with current industry trends, Council and State Government policies and strategies and completion of tasks.</p> <p>Council Officers have completed a review of the Destination Management Plan to ensure alignment with key Council and State Government policies.</p>
Advocate for Improved Ballarat Rail Line and Integrated Public Transport Outcomes (2017-2021) - Year 2 Progress	Completed	Advocacy continues to be made to the State Government on Ballarat Rail Line Action Committee issues. Significant investment has been approved in the State Government Budget.

# MAJOR INITIATIVES

Major Initiatives	Progress
<p>Windfarm Officer – Appointment of an additional planning officer for three days a week to manage the conditional requirements of the three windfarms located within the Shire. It is anticipated that the position may be required to become full time in the future as only one windfarm (Yaloak) has been constructed, with turbines now operating in the testing phase.</p>	<p>100% complete.</p>
<p>Municipal Building Surveyor – Increased the current budgeted amount for the contracted Municipal Building Surveyor. The position is a legislated position that currently does not have a recurrent budget going forward. It is anticipated that this will be cost neutral due to increasing fees for building notices and orders.</p>	<p>100% complete.</p>
<p>Building Inspector - Appointment of a full-time permanent building inspector to ensure Council complies with its legal obligations under the Building Act. Council's current service is provided by a contract Municipal Building Surveyor who works half a day each week. Council identified a gap in the service through a basic review undertaken in 2012. This review identified an issue with outstanding building notices and orders. The funding of this position will enable Council to undertake an expected 120 Essential Service Inspections that are currently not undertaken. This is anticipated to be cost neutral due to increases in building lodgement fees.</p>	<p>100% complete.</p>
<p>Senior Infrastructure Planning Engineer - This initiative will assist the Engineering Services team deliver high quality outcomes including increased management of strategic infrastructure projects (e.g. windfarms, major developments including Underbank, Eastern Link Planning Study). This position will also support key strategic projects resulting from Moorabool 2041 and Urban Growth Framework including Parwan Employment Precinct and Merrimu. To be partially funded through anticipated increases in Subdivision fees.</p>	<p>100% complete.</p>
<p>Bacchus Marsh Aerodrome - Updated Masterplan - Council requires funds to deal with the finalisation of the Master Plan, along with legal operational management issues.</p>	<p>10% complete. Project to be completed in the 2019/20 financial year.</p>
<p>Moorabool 2041 Amendments - Recurrent funding bid for next 3 years to prepare and finalise amendments relating to Moorabool 2041. After spending the last 3-5 years preparing and adopting strategies a range of amendments now will need to be finalised and implemented. Key amendments include: Parwan PSP, West Moorabool Heritage, MBC/ South Maddingley C85 Amendment, Structure Plans for Small Towns e.g., Blackwood and Bungaree.</p>	<p>100% complete.</p>
<p>Bald Hill Feasibility Study - Funding for the development of a feasibility study for Bald Hill with the aim to identify actions for increased participation in fitness activities, economic benefits and environmental values. In March 2018 Council approved the Bald Hill Activation Plan Scoping Report that identified the potential for increased use of the reserve that would promote an increased number of local residents becoming more active as well as potential economic benefits.</p>	<p>50% complete. Project to be completed in the 2019/20 financial year.</p>

# MAJOR INITIATIVES



Major Initiatives	Progress
<p>Open Space Framework - Development of an Open Space Framework to ensure better delivery of open space as part of Precinct Structure Planning across all settlements in Moorabool and will assist in the development of the Open Space Strategy in 2020/21. The need for improved open space planning has been identified in the Bacchus Marsh Urban Growth Framework and Ballan Strategic Directions.</p>	<p>10% complete. Project to be completed in the 2019/20 financial year.</p>
<p>Heritage Planning Advice - Funding for expert advice relating to potential impacts on historical assets listed under State legislation or the Moorabool Planning Scheme. Currently there is no recurrent budget for the assessment of applications that may impact upon historic features listed under either State Government legislation or the Moorabool Planning Scheme. While staff have the capacity and knowledge to provide advice in a majority of applications, it is a legislative requirement to provide professional heritage advice and the risks of providing incorrect advice are significant.</p>	<p>100% complete.</p>
<p>Update of profile.id and forecast.id - To fund updates to Council's profile.id and forecast.id online demographic products to take account of Census 2016 data.</p>	<p>100% complete.</p>
<p>Community Infrastructure Funding - Scoping Study - Development Contributions Planning (DCP) and levies for existing urban areas - Determining a mechanism to collect money from infill development to fund community facilities in existing urban areas. High priority with Council resolution to address DCP opportunities in existing urban areas.</p>	<p>50% complete. Project to be completed in the 2019/20 financial year.</p>
<p>Economic Development Officer - Increase to Full Time - Additional resources required to help deliver the Economic Development Strategy, the Destination Management Plan, the Retail Strategy and other associated tasks such as Community Events.</p>	<p>100% complete.</p>
<p>Victorian Motor Sports Hub at Fiskville - Since the closure of the facility in 2015, the Shire has been working with the Victorian Government to stimulate local economic activity including through the partial re-establishment of CFA training activities. While the delivery of local economic activity is a broader policy matter for the Shire and the Victorian Government, the future use or development of the land at Fiskville provides an opportunity to stimulate local economic throughput and jobs. Among many things the use of the site for a motor sports hub has been proposed. The preliminary work undertaken by Ballarat City Council supports the case as well. However, to progress the project further a business case is required to inform an investment decision. The outcome of the preliminary business case will be to demonstrate whether a motor sports hub (or an alternative solution) represents the best strategic approach.</p>	<p>10% complete. Project to be completed in the 2019/20 financial year.</p>

# SERVICES FUNDED IN THE 2018-19 BUDGET

Service	Description	Net Cost / Actual Budget Variance \$000
Building Services	Ensure all building permits lodged by private building surveyors are registered in accordance with legislation, and all building department activities are undertaken within legislative timelines.	17 33 16
Statutory Planning	Deliver statutory planning functions of Council to ensure responsible land use and development in Moorabool.	692 494 (198)
Strategic Land Use Planning	Delivery of key strategic policies and projects that assist in the long-term development of the Shire.	1,029 1,421 392
Infrastructure Subdivision Development	Provide infrastructure support services for subdivisions and developments, whilst developing guidelines for Council to improve and provide consistency in the planning and delivery of subdivision development.	(469) (300) 169
Economic Development and Tourism	The economic development service assists the organisation to facilitate an environment that is conducive to a sustainable and growing local business sector and provides opportunities for local residents to improve their skill levels and access employment. It also aims to develop strategies to bring tourists into Moorabool Shire.	450 499 49



# STRATEGIC OBJECTIVE 4: IMPROVING SOCIAL OUTCOMES

Context 4A: Health and Wellbeing  
Context 4B: Community Connectedness and Capacity

## 2018/19 RESULTS and ACHIEVEMENTS

Strategic Objective Projects	Progress	Comments
<p>Prepare and Implement an Advocacy and Partnership Plan to Attract Investment in Government and Non-Government Services in the Municipality (2017-2021) - Year 2 Progress</p>	<p>In Progress</p>	<p>Council endorsed advocacy material at the Ordinary Meeting of Council on 6 June 2018. The material forms a key part of Council's advocacy strategy. The aim of the advocacy efforts is to attract investment in Government and non-Government services in the municipality. The purpose of the advocacy is to ensure that the Shire's current and future residents have access to a range of community services needed to maximise their health, safety and well-being. The advocacy is being undertaken over the life of the Council Plan 2017-2021.</p> <p>Discussions are being held with representatives of the Grampians Sports Central in relation to a worker being based at Council to provide club development programs and assist with the implementation of initiatives in the Council's Health &amp; Well-being Plan to increase physical activity.</p> <p>Group Training organisations and the Highlands Local Learning and Employment Network have worked with Council staff on the provision of work experience and pre-employment programs for jobseekers in Moorabool.</p> <p>Discussions are also being held with Jesuit Social Services about the delivery of Men's Behavioural Changes program.</p> <p>Officers supported the Moorabool Drug Action Group in submitting a successful application to the Australian Drug Foundation for registration as a Local Drug Action Team and \$10,000 in funding to prepare a community action plan.</p> <p>Council is participating in the development of a Strategic Plan being prepared by Djerriwarrh Health Services. A key part of the strategic planning process will involve the identification of service gaps and proposals on how the gaps can and will be addressed.</p> <p>This action is being implemented over the life of the Council Plan.</p>

# 2018/19 RESULTS and ACHIEVEMENTS

Strategic Objective Projects	Progress	Comments
Facilitate and Support Existing and Emerging Arts and Cultural Development Groups and Activities Across the Municipality (2017-2021) - Year 2 Progress	In Progress	<p>The Bacchus Marsh Arts Council is utilising workshop space at the Darley Civic &amp; Community Hub. Ongoing support continues to be provided to the Arts Council in building the capacity of its group and examining opportunities for joint projects and funding. Support is being provided to the Arts Council to exhibit art work in the common areas /foyers of the building it is sharing with other groups at the Darley Civic &amp; Community Hub. In August 2018, the Council allocated \$7,600 to 3 Arts and Cultural projects:</p> <ol style="list-style-type: none"> <li>1) 'WinterKnits' Group Ballan;</li> <li>2) Gordon Community Fair and;</li> <li>3) Bacchus Marsh &amp; Melton District Community Theatre Incorporated.</li> </ol> <p>The Council's Youth Strategy outlines the development of a new arts program for young people with a focus on improved mental health of young people by using arts as a medium.</p>
Implement the Reserve Management Framework (2017-2021) - Year 2 Progress	In Progress	<p>The Council Fees and Charges have been issued in accordance with the Recreation Reserve User Fees and Charges Policy and 2019-20 Budget. User agreements have been completed for summer season tenants (Oct - March). Annual Management Agreements (AMAs) have also been put in place and operational funding provided to committees as per the Recreation Reserve Funding Policy.</p>
Plan and Construct Stage 1 of the Bacchus Marsh Racecourse Recreation Reserve (2017-2019) - Year 2 Progress	Completed	<p>Stage 1 of the project includes the construction of pony club facilities, a BMX track, sports fields and a pavilion at the Bacchus Marsh Racecourse Recreation Reserve site to be constructed over three years.</p> <p>Works completed to date:</p> <ul style="list-style-type: none"> <li>• Bulk earthworks</li> <li>• Equestrian cross country</li> <li>• Multipurpose sports oval (soccer, cricket and football).</li> </ul>

# 2018/19 RESULTS and ACHIEVEMENTS

Strategic Objective Projects	Progress	Comments
Develop a Plan to Improve, Update and Beautify our Neighbourhood, Passive, Recreation and Other Open Spaces (2017-2019) - Year 2 Progress	In Progress	<p>A Community Survey has been completed and closed 7 December 2018. Presentations were made to internal departments, including the Youth Action Group, Aged &amp; Disability Services and Maternal and Child Health Nurses.</p> <p>Draft open space maps have been developed and are currently being reviewed by relevant Council Departments for their accuracy.</p> <p>It is anticipated that the final document will be completed for adoption by Council in October 2019.</p>
Prepare a Directions Paper to Deliver Aged Services in a Consumer Directed Care Environment	Completed	<p>The Commonwealth is currently consulting with the aged care sector as to what the funding reforms will look like post 2020. In the interim, a directions paper was prepared and has informed Council on delivery of aged services.</p>
Advocate and Support the Development of Programs and Services to Increase Employment Opportunities for Young People (2017-2019) - Year 2 Progress	Completed	<p>Advocacy material has been prepared and forms part of the Council's Advocacy Strategy. The aim of the project is to increase employment opportunities for young people in Moorabool.</p> <p>The objectives are:</p> <ul style="list-style-type: none"> <li>• Increase investment in educational opportunities to improve the educational attainment levels of young people;</li> <li>• Increase investment in programs and services to support young people experiencing multiple barriers to employment; and</li> <li>• Develop the capacity and diversity of the Moorabool workforce by developing the skill set of the young people of Moorabool.</li> </ul> <p>Council allocated funds in its 2018/2019 budget to provide opportunities for jobseekers including young people to be employed through traineeships and structured work experience programs at Council. This builds on Council's existing commitment to engaging apprentices at Council depots. Ballarat Group Training and MEGT group have been appointed to a panel to engage participants on traineeships and apprenticeships in Council.</p> <p>A Lifeguard Scholarship program has been introduced to assist local young people undertake Lifeguard qualifications and gain employment at Council's outdoor pools.</p> <p>Council's Youth Strategy 2018-2021 outlines actions relating to increasing employment opportunities for young people aged under 25 years. The Youth Services team has been successful in obtaining a grant to support the employment of an additional youth worker to support young people who have or are at risk of disengaging from education or employment.</p> <p>The advocacy is being undertaken over the life of the Council Plan 2017-2021.</p>

# 2018/19 RESULTS and ACHIEVEMENTS

Strategic Objective Projects	Progress	Comments
Revise and Adopt the Youth Strategy	Completed	<p>The Youth Services team completed the Community Engagement Plan and consultation with the community between December 2017- February 2018. The Draft Strategy was presented to the Ordinary Meeting of Council in August 2018.</p> <p>Public consultation closed on 31 August 2018, with the final strategy presented and endorsed by Council at its Ordinary Meeting in October 2018.</p>
Revise and Adopt the Library Strategic Plan Inclusive of Undertaking a Feasibility Study to Inform the Future Provision of Library Services in Ballan	In Progress	<p>A Draft Strategy and Action Plan has been prepared. The Draft Library Strategy and Feasibility Study are related to the preparation of a master plan for the Ballan Offices. This will come back to Council at a later date.</p>
Develop and Deliver a Community Group Capacity Building and Sustainability Program	In Progress	<p>Council has allocated funding to undertake the Community Capacity Building Project in the 2019/20 financial year.</p> <p>Project scoping has commenced. The focus will be on improving the capacity of Council's Section 86 committees through the development of a Committee Resource Manual.</p> <p>Following completion of the manual and a report to Council, a series of information workshops will be held with the committees.</p>
Deliver Community Emergency Management Education Program (2017-2021) - Year 2 Progress	Completed	<p>The Blackwood Community Emergency Planning Group held a Scenario Planning Community Session on 16 November 2017 based on a fire scenario. Representatives from Scotsburn were invited to give an update on their preparation, response and recovery since the 2015 fires. The Scotsburn Community Recovery Committee and Leadership Program progressed with the 2nd Anniversary Event held on the 15 December 2017 and the Leadership Program focused on the fire game project. The Scotsburn Recovery Book was launched at the Scotsburn Hall on 30 May 2018 and the Scotsburn Fire Game was launched at the Scotsburn Primary School on 15 June 2018. The Research Project into the high emotions during an emergency event was held at the Scotsburn Hall in November 2018. The official opening of the Clarendon Community Centre was held on 16 March 2019. Screening of "Forged from the Fire" was held on 5 April 2019 with support from local Landcare groups and with the VCC Emergency Ministries providing psychosocial support. Safer Together Stage engagement is occurring through the State Government engagement platform for all communities in the Grampians Region. DELWP has provided ongoing education and advice on all burns during spring and autumn. There has been a social media campaign on home safety, insurance campaigns and house fire incidents. There has been ongoing engagement with the Grampians Region for Strategic Bushfire Management Planning with the Stage 3 Engagement Program commencing.</p>

# MAJOR INITIATIVES

Major Initiatives	Progress
<p>Ballan Men's Shed - The Shed provides an opportunity for men to build new skills or practice old ones in a positive and non-competitive environment. It also enables men to develop new friendships while working on either individual projects or in a team effort making materials to help community organisations. Previously funded by external grant programs, it will require funding from Council in 2018/19.</p>	<p>100% complete.</p>
<p>Secure Cash Pick Up and Deposit - Facilitating the safe and secure pick up of cash from Council Offices. A cash handling audit and risk assessment undertaken in 2017 identified the high risk involved with staff taking large amounts of cash to the bank on a daily basis. The audit and risk assessment strongly recommended that options be explored for safe and secure pick up and deposit by an external security company.</p>	<p>100% complete.</p>
<p>Health Promotion Officer - Increase the hours of the Health Promotion Officer to help lead the integration of health promotion principles on an organisation and municipal wide basis. The expanded role will lead the delivery of the Health and Wellbeing Plan across Council and the communities of Moorabool.</p>	<p>100% complete.</p>
<p>ICT For Studio 22 (Youth Space) - Council made a resolution to allocate Studio 22 as a Youth Space. Whilst existing resources have been allocated to opening the space, Studio 22 is without the technology of internet access (Wi-Fi) and computer access for young people. Wi-Fi access and computers are an essential tool in this day and age when working with young people. This initiative is to fund this technology as a one-off cost and then an ongoing service cost.</p>	<p>100% complete.</p>
<p>Youth Services Casual Staff - The Moorabool Youth Strategy recommended Council investigate the establishment of a casual youth services workforce that would enable youth services to meet peaks in demand and to strengthen an increasingly flexible delivery system. A large component of the Youth Service work is the delivery of youth events outside of normal business hours, this requires additional staff to meet required ratios of staff to young people and ensure safety and positive engagement with young people.</p>	<p>100% complete.</p>
<p>Domestic Waste Water Management Plan Review - The Domestic Waste Water Management Plan needs reviewing. The audit has already been undertaken and a review must now occur to ensure Council has an acceptable plan in place and one that the Water Authorities support.</p>	<p>80% complete. Project to be completed in the 2019/20 financial year.</p>
<p>Food Safety Projects - Additional resources to fund a number of initiatives to better protect community health. This would include healthy food options which is an action under the Health and Wellbeing Plan; a water sampling program of all registered premises on non-reticulated water; and increased food proprietor surveillance to ensure compliance with legislation.</p>	<p>100% complete.</p>
<p>Sewer Upgrade Gordon Recreation Reserve - This initiative would help fund the upgrade of the sewer system at Gordon Recreation Reserve. Council's Environmental Health Officers received a complaint that effluent from the existing facility was leaving the site through natural drainage lines and impacting on an adjoining land owner. Rectification works will be required.</p>	<p>100% complete.</p>
<p>Community Grants Programs - This initiative is to increase the community grants funding over a three-year period, as per Councillor discussion in the October 2017 Ordinary Meeting of Council.</p>	<p>100% complete.</p>

# SERVICES FUNDED IN THE 2018-19 BUDGET

Service	Description	Net Cost / Actual Budget Variance \$000
Aged and Disability Services	This service provides home and community care, assessment and care management, volunteer coordination, and senior citizen clubs.	334 316 (18)
Planned Activity Groups	To provide social interactions for socially isolated residents in Moorabool Shire.	43 94 51
Meals on Wheels	To assist residents at nutritional risk with meals that have been designed by a dietitian.	(45) (33) 12
Personal Care	To provide support and personal hygiene to residents that are unable to physically complete their own personal care.	16 (14) (30)
Aged and Disability Brokerage	To provide brokerage services to residents that have been allocated aged care packages with physical and social support.	(17) (31) (14)
Respite	To provide support to carers of residents with high care needs.	22 (21) (43)
Property Maintenance	Property and home maintenance for residents of Moorabool includes mowing, washers for taps, painting, ramps, rails and bathroom renovations.	(6) (3) 3
Community Development	Community Development is concerned with empowering and enabling the communities of Moorabool to be innovative, engaged, skilled and help them work together to improve their well-being through opportunities for partnerships, better relationships with Council and increased participation in community life.	893 1,114 221
Emergency Management	Emergency Management works to ensure Moorabool has plans in place to engage with the community and assist with preparing resilient communities that can prepare and recover from emergencies.	(157) 88 245
Recreation Development	Provide leadership, strengthen networks and partnerships to plan, develop and deliver high quality recreation participation and engagement opportunities that enhance health and wellbeing. Includes Leisure and Pool Facilities.	444 418 (26)

# SERVICES FUNDED IN THE 2018-19 BUDGET

Service	Description	Net Cost / Actual Budget Variance \$000
Library Services	Provision of fixed and rural mobile library services to key points throughout the Moorabool area.	440 451 11
Youth Services	Enable youth within Moorabool to have a community voice and establish programs and activities that enhance and reward them as people.	194 309 115
Environmental Health	Legislative Responsibilities (Food Act 1984 (Food Safety), Health Act 1958, Tobacco Act 1987, Residential Tenancies Act 1997 and Local Government Act 1989). Assessments and installations of septic tanks carried out in accordance with the Environmental Protection Act and the Septic Code of Practice 2003. Ensure children in the Australian Childhood Immunisation Register target group are fully immunised.	273 247 (26)
Early Years Services	Ensure that services and infrastructure provided to children and families are well planned and respond in a way that meets the needs of the local community. Early Years Services delivers a small number of high quality family and children's programs and services that support, promote and strengthen family health and wellbeing.	264 276 12
Maternal & Child Health	Provision of a universal service to families with children aged 0-6 years directed at improving outcomes by the prevention, early detection, and intervention of physical, emotional or social factors known to place children at risk of not reaching their potential.	463 584 121
Best Start	A State Government funded early intervention program aimed at reducing disadvantage and enhancing the outcomes of children 0-8 yrs. Best Start supports communities, parents, families and service providers to improve local early years services and support.	(10) 0 10
Education and Care Services	Occasional Care Service provides high quality care for children aged from six months to six years with the opportunity to explore a wide range of experiences, building upon their skills, interests and abilities through play in a calm and happy environment. Supported Playgroups provide support and connection to disadvantaged families through groups and in home support. Kindergarten liaison and support which includes the management of Council owned early years facilities, including kindergarten central enrolment for 4-year-old kindergarten programs and support and management of kindergarten cluster managers/kindergarten committees of management.	77 112 35
Fire Prevention	Ensure safety around the Moorabool Shire through fire prevention inspections of vacant land in urban and rural living areas.	253 313 60
School Crossings	Provide school crossing supervisors or staff at 13 locations in Ballan and Bacchus Marsh within designated hours.	150 152 2



Carry over actions from the previous Council Plan (2013-2017):

# STRATEGIC OBJECTIVE 5: REPRESENTATION AND LEADERSHIP OF OUR COMMUNITY

**Context: 5.1 Good governance through open and transparent processes and strong accountability to the community.**

## 2018/19 RESULTS and ACHIEVEMENTS

Strategic Objective Projects	Progress	Comments
Review and Implement the After Hours Response System as approved by Council	In Progress	Possible provider has presented to relevant staff. Staff will now investigate current requirements and costs.



# STRATEGIC OBJECTIVE 7: ENHANCED INFRASTRUCTURE AND NATURAL BUILT ENVIRONMENT

**Context: 7.2 Enhance and protect the long term integrity and biodiversity of the natural environment.**

## 2018/19 RESULTS and ACHIEVEMENTS

Strategic Objective Projects	Progress	Comments
Investigate Frameworks for Cost Recovery in Terms of Ongoing Monitoring of Domestic Wastewater Management Plan	Completed	The costing model has been determined, however is dependent on the outcome of the Domestic Waste Water Review which will be presented to Council at a briefing session in August. A decision will be made on whether to implement cost recovery for the monitoring of the Domestic Wastewater Plan.





# Part 4

**GOVERNANCE, MANAGEMENT  
AND OTHER INFORMATION**



# GOVERNANCE

**Residents and ratepayers elect Councillors to advocate for the community's needs and aspirations. Council's authority is exercised as a whole rather than through individual Councillors.**

The Moorabool Shire Council consists of seven Councillors who are democratically elected by the constituents of Moorabool Shire in accordance with the Local Government Act 1989 (the Act).

The role of Council is to provide leadership for the good governance of the Moorabool Shire that 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 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; and
- Fostering community cohesion and encouraging active participation in civic life.

The Chief Executive Officer is responsible for:

- Establishing and maintaining an appropriate organisational structure for Council;
- Ensuring that the decisions of Council are implemented without undue delay;
- The day to day management of Council's operations in accordance with the Council Plan; and
- Providing timely advice to Council.

# MEETINGS OF COUNCIL

Council conducts open public meetings on the first Wednesday of every month except January and makes decisions on the items listed in the Council Meeting Agenda. 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 a question to Council and make a submission or speak to an item on the Agenda.

Where required, Special Meetings of Council may be held to make decisions on important issues in-between times.

For the 2018-19 year Council held the following meetings:

- 11 Ordinary Council Meetings
- 5 Special Council Meetings

The table beside depicts each Councillor as present or as an apology for each meeting in the 2017-18 year.

## Ordinary Meetings of Council Councillor Attendance 2018-19

	Cr. David Edwards	Cr. Tonia Dudzik	Cr. Tom Sullivan	Cr. Pat Toohey	Cr. Paul Tatchell	Cr. Jarrod Bingham	Cr. John Keogh
4-Jul-18	1	1	1	apology	1	1	1
1-Aug-18	1	1	1	1	1	1	1
5-Sep-18	1	1	1	1	1	1	1
3-Oct-18	apology	1	1	1	1	1	1
7-Nov-18	1	1	1	1	1	1	1
5-Dec-18	1	1	1	1	1	1	1
6-Feb-19	1	1	1	1	1	1	1
6-Mar-19	apology	1	1	1	1	1	1
3-Apr-19	1	1	1	1	1	1	1
1-May-19	1	1	1	apology	1	1	1
5-Jun-19	apology	1	1	1	1	1	1
<b>Number of Meetings</b>	8	11	11	9	11	11	11

## Special Meetings of Council Councillor Attendance 2018-19

	Cr. David Edwards	Cr. Tonia Dudzik	Cr. Tom Sullivan	Cr. Pat Toohey	Cr. Paul Tatchell	Cr. Jarrod Bingham	Cr. John Keogh
19-Sep-18	1	1	1	1	1	1	1
26-Nov-18	1	1	1	1	1	1	1
17-Dec-18	1	1	1	1	1	1	1
15-May-19	apology	1	apology	apology	1	1	1
26-Jun-19	1	1	1	apology	1	1	1
<b>Number of Meetings</b>	4	5	4	3	5	5	5
<b>Total # of Council meetings</b>	12	16	15	12	16	16	16

\* Apology for non attendance due to leave, other representative duties or work commitments

# SPECIAL DELEGATED COMMITTEES

Pursuant to the provisions of section 86 of the Local Government Act 1989, Council may establish one or more special committees consisting of:

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

Section 86 special delegated committees are established to assist Council with executing specific functions or duties. By instrument of delegation, Council may delegate to the committees such functions and powers of the Council that it deems appropriate, utilising provisions of the Local Government Act 1989. The Council cannot delegate certain powers as specifically indicated in section 86(4) of the Act.

The following Special Committees have been established by Council under section 86 of the Local Government Act 1989.

- Bacchus Marsh Public Hall Committee of Management
- Bacchus Marsh Racecourse and Recreation Reserve Committee of Management
- Blacksmith's Cottage and Forge Advisory Committee of Management
- Bungaree Public Hall Committee of Management
- Development Assessment Committee
- Dunnstown Recreation Reserve Committee of Management
- Elaine Recreation Reserve Committee of Management
- Gordon Public Hall Committee of Management
- Greendale Recreation Reserves Committee of Management
- Lal Lal Soldiers' Memorial Hall Committee of Management
- Maddingley Park Committee of Management
- Millbrook Community Centre
- Moorabool Growth Management Committee
- Navigators Community Centre
- Wallace Recreation Reserve
- Wallace Public Hall

# ADVISORY COMMITTEES

In addition to the Special Committees of Council with delegated authority established under the Local Government Act 1989 (section 86), Council has the ability to create Advisory Committees by resolution under the provisions of the Act.

The following committees currently have no specific delegated powers to act on behalf of Council or commit Council to any expenditure unless resolved explicitly by Council following recommendation from the Committee. Their function provides substantial expertise to the Council's planning by way of advisory recommendations.

The following Advisory Committees have been established by Council.

- Audit and Risk Advisory Committee
- Bacchus Marsh District Trails Advisory Committee
- Bacchus Marsh Leisure Centre Joint Use Management Agreement Advisory Committee
- Economic Development Taskforce Advisory Committee
- Heritage Advisory Committee
- Lal Lal Falls Reserve Advisory Committee of Management
- Moorabool Environment and Sustainability Advisory Committee
- Moorabool Health and Wellbeing Advisory Committee
- Positive Ageing Advisory Committee

# COUNCILLOR CODE OF CONDUCT

Moorabool Shire Councillors are bound by a Councillor Code of Conduct. The Code is designed to assist Councillors in maintaining the highest standards of conduct and behaviour as well as providing a means for dealing with conflicts which may occur. The Code is also intended to assist the Mayor, Deputy Mayor and Councillors to discharge their public office appropriately. The Code covers relationships between Councillors and staff, the use of Council resources and dispute resolution procedures. The Councillor Code of Conduct can be viewed on Council's website.

# 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 interest. During 2018-19, 16 conflicts of interest were declared at meetings of Council.

# COUNCILLOR ALLOWANCES

In accordance with Section 74 of the Local Government Act 1989, Councillors are entitled to receive an allowance whilst 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 Moorabool Shire Council is recognised as a category two Council.

For the period 1 July 2018 to 1 December 2018, the Councillor annual allowance for a category two (2) Council (as defined by the Local Government Act 1989) was fixed at \$24,730 per annum and the allowance for the Mayor was \$76,521 per annum, in addition to the Councillor and Mayoral allowance the equivalent of the superannuation guarantee contribution (SGC) (currently 9.5%).

For the period 1 December 2018 to 30 November 2019, the Councillor annual allowance for a category two (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, in addition to the Councillor and Mayoral allowance the equivalent of the superannuation guarantee contribution (SGC) (currently 9.5%).

# COUNCILLOR EXPENSES

In accordance with Section 75 of the Local Government Act 1989, 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 reimbursement of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties.

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 \$	T \$	Total \$
Cr. Edwards	-	-	-	306	-	306
Cr. Toohey	-	-	-	1,459	893	2,352
Cr. Sullivan	-	-	-	441	-	441
Cr. Dudzik	-	-	-	358	-	358
Cr. Tatchell	-	-	-	949	-	949
Cr. Bingham	-	-	-	372	-	372
Cr. Keogh	-	-	-	479	-	479
	-	-	-	4,365	893	5,259

**TR** Travel, **CM** Car Mileage, **CC** Child Care, **IC** Information and Communication expenses, **T** Training expenses.

**NOTE:** No expenses were paid by Council including reimbursements to members of council committees during the year.

# MANAGEMENT

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks leads 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 AND RISK ADVISORY COMMITTEE

The Audit and Risk Advisory 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, risk management and fostering an ethical environment. The Committee consists of 2 independent members, Mr. Michael Said (Chair) and Ms. Linda MacRae as well as two Councillors. Independent members are appointed for a three year term. Independent members may be appointed for more than one three year term. The chair is elected from among the independent members.

The Committee meets five times a year. The Internal Auditor, Chief Executive Officer, General Managers and the Chief Finance Officer attend the Audit and Risk Advisory Committee meetings. Other management representatives attend as required to present reports.

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

# INTERNAL AUDIT

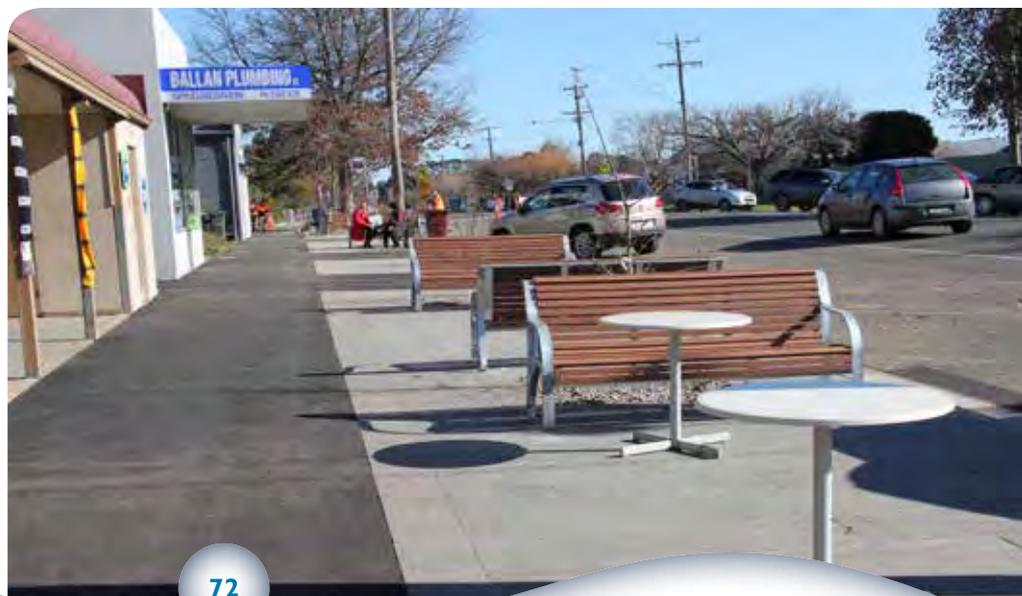
Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council.

The Internal Auditor attends each Audit and Risk Committee meeting to report on the status of the Internal Audit 3 Year Plan, to provide an update on the implementation of audit recommendations and to present findings of completed reviews. The responsible general manager and manager for each area reviewed are required to review recommendations for improvement and determine management action plans. All audit issues identified are risk rated.

Recommendations are assigned to the responsible manager and tracked in Council's corporate reporting system. Managers provide quarterly status updates that are reviewed by the Internal Auditor and reported to the Executive Management Group and the Audit and Risk Advisory Committee.

# EXTERNAL AUDIT

Council is externally audited by the Victorian Auditor-General. For the 2018-19 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend in February or May each year to present the audit plan to the Audit and Risk Advisory Committee and in September each year to present the independent audit report. The external audit management letter and responses are also provided to the Audit Committee.



# RISK MANAGEMENT

Council's Risk Management Strategy was completed in 2019 with a primary focus being the identification of Council's key operational risks along with confirming current controls or establishing those required. An external risk framework audit was completed and a number of recommendations were made. An action plan has been developed to address these priorities.

Risk Management Reports are provided to each Audit and Risk Committee meeting alternating between operational and strategic risk reporting. Internally a Risk Management Steering Committee operates which includes a focus on a review of service unit risk registers.



# 2018/2019 GOVERNANCE AND MANAGEMENT CHECKLIST

Requirement		Assessment	Date implemented/ Effective date
Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Current policy in operation	YES	2/03/2016
Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation	YES	2/03/2019
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)	Plan adopted in accordance with section 126 of the Act	YES	3/07/2019
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)	Budget adopted in accordance with section 130 of the Act	YES	3/07/2019
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)	Current plans in operation	YES	Part A General 30/4/13 Part B Transport 30/4/13 Part C Buildings 3/12/14 Part D Drainage 3/12/14 Part E Recreation 3/12/14
Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Current strategy in operation	YES	2/05/2018

# 2018/2019 GOVERNANCE AND MANAGEMENT CHECKLIST

Requirement		Assessment	Date implemented/ Effective date
Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation	YES	22/01/2019
Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation	YES	3/12/2018
Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986	YES	19/05/2017 Amended 11 December 2018
Procurement policy (policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the Local Government Act	YES	3/04/2019
Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation	YES	23/06/2016
Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation	NO	A Disaster Recovery Plan is currently being developed, and procedures are in place for recovery of business systems and data in the event of a disaster.
Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation	YES	22/01/2019

# 2018/2019 GOVERNANCE AND MANAGEMENT CHECKLIST

Requirement		Assessment	Date implemented/ Effective date
Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Committee established in accordance with section 139 of the Act	YES	23/03/2004
Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged	YES	5/08/2015
Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Current framework in operation	YES	1/07/2019
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)	Current report	YES	1st Quarter 07/11/2018 2nd Quarter 06/02/2019 3rd Quarter 01/05/2019 Final Quarter 07/08/2019
Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly statements presented to Council in accordance with section 138(1) of the Act	YES	1st Quarter 07/11/2018 2nd Quarter 06/02/2019 3rd Quarter 01/05/2019
Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented	YES	3/04/2019

# 2018/2019 GOVERNANCE AND MANAGEMENT CHECKLIST

Requirement		Assessment	Date implemented/ Effective date
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)	Reports prepared and presented	YES	13/02/2019
Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Annual report considered at a meeting of Council in accordance with section 134 of the Act	YES	2/10/2019
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)	Code of conduct reviewed in accordance with section 76C of the Act	YES	8/02/2019
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)	Delegations reviewed in accordance with section 98(6) of the Act	YES	3/04/2019
Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act	YES	29/06/2019

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

  
**Derek Madden**  
 Chief Executive Officer  
 Dated: 04/07/2019

  
**Cr Paul Tatchell**  
 Mayor  
 Dated: 04/07/2019

# DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

In accordance with the Local Government (General) Regulations 2015, the following two registers of prescribed documents are available for public inspection.

## 1. REGISTER OF INTERESTS

Sections 81(9) and 81(10) of the Local Government Act 1989 Number 11, state that the Chief Executive Officer must maintain a register of interests of Councillors, Special Committee members and nominated officers, and that a person wishing to view the register must make a written application to the Chief Executive Officer by completing the form Application to Inspect Register of Interests. This form is available from Council upon request, and may also be downloaded from Council's website.

## 2. PRESCRIBED DOCUMENTS REGISTER

Regulation 12 of the Local Government (General) Regulations 2015, states that Council must make available for public inspection the following prescribed documents:

- (a) A document containing details of overseas or interstate travel (other than interstate travel by land for less than 3 days) undertaken in an official capacity by any Councillor or member of Council staff in the previous 12 months;
- (b) The agendas 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;
- (c) 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;
- (d) 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;
- (e) 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;
- (f) A register maintained under section 224(1A) of the Act of authorised officers appointed under that section;
- (g) 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.

Any person wishing to view Prescribed Documents must make a written application to the Chief Executive Officer by completing the form Application to Inspect Prescribed Documents. This form is available from Council upon request, and may also be downloaded from Council's website.

# CARERS RECOGNITION

The Carers Recognition Act 2012 sets out principles that recognise and support people in care relationships and includes obligations for State government, Councils, and organisations that support people in care relationships.

Moorabool Shire Council meets its obligations by ensuring:

- Carers and Families are treated with respect and dignity.
  - Carers and families receive a timely response.
  - Carers and families feel empowered and we strengthen our relationships with carers over time.
  - Approach is individualised, flexible and culturally sensitive.
  - Carers and families are well informed of their role and rights.
  - Most important is their right to be involved.
- Moorabool Shire Council adheres to these policies by:
- Distributing information about the Act and the charter to carers, and making copies of the charter available to people.
  - Including information about the Act and charter in existing information kits.
  - Putting the Act and charter poster on notice boards and information in reception areas.
  - Using networks such as organisational or carer support groups and programs, to promote the Act and charter.
  - Including the Act and charter, or making presentations on them, at forums and other events such as local community events.
  - Putting information about the Act and charter in media promotions or community awareness strategies such as: Carers Week, National Child Protection Week, International Day of People with Disability, Mental Health Week, World Alzheimer's Day, Dementia Awareness Week, and Seniors Week.
  - Reviewing principles, values, ethics, and policies, and consider how they can be aligned with the Act and charter, for example check that our human resource policies support carers to balance work and their role of carer, by including carers leave and flexible working conditions, and scheduling regular meetings at a time a carer can attend.

# 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 a written request to the Freedom of Information Officer, as detailed in section 17 of the Freedom of Information Act 1982 and in the 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 by email.

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

Further information regarding FOI can be found at [www.foi.vic.gov.au](http://www.foi.vic.gov.au) and on the Moorabool Shire Council website.

In 2018-19, Council administered ten (10) Freedom of Information requests with three (3) requests to be administered in the next financial year 2019/20:

Requests granted in full	1
Requests granted in part, subject to specific exemptions	1
Requests denied in full, subject to specific exemptions.	1
Requests being processed as of June 30, 2018	3
Other: (where requests were withdrawn or no documents found under the FOI Act or documents provided outside of the FOI Act)	4
Total	10

# WHISTLEBLOWERS/PROTECTED DISCLOSURE PROCEDURES

The Protected Disclosure Act 2012 commenced operation on 11 February 2013. The purpose of the Protected Disclosure Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies. The Act provides protection to whistleblowers who make disclosures in accordance with the Act, and establishes a system for the matters disclosed to be investigated and action to be taken.

In accordance with the Protected Disclosure Act 2012, the following specific reporting requirements have been included in Moorabool Shire Council's Annual Report.



Disclosures made to the Council	0
Disclosures referred to Independent Broad-based Anti-corruption Commission (IBAC) for determination as to whether they are public interest disclosures	0
Disclosed matters referred to the Council by IBAC	0
Disclosed matters referred by Council to IBAC or the Ombudsman for investigation	0
Investigations of disclosed matters taken over by IBAC or the Ombudsman from Council	0
Disclosed matters that the Council has declined to investigate	0
Disclosed matters that were substantiated on investigation and the action taken on completion of the investigation	0
Recommendations of IBAC or the Ombudsman under the Act that relate to the Council	0

# GRANT SUMMARY

The Moorabool Shire relies on funding from other levels of government to deliver community outcomes in services and projects.

**MOORABOOL  
SHIRE GRANTS  
RECEIVED  
2018/19**

New

**30**

Successful

**20**

Pending

**5**

Unsuccessful

**5**

Empower Youth Grant - Youth Engagement Support Project (YES)	●	<b>\$470,968</b>
Woolpack Road Upgrade	●	<b>\$717,500</b>
Streamlining for Growth 2018/19 - Parwan Employment Precinct	●	<b>\$100,000</b>
Sustainability Victoria – E-waste Infrastructure Grants - Ballan Transfer Station	●	<b>\$60,000</b>
Central Enrolment Kindergarten Development Fund	●	<b>\$25,000</b>
Children's Week 2018	●	<b>\$700.00</b>
Victorian Government's 2018/19 Female Friendly Facilities Fund	●	<b>\$250,000</b>
Bald Hill Activation Project - Feasibility Study	●	<b>\$30,000</b>
Victorian Youth Week Grants 2019 - Youth Forum	●	<b>\$2,000</b>
Regional Roads Victoria - Fixing Country Road Program	●	<b>\$630,000</b>
Victorian Mineral Springs Reserves Grants Program - Spargo Creek Mineral Springs Reserve	●	<b>\$25,000</b>
This Girl Can Victoria - Local Marketing Grant	●	<b>\$11,500</b>
Local Government Planning Grant Fund (Department of Education and Training) - Assessing Kindergarten and Long Day Care	●	<b>\$20,000</b>
Fixing Country Roads Program (Round 2) - Ballan-Meredith Road Bridge Rehabilitation	●	<b>\$426,000</b>
Fixing Country Roads Program (Round 2) - Old Melbourne Road and Dunnstown-Yendon Roads Safety Improvements & Pavement Strengthening	●	<b>\$1,106,000</b>
Gardens for Wildlife, Moorabool - Bringing the Bush to the Suburbs	●	<b>\$57,380</b>
Community Crime Prevention Grants Program - Development of a Graffiti Management Strategy	●	<b>\$24,600</b>
VicHealth Innovation Challenge Funding - Increasing Female Participation in Sport	●	<b>\$20,000</b>
TAC Towards Zero Community Grants - Development of a Community Road Safety Strategy	●	<b>\$28,800</b>



Part

5

PERFORMANCE

## 2018-19 Performance Statement

### Description of Municipality

Moorabool Shire is a fast-growing semi-rural municipality nestled between Melbourne, Geelong and Ballarat. Moorabool's eastern boundary is located just 40km west of Melbourne's CBD and extends westwards to the City of Ballarat municipal boundary. The Shire straddles Victoria's Western Highway and has excellent transport access to Melbourne, Ballarat and Geelong.

Spanning more than 2,110 square kilometres, Moorabool is made up of 64 localities, hamlets and towns. More than 74% of the Shire comprises of water catchments, state forests and national parks.

The population of Moorabool Shire in 2019 is 34,839. More than half the population lives in Bacchus Marsh and surrounds (18,835) (2016). The Shire's second largest population can be found in and around Ballan (3,052). The population is distributed throughout the large number of small towns, hamlets and farming areas within the Shire.

The population of the Shire is estimated to increase to 77,974 by 2041. The majority of growth during this period will come from the new estates in Maddingley which are forecast to increase during this same period.

### Sustainable Capacity Indicators - for the year ended 30 June 2019

LGV	Indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
	<b>Population</b>					
C1	<i>Expenses per head of municipal</i> [Total expenses / Municipal population]	\$1,410.85	\$1,400.93	\$1,423.25	\$1,439.25	Expenses per head of municipal population have only marginally increased over the last 3 financial years. In comparative terms, Moorabool Shire spends significantly less than both the state average and that of similar Councils. This reflects a high degree of resource efficiency and responsible financial stewardship over Council resources, but also reflects the ongoing challenge that Moorabool Shire faces in receiving its fair share of recurrent funding from state and federal governments. It is currently noted that Moorabool Shire receives significantly less in recurrent grants than the state average which in turn, reduces the level of investment and expenditure that

## 2018-19 Performance Statement

LGV Ref	Indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
						<p>Council can put back in the community. On top of this, average residential rates in Moorabool Shire are low compared to the state average (and are also subject to the rate cap) and Moorabool Shire has limited sources of other revenue streams. As a result, Moorabool Shire is compelled to manage resources efficiently in the face of these strategic challenges.</p>
C2	<p><i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]</p>	\$14,704.57	\$13,417.99	\$13,226.44	\$15,065.11	<p>The value of infrastructure has increased due to the revaluation of Roads, Drains and Footpaths in 2018/19. In addition to this, population growth is fuelling community demand for infrastructure investment. As a result, this ratio is projected to steadily increase over time.</p>
C3	<p><i>Population density per length of road</i> [Municipal population / Kilometres of local roads]</p>	21.97	22.48	23.34	23.28	<p>State planning policy identifies Bacchus Marsh as a peri-urban regional centre with potential for significant growth. Bacchus Marsh's population is predicted to double by 2041. As a result, this ratio is predicted to steadily increase over time. Notwithstanding this, the population density per length of road is significantly lower than the state average and to a large degree reflects the significant challenge faced by many rural Councils in managing a large infrastructure base over a large geographical area with the costs borne by a comparatively smaller population base.</p>

## 2018-19 Performance Statement

LGV Ref	Indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
	<i>Own-source revenue</i>					
C4	<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,089.31	\$1,042.59	\$1,178.67	\$1,230.74	Own source revenue per head of municipal population has increased by 13.0% over the last 3 reporting years. Notwithstanding this, Moorabool Shire generates significantly lower levels of own source revenue per head of municipal population than the Victorian average and similar sized Councils. Own source revenue can come in a variety of forms and can include Council rates, user fees, statutory fees, fees from significant Council businesses (caravan parks, holiday parks, recreation facilities), parking fees and other activities. It is noted that due to a number of factors (for e.g. such as geographic factors and low population density) Moorabool Shire does not currently have the same capacity to generate significant revenue from non rate revenue sources compared to other Victorian Councils. As a result, it has a low level of own source revenue per head of municipal population as compared to the Victorian average and similar sized Councils. In other instances, where Moorabool Shire has the potential to broaden its revenue base it has been significantly restricted by other legislation from doing so. The most significant example of this has come about with the construction of 3 new windfarms in Moorabool Shire.

## 2018-19 Performance Statement

LGV Ref	Indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
						In each instance, the revenue payable to Moorabool Shire by the windfarms will be governed by the Electricity Act 2000 which has the impact of significantly reducing the revenue that would otherwise be payable to Council. For Moorabool Shire, the annual revenue loss from windfarms due to the Electricity Act is estimated to exceed \$3.0m per annum.
	<b>Recurrent grants</b>					
C5	<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$268.03	\$445.23	\$329.96	\$301.76	Moorabool Shire receives significantly less grants per head of municipal population than similar Councils and the Victorian average. To overcome this structural disadvantage, Moorabool Shire has a higher reliance on other sources of funding such as loan borrowings as compared to other Victorian Councils. According to the audited results of the 2017/18 Local Government performance reporting, Moorabool Shire receives on average \$3.99m less on an annual basis compared to other Victorian Councils, and \$5.94m less annually than similar size Councils.
	<b>Disadvantage</b>					
C6	<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	7.00	7.00	7.00	7.00	

## 2018-19 Performance Statement

### Sustainable Capacity Indicators – 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.

## 2018-19 Performance Statement

Service Performance Indicators - for the year ended 30 June 2019

LGV Ref	Service/indicator/measure	Results				Material Variations and Comments
		2016	2017	2018	2019	
	<b>Aquatic Facilities Utilisation</b>					
AF6	<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	0.23	0.26	0.26	0.30	Increase in the number of visits due to both Pools being open for more days over the 2018/19 summer period than the prior year.
	<b>Animal Management Health and safety</b>					
AM4	<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0.00	2.00	0.00	0.00	There were no animal prosecutions during the reporting period.
	<b>Food Safety Health and safety</b>					
FS4	<i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	83.33%	94.74%	100.00%	100.00%	
	<b>Governance Satisfaction</b>					
G5	<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	48.00	49.00	51.00	49.00	Whilst within accepted range, the Annual Community Satisfaction Survey indicates an index score of 49. Moorabool Shire Council is committed to increasing this score over the coming years.

## 2018-19 Performance Statement

LGV	Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Ref	Home and Community Care (HACC)					
	<b>Participation</b>					
	<i>Participation in HACC service</i>					
HC6	[Number of people that received a HACC service / Municipal target population for HACC services] x100	32.67%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
	<b>Participation</b>					
	<i>Participation in HACC service by CALD people</i>					
HC7	[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	18.97%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
	<b>Libraries</b>					
	<b>Participation</b>					
	<i>Active library members</i>					
LB4	[Number of active library members / Municipal population] x100	9.24%	9.18%	9.51%	9.64%	A steady increase is a reflection on additional stops by the library outreach van and staff making a concerted effort to encourage visitors to join the library
	<b>Maternal and Child Health (MCH)</b>					
	<b>Participation</b>					
	<i>Participation in the MCH service</i>					
MC4	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	76.86%	77.28%	77.92%	76.17%	There was a minor decrease in participation in 2018/2019, this may be as a result of a MCH nurse moving into the MCH coordinator role and a short period of time of vacancy in permanent MCH nurses during the recruitment process.

## 2018-19 Performance Statement

LGV	Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Ref	<b>Participation</b>					
	<i>Participation in the MCH service by Aboriginal children</i>					
MC5	[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	71.79%	71.79%	81.97%	90.24%	Increased participation by Aboriginal children in 2018/19
	<b>Roads</b>					
	<b>Satisfaction</b>					
	<i>Satisfaction with sealed local roads</i>					
R5	[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	47.00	43.00	46.00	48.00	
	<b>Statutory Planning</b>					
	<b>Decision making</b>					
	<i>Council planning decisions upheld at VCAT</i>					
SP4	[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	27.27%	33.33%	66.67%	33.33%	Less planning applications going to VCAT than in 2017/18
	<b>Waste Collection</b>					
	<b>Waste diversion</b>					
	<i>Kerbside collection waste diverted from landfill</i>					
WC5	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	35.07%	36.91%	37.56%	38.49%	Increase of waste diverted from landfill mainly attributed to an increased uptake of the optional kerbside green waste collection by the community.

## 2018-19 Performance Statement

### Service Performance Indicators - 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

## 2018-19 Performance Statement

"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.

# 2018-19 Performance Statement

## Financial Performance Indicators - for the year ended 30 June 2019

LGV Ref	Dimension/indicator/measure	Results				Forecasts				Material Variations and Comments	
		2016	2017	2018	2019	2020	2021	2022	2023		
	<b>Efficiency</b>										
	<b>Revenue level</b>										
E1	Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,460.85	\$1,512.85	\$1,543.84	\$1,580.05	\$1,615.62	\$1,656.08	\$1,697.56	\$1,739.98		Average residential rates are forecast to increase at an annual rate of approximately 2.5% per annum in line with Councils projected increase in the rate cap. Average residential rates in Moorabool Shire are significantly lower compared to similar Councils and the state average.
	<b>Expenditure level</b>										
E2	Expenses per property assessment [Total expenses / Number of property assessments]	\$2,677.65	\$2,798.23	\$2,867.61	\$2,876.48	\$2,935.31	\$2,925.33	\$2,954.09	\$3,061.68		Expenses per property assessment are predicted to marginally increase over the next 4 years. In comparative terms, expenses per property assessment are significantly lower in Moorabool Shire than both the state average and that of similar Councils.

## 2018-19 Performance Statement

LGV Ref	Dimension/indicator/measure	Results	Results	Results	Results	Forecasts				Material Variations and Comments		
		2016	2017	2018	2019	2020	2021	2022	2023			
												<p>This reflects a high degree of resource efficiency and responsible financial stewardship over Council resources, but also reflects the ongoing challenge that Moorabool Shire faces in receiving its fair share of recurrent funding from state and federal governments. It is currently noted that Moorabool Shire receives significantly less in recurrent grants than the state average which in turn, reduces the level of investment and expenditure that Council can put back in the community. On top of this, average residential rates in Moorabool Shire are low compared to the state average (and are also subject to the rate cap) and Moorabool Shire has limited sources of other revenue streams.</p>

## 2018-19 Performance Statement

LGV Ref	Dimension/indicator/measure	Results		Forecasts				Material Variations and Comments		
		2016	2017	2018	2019	2020	2021		2022	2023
									As a result, Moorabool Shire is compelled to manage resources efficiently in the face of these strategic challenges.	
	<b>Workforce turnover</b> <i>Resignations and terminations compared to average staff</i>									
E3	[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	9.91%	14.98%	12.90%	10.20%	8.99%	8.78%	8.70%	8.62%	There was a lower level of staff turnover in 2018/9 compared to 2017/18
	<b>Liquidity</b>									
	<b>Working capital</b>									
L1	<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	195.20%	163.58%	192.64%	226.49%	196.47%	146.51%	163.57%	161.16%	The ratio was favourably impacted by the receipt of significant levels of Developer Contributions as compared to the 2017/18 year. In addition to this, Council had higher cash levels due to capital works being carried over to the 2019/20 financial year.

## 2018-19 Performance Statement

LGV Ref	Dimension/indicator/measure	Results		Forecasts				Material Variations and Comments					
		2016	2017	2018	2019	2020	2021		2022	2023			
	<i>Unrestricted cash</i>												
L2	<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	33.65%	37.46%	76.70%	91.13%	124.40%	92.12%	90.00%	90.61%				

The improvement in this ratio over the last 4 financial years is consistent with Councils Strategic Financial Plan and this ratio is expected to improve and stabilise in future years. In addition to this, Council received significant levels of developer contributions for projects that were funded in prior years resulting in an improvement in this measure. Whilst the ratio was also favourably impacted by the early payment of Financial Assistance Grants in the 2018/19 year, it is noted that Council deferred \$5.966m in loan borrowings which unfavourably impacted this measure.

## 2018-19 Performance Statement

LGV Ref	Dimension/indicator/measure	Results					Forecasts				Material Variations and Comments		
		2016	2017	2018	2019	2020	2021	2022	2023				
	Obligations												
	Asset renewal												
O1	Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100	118.98%	104.74%	90.25%	124.41%	127.28%	103.99%	116.54%	110.41%				The improved result is due to a substantial Capital Improvement Program compared to the prior year. The overall increase in asset renewal spend compared to 2017/18 is \$3.549 million. The outlook for asset renewal expenditure is strong and is indicative of a robust asset management plan and an effective strategic financial plan.
	Loans and borrowings												
O2	Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	51.28%	43.93%	37.85%	32.59%	55.90%	48.68%	34.60%	35.86%				This ratio was favourably impacted by the deferral of \$5.966m in loan borrowings to the 2019/20 financial year. Notwithstanding, the level of loan borrowings is forecast to increase in the medium term. In comparative terms, Moorabool Shire has higher loan borrowings than the



## 2018-19 Performance Statement

LGV Ref	Dimension/indicator/measure	Results		Forecasts				Material Variations and Comments			
		2016	2017	2018	2019	2020	2021		2022	2023	
										Moorabool Shire is compelled to fund infrastructure growth through loan borrowings in lieu of large-scale funding support from state and federal governments.	
	<b>Indebtedness</b>										
O4	<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	44.51%	37.68%	29.49%	25.72%	45.79%	30.82%	29.26%	30.23%		This ratio was favourably impacted by the deferral of \$5.966m in loan borrowings to the 2019/20 financial year. However, as noted previously, this ratio is forecast to remain high in the medium term. In comparative terms, this ratio is likely to be higher than the state average in the future. Moorabool Shire is compelled to fund infrastructure growth through loan borrowings in lieu of large-scale funding support from state and federal governments.

## 2018-19 Performance Statement

LGV Ref	Dimension/indicator/measure	Results				Forecasts				Material Variations and Comments	
		2016	2017	2018	2019	2020	2021	2022	2023		
	Operating position										
	<i>Adjusted underlying result</i>										
OP1	Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x 100	-2.64%	7.44%	6.37%	7.96%	2.84%	4.51%	5.49%	4.35%		The improvement in this ratio is consistent with the Strategic Financial Plan and demonstrates a continued improvement in the financial sustainability of Moorabool Shire. Moorabool Shires strategic financial plan is forecasting a strong underlying surplus in future years. Moorabool Shire continues to outperform the state average in this measure which is a significant achievement considering it has lower average residential rates and receives lower levels of grant funding than the state average, whilst having to service higher levels of debt in comparative terms to other Victorian Councils.

## 2018-19 Performance Statement

LGV Ref	Dimension/indicator/measure	Results				Forecasts				Material Variations and Comments	
		2016	2017	2018	2019	2020	2021	2022	2023		
	Stability										
	<i>Rates concentration</i>										
S1	<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	70.41%	63.31%	63.71%	63.91%	67.60%	68.34%	68.66%	68.72%		Moorabool Shire has a higher level of reliance on rate revenue than other Victorian Councils. This is driven by two main factors.  Firstly, as previously mentioned, Moorabool Shire receives significantly lower levels of recurrent funding from state and federal governments on average compared to other Victorian Councils. In addition to this, factors such as geographical size and low population density significantly limit its ability to generate alternative income streams outside of rates and grants.
	<i>Rates effort</i>										
S2	<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.50%	0.49%	0.50%	0.47%	0.48%	0.50%	0.51%	0.52%		

# 2018-19 Performance Statement

## Financial Performance Indicators – 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.

# 2018-19 Performance Statement

## Other Information - 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 3 July 2019 and which forms part of the council plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained by contacting Council.

## 2018-19 Performance Statement

### 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.



**Steven Ivelja CPA**  
**Principal Accounting Officer**  
**Dated:** 04 September 2019

In our opinion, the accompanying performance statement of the (council name) 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.



**Cr. Tonia Dudzik**  
**Councillor**  
**Dated:** 04 September 2019



**Cr. John Keogh**  
**Councillor**  
**Dated:** 04 September 2019



**Derek Madden**  
**Chief Executive Officer**  
**Dated:** 04 September 2019

## Independent Auditor's Report

### To the Councillors of Moorabool Shire Council

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

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

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

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

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

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MELBOURNE  
9 September 2019



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



# Part 6

FINANCIALS

**MOORABOOL SHIRE COUNCIL  
ANNUAL FINANCIAL REPORT**

*For the Year Ended 30 June 2019*

**Moorabool Shire Council**  
**2018/2019 Financial Report**  
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2018/2019 Financial Report  
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	8.4. Fair value measurement	
	8.5. Events occurring after balance date	
<b>Note 9</b>	<b>Other matters</b>	
	9.1. Reserves	
	9.2. Reconciliation of cash flows from operating activities to surplus/(deficit)	
	9.3. Superannuation	

### Certification of the Financial Statements 2018/19

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.



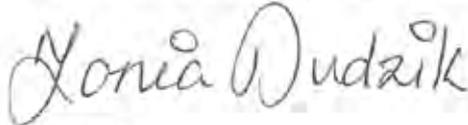
*Steven Ivelja CPA*  
**Principal Accounting Officer**

**Dated:** 4 September 2019  
*Ballan*

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



*Tonia Dudzik*  
**Councillor**

**Dated:** 4 September 2019  
*Ballan*



*John Keogh*  
**Councillor**

**Dated:** 4 September 2019  
*Ballan*



*Derek Madden*  
**Chief Executive Officer**

**Dated:** 4 September 2019  
*Ballan*

## Independent Auditor's Report

To the Councillors of Moorabool Shire Council

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**Opinion** I have audited the financial report of Moorabool 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.

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**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.

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**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.

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**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  
9 September 2019



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

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

	Note	2019 \$'000	2018 \$'000
<b>Income</b>			
Rates and charges	3.1	34,138	32,359
Statutory fees and fines	3.2	899	763
User fees	3.3	3,200	2,536
Grants - operating	3.4(a)	10,850	9,650
Grants - capital	3.4(b)	3,594	3,983
Contributions - monetary	3.5	4,292	168
Contributions - non-monetary	3.5	10,443	5,500
Other income	3.7	3,803	3,730
<b>Total Income</b>		<b>71,218</b>	<b>58,689</b>
<b>Expenses</b>			
Employee costs	4.1	(20,074)	(18,464)
Materials and services	4.2	(17,878)	(17,541)
Depreciation and amortisation	4.3	(9,109)	(8,625)
Bad and doubtful debts	4.4	(9)	(156)
Borrowing costs	4.5	(583)	(683)
Net loss on disposal of property, infrastructure, plant and equipment and investment properties	3.6	(952)	(1,396)
Other expenses	4.6	(559)	(697)
<b>Total Expenses</b>		<b>(49,162)</b>	<b>(47,562)</b>
<b>Surplus for the year</b>		<b>22,056</b>	<b>11,127</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	6.1	60,091	3,478
<b>Total comprehensive result</b>		<b>82,147</b>	<b>14,605</b>

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

**Balance Sheet**  
**As at 30 June 2019**

	Note	2019 \$'000	2018 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1(a)	22,290	16,578
Trade and other receivables	5.1(b)	6,171	4,864
Inventories	5.2	30	18
Other assets	5.2	1,163	1,008
<b>Total current assets</b>		<b>29,653</b>	<b>22,468</b>
<b>Non-current assets</b>			
Trade and other receivables	5.1(b)	85	145
Property, infrastructure, plant and equipment	6.1	564,165	488,516
<b>Total non-current assets</b>		<b>564,250</b>	<b>488,661</b>
<b>Total assets</b>		<b>593,904</b>	<b>511,129</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3(a)	5,953	4,975
Trust funds and deposits	5.3(b)	1,630	1,197
Provisions	5.4	4,389	4,370
Interest-bearing loans and borrowings	5.5	1,120	1,121
<b>Total current liabilities</b>		<b>13,092</b>	<b>11,663</b>
<b>Non-current liabilities</b>			
Provisions	5.4	807	488
Interest-bearing loans and borrowings	5.5	10,007	11,127
<b>Total non-current liabilities</b>		<b>10,814</b>	<b>11,615</b>
<b>Total liabilities</b>		<b>23,906</b>	<b>23,278</b>
<b>Net assets</b>		<b>569,998</b>	<b>487,851</b>
<b>Equity</b>			
Accumulated surplus		180,888	161,446
Reserves	9.1	389,110	326,405
<b>Total Equity</b>		<b>569,998</b>	<b>487,851</b>

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

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

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2019</b>					
Balance at beginning of the financial year		487,851	161,446	318,159	8,246
Surplus/(deficit) for the year		22,056	22,056	-	-
Net asset revaluation increment/(decrement)		60,091	-	60,091	-
Transfers to other reserves		-	(7,220)	-	7,220
Transfers from other reserves		-	4,606	-	(4,606)
<b>Balance at end of the financial year</b>		<b>569,998</b>	<b>180,888</b>	<b>378,249</b>	<b>10,861</b>

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2018</b>					
Balance at beginning of the financial year		473,246	151,333	314,680	7,232
Surplus/(deficit) for the year		11,127	11,127	-	-
Net asset revaluation increment/(decrement)		3,478	-	3,478	-
Transfers to other reserves		-	(3,100)	-	3,100
Transfers from other reserves		-	2,086	-	(2,086)
<b>Balance at end of the financial year</b>		<b>487,851</b>	<b>161,446</b>	<b>318,159</b>	<b>8,246</b>

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

Statement of Cash Flows  
For the Year Ended 30 June 2019

		2019 Inflows/ (Outflows) \$'000	2018 Inflows/ (Outflows) \$'000
	Note		
<b>Cash flows from operating activities</b>			
Rates and charges		33,641	32,354
Statutory fees and fines		899	763
User fees (inclusive of GST)		3,083	3,072
Grants - operating		10,850	9,650
Grants - capital		3,594	3,983
Contributions - monetary		4,292	168
Interest received		673	479
Trust funds and deposits taken		704	732
Other receipts (inclusive of GST)		3,166	3,520
Net GST refund/payment		2,349	2,727
Employee costs		(19,737)	(18,227)
Materials and services (inclusive of GST)		(20,084)	(19,212)
Trust funds and deposits repaid		(271)	(271)
Other payments		(567)	(858)
<b>Net cash provided by operating activities</b>	9.2	<b>22,591</b>	<b>18,880</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	6.1	(15,621)	(11,664)
Proceeds from sale of property, infrastructure, plant and equipment		445	334
<b>Net cash (used in) investing activities</b>		<b>(15,176)</b>	<b>(11,330)</b>
<b>Cash flows from financing activities</b>			
Finance costs	4.5	(583)	(683)
Proceeds from borrowings		-	-
Repayment of borrowings		(1,121)	(1,364)
<b>Net cash (used in) financing activities</b>		<b>(1,703)</b>	<b>(2,047)</b>
Net increase (decrease) in cash and cash equivalents		5,711	5,503
Cash and cash equivalents at the beginning of the financial year		16,578	11,075
<b>Cash and cash equivalents at the end of the financial year</b>	5.1	<b>22,290</b>	<b>16,578</b>
Financing arrangements	5.8		
Restrictions on cash assets	5.1		

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

Statement of Capital Works  
For the Year Ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
<b>Property</b>			
Land		50	50
Buildings		227	431
<b>Total property</b>		<u>277</u>	<u>481</u>
<b>Plant and equipment</b>			
Plant, machinery and equipment		1,699	1,096
Computers and telecommunications		553	24
Library books		97	89
<b>Total plant and equipment</b>		<u>2,349</u>	<u>1,209</u>
<b>Infrastructure</b>			
Roads		7,866	6,545
Bridges		297	1,093
Footpaths and cycleways		1,425	723
Recreational, leisure and community facilities		3,251	1,371
Parks, open space and streetscapes		18	-
Other infrastructure		138	242
<b>Total infrastructure</b>		<u>12,995</u>	<u>9,974</u>
<b>Total capital works expenditure</b>		<u>15,621</u>	<u>11,664</u>
<b>Represented by:</b>			
New asset expenditure		2,938	2,695
Asset renewal expenditure		11,332	7,784
Asset upgrade expenditure		1,351	1,185
<b>Total capital works expenditure</b>		<u>15,621</u>	<u>11,664</u>

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

## OVERVIEW

### Introduction

Moorabool Shire Council was established by an Order of the Governor in Council on Friday, 6 May 1994 and is a body corporate. The Council's main office is located at 15 Stead Street, Ballan.

### Statement of Compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, 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 5.4 (a) )
- the determination of quarry restoration provisions (refer to note 5.4 (b) )

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.

### (b) 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.

Significant accounting policies (cont.)

**(c) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(d) Rounding**

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statements may not equate due to rounding.

**Note 1 Performance against budget**

The budget comparison note compares 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 \$1,000,000 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 27 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 revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

	Budget	Actual	Variance	Variance	
1.1 Income and Expenditure	2019	2019	2019	%	Ref
	\$'000	\$'000	\$'000		
<b>Income</b>					
Rates and charges	33,889	34,138	249	1%	
Statutory fees and fines	885	899	14	2%	
User fees	2,895	3,200	305	11%	1
Grants - operating	9,791	10,850	1,059	11%	2
Grants - capital	2,310	3,594	1,284	56%	3
Contributions - monetary	3,990	4,292	302	8%	
Contributions - non monetary	4,739	10,443	5,704	120%	4
Interest received	565	673	108	19%	5
Other income	990	3,130	2,140	216%	6
<b>Total Income</b>	<b>60,054</b>	<b>71,218</b>	<b>11,164</b>	<b>19%</b>	
<b>Expenses</b>					
Employee costs	(20,092)	(20,074)	18	(0%)	
Materials and services	(15,318)	(17,878)	(2,560)	17%	7
Depreciation and amortisation	(9,842)	(9,109)	733	(7%)	
Bad and doubtful debts	-	(9)	(9)	0%	
Borrowing costs	(785)	(583)	202	(26%)	8
Loss on disposal of property, infrastructure, plant and equip.	(1,573)	(952)	621	(39%)	9
Other expenses	(541)	(559)	(18)	3%	
<b>Total expenses</b>	<b>(48,151)</b>	<b>(49,162)</b>	<b>(1,011)</b>	<b>2%</b>	
<b>Surplus/(deficit) for the year</b>	<b>11,903</b>	<b>22,056</b>	<b>10,153</b>	<b>85%</b>	

*(Explanation of material variations on next page)*

Note 1 Performance against budget (cont.)

1.1.1 Explanation of material variations

Ref	Item	Explanation
1	User fees	The favourable variance is mainly due to significant growth in Subdivision Certification fees (\$169k), which reflects the increased development within the Shire. The other major favourable variance is an increase in Active Ageing and Community Access Brokerage services (\$130k).
2	Grants - operating	Operating grants have increased mainly due to Council receiving new or additional funding since the adoption of the budget. This includes; Grants Commission (\$227k), Youth Engagement Support Project (\$118k), Parwan Precinct Structure Plan (\$100k), Maternal and Child Health (\$77k), Mineral Springs Improvement Project (\$65k), Free From Violence Initiative (\$52k), and Roadside Weeds and Pest Management Program (\$36k).
3	Grants - capital	Capital grants are greater due to new funding received for projects that were not included in the adopted budget. Some of the larger ones include; Bacchus Marsh-Balliing Road (\$630k), Woolpack Road (\$291k), Gordon Netball Facilities Upgrade (\$225k), and E-Waste Sheds (\$129k).
4	Contributions - non monetary	The increase of \$5,704k relates to the significant level of growth in subdivision development within the Shire in 2018/19. Assets gifted to Council mainly relate to developments in Bacchus Marsh at Stonehill, Bellevue Tops and Underbank Estates. The larger value of assets handed over by developers include Land, Roads and Drainage.
5	Interest received	Greater than budget mainly due to a higher level of cash reserves on hand, which enabled Council to invest more in Term Deposits (\$66k) than what was originally budgeted. There is also an increase in interest on Rates and Garbage Charges (\$43k).
6	Other income	This favourable variance primarily relates to reimbursements for the Blackwood Localised Septic Program (\$1,070k). Council is conducting the work for this project with costs being reimbursed from the Central Highlands Regional Water Authority. Both the income and expenditure were not included in the original budget. Other increases relate to Wind Farm Dilapidation Deeds (\$96k), Workcover Reimbursements (\$77k), and Royalty Income (\$63k).
7	Materials and services	Unfavourable mainly due to costs incurred for the Blackwood Localised Septic Project (\$1,058k) and the Flood/Storm events of September 2016 and December 2018 (\$495k). Other significant variances include capital expenditure being transferred to operating expense (\$274k - relates to costs not deemed to be capital in nature), and the continuation/completion of Council approved new initiatives or grant funded projects from prior financial years.

Note 1 Performance against budget (cont.)

Ref	Item	Explanation
8	Borrowing costs	The favourable variance is due to the deferral of \$5.966 million in loan borrowings from the 2018/19 budget. These borrowings have been deferred to 2019/20 and has resulted in a saving of \$202k in interest repayments during the 2018/19 financial year.
9	Loss on disposal of property, infrastructure, plant and equip.	Favourable by \$621k mainly due to an overestimation in the budget for the Written Down Value of Infrastructure Assets replaced during the 2018/19 year. This mainly relates to a number of capital works jobs on Road Infrastructure assets being incomplete at year end.

Note 1 Performance against budget (cont.)

1.2 Capital Works	Budget	Actual	Variance	Variance	Ref
	2019	2019	2019	%	
	\$'000	\$'000	\$'000		
<b>Property</b>					
Land	-	50	50	0%	
Buildings	657	227	(430)	(65%)	1
<b>Total property</b>	<b>657</b>	<b>277</b>	<b>(380)</b>	<b>(58%)</b>	
<b>Plant and equipment</b>					
Plant, machinery and equipment	1,960	1,699	(261)	(13%)	2
Computers and telecommunications	529	553	24	5%	
Library books	105	97	(8)	(8%)	
<b>Total plant and equipment</b>	<b>2,594</b>	<b>2,349</b>	<b>(245)</b>	<b>(9%)</b>	
<b>Infrastructure</b>					
Roads	9,019	7,866	(1,153)	(13%)	3
Bridges	326	297	(29)	(9%)	
Footpaths and cycleways	638	1,425	787	123%	4
Recreational, leisure and community facilities	5,779	3,251	(2,528)	(44%)	5
Parks, open space and streetscapes	18	18	-	0%	
Other infrastructure	20	138	118	590%	6
<b>Total infrastructure</b>	<b>15,800</b>	<b>12,994</b>	<b>(2,806)</b>	<b>(18%)</b>	
<b>Total capital works expenditure</b>	<b>19,051</b>	<b>15,621</b>	<b>(3,430)</b>	<b>(18%)</b>	
<b>Represented by:</b>					
New asset expenditure	7,369	2,938	(4,431)	(60%)	
Asset renewal expenditure	10,602	11,332	730	7%	
Asset upgrade expenditure	1,081	1,351	270	25%	
<b>Total capital works expenditure</b>	<b>19,051</b>	<b>15,621</b>	<b>(3,430)</b>	<b>(18%)</b>	

(Explanation of material variations on next page)

Note 1 Performance against budget (cont.)

1.2.1 Explanation of material variations

Ref	Item	Explanation
1	Buildings	Capital expenditure on buildings was \$430k less than budget due to some projects being incomplete at year end and will be completed during the 2019/20 financial year. These include; Ballan Depot Relocation and LED Lighting Upgrade to Council Offices (design phase has been completed and installation works are forecast to begin in December 2019).
2	Plant, machinery and equipment	Actual expenditure was less than budget by \$261k, due to the deferral of a number of large plant purchases to the 2019/20 year.
3	Roads	Actual expenditure was less than budget by \$1,153k due to some projects being incomplete at year end and will be completed in the 2019/20 financial year. Reasons for the hold-up in works include unfavourable weather conditions and traffic volumes. These projects include; McCormack's Road Roundabout, Werribee Vale Road, and Woolpack Road.
4	Footpaths and cycleways	Overall capital spend on footpaths was \$787k greater than budget mainly due to works carried over from 2017/18. These include; Inglis Street, Ballan and Bacchus Marsh Road Bus Bay.
5	Recreational, leisure and community facilities	Actual spend was less than budget by \$2,528k due to some larger projects being incomplete at year end. These projects include; Bacchus Marsh Racecourse and Recreation Reserve, Darley Park Oval Lighting and Maddingley Park Tennis Courts. The Bacchus Marsh Racecourse and Recreation Reserve is a major project that will continue over a number of financial years.
6	Other infrastructure	Greater than budget by \$118k due to the completion a new portable toilet (Marveloo). This was a project carried over from 2017/18.

**Note 2 Analysis of Council results by program**

2.1 (a) Council delivers its functions and activities through the following programs.

**CEO's Office & Governance**

CEO Office & Governance is responsible for providing strategic and operational services to business units and to the Council as a whole. This division includes:

CEO Office	Finance and Corporate Services
People and Culture	Procurement and Contracts
Governance	Communication and Public Affairs

**Community Development**

Community Development provides a diverse range of high quality services to meet the needs of families with children from birth to old age. This division includes:

Family, Youth and Children's Services	Libraries and Education Services
Aged & Disability Services	Recreation and Leisure

**Community Planning**

Community Planning is responsible for planning and delivery of major festivals and events as well as the development, implementation and management of strategies and programs. This division includes:

Strategic and Sustainable Department	Community Safety
Information Services	Environmental Health
Planning and Building	Emergency Management

**Community Assets & Infrastructure**

Community Assets & Infrastructure facilitates the provision of suitable community buildings for the delivery of services and fulfil the requirements of the community now and into the future. This division includes:

Assets	Capital Works
Operations	Engineering Services
Waste Management	

Note 2 Analysis of Council results by program (cont.)

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

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2019</b>					
CEO's Office & Governance	41,843	4,516	37,327	(6,842)	54,562
Community Development	4,990	9,775	(4,786)	(3,430)	118,093
Community Planning	3,750	10,064	(6,314)	(645)	121,578
Community Assets & Infrastructure	20,635	24,806	(4,171)	(3,527)	299,670
	<b>71,218</b>	<b>49,162</b>	<b>22,056</b>	<b>(14,443)</b>	<b>593,904</b>
	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2018</b>					
CEO's Office & Governance	35,489	4,427	31,061	(6,346)	47,578
Community Development	4,288	9,596	(5,308)	(2,980)	103,127
Community Planning	3,545	9,406	(5,861)	(446)	101,078
Community Assets & Infrastructure	15,367	24,133	(8,766)	(3,861)	259,346
	<b>58,689</b>	<b>47,562</b>	<b>11,127</b>	<b>(13,633)</b>	<b>511,129</b>

\*Assets have been attributed to functions/activities based on the control and/or custodianship of specific assets.

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 the market value of the land and all improvements to that land as assessed by a Council appointed valuer.

The valuation base used to calculate general rates for 2018/2019 was \$7.095 million (2017/2018: \$6,308 million).

General Rates	29,024	27,662
Waste / Garbage Charges	4,592	4,256
Supplementary rates and rate adjustments	522	441
<b>Total rates and charges</b>	<b>34,138</b>	<b>32,359</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 01 June 2019 and the valuation was first applied in the rating year commencing 01 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**

Infringements and costs	237	176
Court recoveries	-	7
Town planning fees	536	498
Land information certificates	36	44
Permits	88	37
Freedom of Information	1	1
<b>Total statutory fees and fines</b>	<b>899</b>	<b>763</b>

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

2019  
\$'000

2018  
\$'000

**Note3 Funding for the delivery of our services (Cont.)**

**3.3 User fees**

Aged and health services	748	687
Leisure centre and recreation	232	194
Child care/children's programs	70	67
Registrations and other permits	858	677
Building services	694	396
Waste management services	474	402
Other fees and charges	125	114
<b>Total user fees</b>	<b>3,200</b>	<b>2,536</b>

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

**3.4 Funding from other levels of government**

Grants were received in respect of the following :

**Summary of grants**

Commonwealth funded grants	8,812	9,661
State funded grants	5,502	3,862
Others	129	110
<b>Total grants received</b>	<b>14,443</b>	<b>13,633</b>

**(a) Operating Grants**

**Recurrent - Commonwealth Government**

Victoria Grants Commission	6,717	6,263
Commonwealth Home Support Program	1,569	1,641

**Recurrent - State Government**

Aged care	311	167
School crossing supervisors	111	111
Libraries	264	259
Maternal and child health	652	535
Other	158	293
<b>Total recurrent operating grants</b>	<b>9,782</b>	<b>9,270</b>

	2019 \$'000	2018 \$'000
<b>Note 3 Funding for the delivery of our services (Cont.)</b>		
<b>Non-recurrent - State Government</b>		
Emergency management	135	135
Valuations	76	-
Strategic planning and tourism	130	31
Families and youth	271	17
Environment and health	187	66
Community development	95	3
Disability access	175	128
<b>Total non-recurrent operating grants</b>	<b>1,068</b>	<b>380</b>
<b>Total operating grants</b>	<b>10,850</b>	<b>9,650</b>
<b>(b) Capital Grants</b>		
<b>Recurrent - Commonwealth Government</b>		
Roads to recovery	526	1,757
<b>Total recurrent capital grants</b>	<b>526</b>	<b>1,757</b>
<b>Non-recurrent - State Government</b>		
Community and recreational facilities	1,079	681
Local roads	1,860	1,435
<b>Non-recurrent - Other sources</b>		
Sundry capital grants	129	110
<b>Total non-recurrent capital grants</b>	<b>3,068</b>	<b>2,226</b>
<b>Total capital grants</b>	<b>3,594</b>	<b>3,983</b>

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

2019  
\$'000

2018  
\$'000

**Note 3 Funding for the delivery of our services (cont.)**

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

Balance at start of year	422	100
Received during the financial year and remain unspent at balance date	588	1,331
Received in prior years and spent during the financial year	(111)	(1,009)
Balance at year end	<u>899</u>	<u>422</u>

**3.5 Contributions**

Monetary	4,292	168
Non-monetary	10,443	5,500
<b>Total contributions</b>	<u>14,735</u>	<u>5,668</u>

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

Land	3,063	664
Buildings	204	-
Infrastructure	7,175	4,835
<b>Total non-monetary contributions</b>	<u>10,443</u>	<u>5,500</u>

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

**3.6 Net loss on disposal of property, infrastructure, plant and equipment**

Proceeds of sale	445	334
Written down value of assets disposed	(1,396)	(1,730)
<b>Total net loss on disposal of property, infrastructure, plant and equipment</b>	<u>(952)</u>	<u>(1,396)</u>

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

	2019	2018
	\$'000	\$'000

**Note 3 Funding for the delivery of our services (cont.)**

**3.7 Other income**

Interest	673	479
Reimbursements, rebates and recoveries	2,273	2,398
Recycling income	47	161
Other rent	174	161
Royalties	118	15
Peri-Urban contributions	75	90
Insurance claims	6	6
Sales	61	58
Other	377	362
<b>Total other income</b>	<b>3,803</b>	<b>3,730</b>

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

*Interest*

Interest is recognised as it is earned.

*Dividends*

Dividend revenue is recognised when the Council's right to receive

*Other Income*

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.

**Note 4 The cost of delivering services**

**4.1 (a) Employee costs**

Wages and salaries	17,387	15,961
WorkCover	381	372
Casual staff	695	651
Superannuation	1,589	1,478
Fringe benefits tax	22	2
<b>Total employee costs</b>	<b>20,074</b>	<b>18,464</b>

**(b) Superannuation**

Council made contributions to the following funds:

**Defined benefit fund**

Employer contributions to Local Authorities Superannuation Fund (Vision Super) at 9.5%	62	85
--	----	----

Employer contributions payable at reporting date	-	-
--	---	---

	2019	2018
	\$'000	\$'000

**Note 4 The cost of delivering services (cont.)**

**Accumulation funds**

Employer contributions to Local Authorities Superannuation Fund (Vision Super) at 9.5%

862                      872

Employer contributions to other funds at 9.5%

705                      558

1,567                      1,430

Employer contributions payable at reporting date

-                              -

Refer to note 9.3 for further information relating to Council's super obligations.

**4.2 Materials and services**

Materials and services

3,139                      2,936

Contract payments

7,910                      7,768

Building maintenance

547                        545

General maintenance

1,017                      1,245

Utilities

708                        584

Office administration

664                        613

Information technology

1,253                      827

Insurance

571                        535

Consultants

1,104                      1,499

Agency staff

232                        291

Community grants and advances

731                        698

**Total materials and services**

17,878                      17,541

**4.3 Depreciation and amortisation**

Property

814                        817

Plant and equipment

1,070                      967

Infrastructure

7,225                      6,841

**Total depreciation and amortisation**

9,109                      8,625

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

**4.4 Bad and doubtful debts**

Parking fine debtors

1                            13

Other debtors

8                            143

**Total bad and doubtful debts**

9                            156

	2019	2018
	\$'000	\$'000

**Note 4 The cost of delivering services (cont.)**

**Movement in provisions for doubtful debts**

Balance at the beginning of the year	106	51
New provisions recognised during the year	75	80
Amounts already provided for and written off as uncollectible	(85)	(25)
Amounts provided for but recovered during the year	-	-
Balance at end of year	<u>96</u>	<u>106</u>

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

**4.5 Borrowing costs**

Interest - Borrowings	583	683
<b>Total borrowing costs</b>	<u>583</u>	<u>683</u>

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

Borrowing costs include interest on bank overdrafts, interest on borrowings and finance lease charges.

**4.6 Other expenses**

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	48	45
Auditors' remuneration - Internal	40	33
Auditors' remuneration - Other	2	2
Councillors' allowances	249	246
Operating lease rentals	83	257
Bank fees	53	54
Other	83	60
<b>Total other expenses</b>	<u>559</u>	<u>697</u>

2019  
\$'000

2018  
\$'000

**Note 5 Our financial position**

**5.1 Financial assets**

**(a) Cash and cash equivalents**

Cash on hand	3	3
Cash at bank	6,287	8,576
Term deposits	16,000	8,000
<b>Total cash and cash equivalents</b>	<b>22,290</b>	<b>16,578</b>

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

- Trust funds and deposits (Note 5.3b)	1,630	1,197
- Statutory reserves (Note 9.1)	1,643	1,863
Total restricted funds	3,274	3,060
<b>Total unrestricted cash and cash equivalents</b>	<b>19,016</b>	<b>13,518</b>

**Intended allocations**

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

- Cash held to fund carried forward capital works and projects	6,050	4,365
- Recreation facilities reserve	583	818
Total funds subject to intended allocations	6,633	5,183

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, being market value, at balance date. Term deposits are measured at amortised cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

**(b) Trade and other receivables**

**Current**

*Statutory receivables*

Rates debtors	3,723	3,168
Special rate assessment	39	38
Infringement debtors	335	279
Provision for doubtful debts - infringements	(50)	(46)
Net GST receivable	634	514

*Non-statutory receivables*

Other debtors	1,536	970
Provision for doubtful debts - other debtors	(47)	(60)
<b>Total current trade and other receivables</b>	<b>6,171</b>	<b>4,864</b>



	2019	2018
	\$'000	\$'000

**Note 5 Our financial position (cont.)**

**5.2 Non-financial assets**

**(a) Inventories**

Inventories held for distribution	30	18
<b>Total inventories</b>	<b>30</b>	<b>18</b>

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

**(b) Other assets**

Prepayments	216	185
Accrued income	947	823
<b>Total other assets</b>	<b>1,163</b>	<b>1,008</b>

**5.3 Payables**

**(a) Trade and other payables**

Trade payables	1,462	2,256
Accrued expenses	4,491	2,718
<b>Total trade and other payables</b>	<b>5,953</b>	<b>4,975</b>

**(b) Trust funds and deposits**

Refundable building deposits	1,327	931
Refundable contract deposits	12	12
Refundable civic facilities deposits	29	13
Retention amounts	44	60
Fire services levy	61	21
Other refundable deposits	156	159
<b>Total trust funds and deposits</b>	<b>1,630</b>	<b>1,197</b>

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

**Note 5 Our financial position (cont.)**

*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 Provisions**

	Quarry restoration \$ '000	Employee \$ '000	Total \$ '000
<b>2019</b>			
Balance at beginning of the financial year	248	4,611	4,859
Additional provisions	4	2,555	2,559
Amounts used	-	(2,222)	(2,222)
Balance at the end of the financial year	252	4,944	5,196
<b>2018</b>			
Balance at beginning of the financial year	243	4,379	4,622
Additional provisions	5	2,071	2,075
Amounts used	-	(1,839)	(1,839)
Balance at the end of the financial year	248	4,611	4,859

	2019 \$'000	2018 \$'000
<b>(a) Employee provisions</b>		
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	1,074	1,083
Long service leave	289	260
Rostered days off / Time in lieu	175	169
	1,538	1,512
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	-	271
Long service leave	2,600	2,340
	2,600	2,611
<b>Total current employee provisions</b>	<b>4,138</b>	<b>4,123</b>

	2019 \$'000	2018 \$'000
<b>Note 5 Our financial position (cont.)</b>		
<b>Non-current</b>		
Long service leave	492	488
Annual leave	315	-
<b>Total non-current employee provisions</b>	<b>807</b>	<b>488</b>
<b>Aggregate carrying amount of employee provisions:</b>		
Current	4,138	4,123
Non-current	807	488
<b>Total aggregate carrying amount of employee provisions:</b>	<b>4,944</b>	<b>4,611</b>

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.

Current Liability - unconditional LSL is disclosed as a current liability even when the Council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at :

- present value - component that is not expected to be wholly settled within 12 months.
- nominal value - component that is expected to be wholly settled within 12 months.

Non-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. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

Key assumptions:

- discount rate (12 Years average)	1.32%	2.36%
- inflation rate	4.31%	3.88%

	2019 \$'000	2018 \$'000
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**Note 5 Our financial position (cont.)**

*Retirement Gratuity*

Retirement gratuities were provided to certain employees who were employed by the former Shire of Bacchus Marsh. The liability represents a set proportion of accumulated sick leave that is payable on retirement. At balance date, the liability is measured at the nominal value of 14 March 1996.

**(b) Quarry restoration**

Current	252	248
Non-current	-	-
	<u>252</u>	<u>248</u>

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

Key assumptions:

- inflation rate	1.60%	1.90%
- estimated cost to rehabilitate	252	248

**5.5 Interest-bearing loans and borrowings**

<b>Current</b>		
Borrowings - Secured	1,120	1,121
<b>Non-current</b>		
Borrowings - Secured	10,007	11,127
	<u>10,007</u>	<u>11,128</u>
<b>Total interest-bearing loans and borrowings</b>	<u>11,127</u>	<u>12,248</u>

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

Not later than one year	1,120	1,121
Later than one year and not later than five years	5,531	6,651
Later than five years	4,476	4,476
	<u>11,127</u>	<u>12,248</u>

	2019	2018
	\$'000	\$'000

**Note 5 Our financial position (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.

Borrowings are secured by a charge against rate revenue.

**5.6 Financing arrangements**

The Council has the following funding arrangements in place as at 30th June 2019.

Bank overdraft	750	750
Credit card facilities	200	200
<b>Total facilities</b>	<b>950</b>	<b>950</b>
Used facilities	30	-
Unused facilities	920	950

Note 5 Our financial position (cont.)

5.7 Commitments

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

2019	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>Operating</b>					
Waste collection	4,006	4,086	8,419	-	16,511
Septic program	359	-	-	-	359
Leisure facilities	99	-	-	-	99
Maintenance services	553	328	342	-	1,223
Financial and organisational services	626	569	273	-	1,468
<b>Total</b>	<b>5,643</b>	<b>4,983</b>	<b>9,034</b>	<b>-</b>	<b>19,660</b>
<b>Capital</b>					
Roads	2,669	-	-	-	2,669
Footpaths and cycleways	2	-	-	-	2
Recreational, leisure and community	3,177	-	-	-	3,177
<b>Total</b>	<b>5,848</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,848</b>
<b>Total</b>	<b>11,491</b>	<b>4,983</b>	<b>9,034</b>	<b>-</b>	<b>25,508</b>

Note 5 Our financial position (cont.)

5.7 Commitments (Continued)

2018	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>Operating</b>					
Waste collection	2,794	-	-	-	2,794
Sceptic program	387	-	-	-	387
Leisure facilities	186	186	-	-	372
Maintenance services	362	84	-	-	446
Financial and organisational services	149	119	124	-	393
<b>Total</b>	<b>3,878</b>	<b>389</b>	<b>124</b>	<b>-</b>	<b>4,392</b>
<b>Capital</b>					
Roads	1,310	-	-	-	1,310
Footpaths and cycleways	870	-	-	-	870
Recreational, leisure and community	577	-	-	-	577
<b>Total</b>	<b>2,757</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,757</b>
<b>Total</b>	<b>6,635</b>	<b>389</b>	<b>124</b>	<b>-</b>	<b>7,149</b>

**Operating lease commitments**

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

Not later than one year	51	62
Later than one year and not later than five years	79	130
Later than five years	-	-
	<u>130</u>	<u>192</u>

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.

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	Acquisitions	Contributions	Revaluation	Depreciation	Disposal	Transfers	At Fair Value 30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	46,515	-	3,063	-	-	(7)	-	49,571
Buildings	27,897	63	204	-	(814)	(44)	110	27,416
Plant and Equipment	5,227	2,339	-	-	(1,070)	(357)	-	6,140
Infrastructure	401,411	3,004	7,175	60,091	(7,225)	(610)	4,157	468,004
Work in progress	7,466	10,215	-	-	-	(379)	(4,267)	13,035
<b>Total</b>	<b>488,516</b>	<b>15,621</b>	<b>10,443</b>	<b>60,091</b>	<b>(9,109)</b>	<b>(1,396)</b>	<b>-</b>	<b>564,165</b>

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	1,081	415	(110)	(379)	1,007
Infrastructure	6,385	9,800	(4,157)	-	12,028
<b>Total</b>	<b>7,466</b>	<b>10,215</b>	<b>(4,267)</b>	<b>(379)</b>	<b>13,035</b>

Note 5 Assets we manage (Cont.)

(a) Property	Land - specialised \$'000	Land - non specialised \$'000	Land improvements \$'000	Total Land \$'000	Heritage Buildings \$'000	Buildings - specialised \$'000	Buildings - non specialised \$'000	Total Buildings \$'000	Work in Progress \$'000	Total Property \$'000
At fair value 1 July 2018	2,513	44,002	-	46,515	-	31,095	14,498	45,593	1,081	93,190
Accumulated depreciation at 1 July 2018	-	-	-	-	-	(16,873)	(825)	(17,698)	-	(17,698)
	2,513	44,002	-	46,515	-	14,224	13,673	27,897	1,081	75,492
<b>Movements in fair value</b>										
Acquisition of assets at fair value	-	-	-	-	-	63	-	63	415	478
Contributed assets	588	2,475	-	3,063	-	204	-	204	-	3,267
Revaluation increments/decrements	-	-	-	-	-	-	-	-	-	-
Fair value of assets disposed	(7)	-	-	(7)	-	(55)	-	(55)	(379)	(441)
Transfers	-	-	-	-	-	110	-	110	(110)	-
	581	2,475	-	3,056	-	322	-	322	(74)	3,304
<b>Movements in accumulated depreciation</b>										
Depreciation and amortisation	-	-	-	-	-	(522)	(292)	(814)	-	(814)
Revaluation increments/decrements	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	-	11	-	11	-	11
Transfers	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	(510)	(292)	(803)	-	(803)
At fair value 30 June 2019	3,094	46,477	-	49,571	-	31,418	14,498	45,916	1,006	96,494
Accumulated depreciation at 30 June 2019	-	-	-	-	-	(17,383)	(1,118)	(18,501)	-	(18,501)
	3,094	46,477	-	49,571	-	14,035	13,381	27,416	1,006	77,993

Note 6 Assets we manage (Cont.)

(b) Plant and Equipment

	Plant, machinery and equipment	Computers and telecomm	Library books	Work in Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	8,541	345	568	-	9,474
Accumulated depreciation at 1 July 2018	(3,706)	(246)	(295)	-	(4,248)
	4,835	99	293	-	5,227
<b>Movements in fair value</b>					
Acquisition of assets at fair value	1,699	543	97	-	2,339
Contributed assets	-	-	-	-	-
Revaluation increments/decrements	-	-	-	-	-
Fair value of assets disposed	(1,113)	(81)	(100)	-	(1,294)
Transfers	-	-	-	-	-
	566	462	(3)	-	1,045
<b>Movements in accumulated depreciation</b>					
Depreciation and amortisation	(885)	(126)	(58)	-	(1,070)
Accumulated depreciation of disposals	767	81	90	-	938
Transfers	-	-	-	-	-
	(119)	(45)	32	-	(132)
At fair value 30 June 2019	9,127	807	585	-	10,519
Accumulated depreciation at 30 June 2019	(3,825)	(292)	(263)	-	(4,380)
	5,303	516	321	-	6,140

Note 6 Assets we manage (Cont.)

(c) Infrastructure

	Roads	Bridges	Footpaths and cyceways	Drainage	Recreational, leisure and community	Waste Management	Parks open spaces and streepscapes	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	349,013	37,182	18,947	76,109	2,962	-	4,547	2,133	6,385	497,278
Accumulated depreciation at 1 July 2018	(53,889)	(6,276)	(8,324)	(18,253)	(1,417)	-	(808)	(515)	-	(89,481)
	295,123	30,906	10,623	57,856	1,545	-	3,740	1,618	6,385	407,797
<b>Movements in fair value</b>										
Acquisition of assets at fair value	2,226	249	266	141	(328)	-	449	-	9,800	12,804
Contributed assets	2,581	544	1,020	2,711	-	-	220	-	-	7,175
Revaluation increments/decrements	33,274	-	1,863	19,445	-	-	-	-	-	54,562
Fair value of assets disposed	(197)	(342)	(7)	(150)	-	-	(4)	-	-	(701)
Transfers	2,808	901	-	110	338	-	-	-	(4,157)	-
	40,692	1,452	3,142	22,256	10	-	665	-	5,643	73,860
<b>Movements in accumulated depreciation</b>										
Depreciation and amortisation	(5,033)	(531)	(443)	(779)	(148)	-	(207)	(83)	-	(7,225)
Revaluation increments/decrements	8,579	-	(7)	(3,063)	-	-	-	-	-	5,509
Accumulated depreciation of disposals	15	60	4	13	-	-	-	-	-	91
Transfers	-	-	-	-	-	-	-	-	-	-
	3,561	(472)	(446)	(3,830)	(148)	-	(207)	(83)	-	(1,624)
At fair value 30 June 2019	389,704	38,634	22,089	98,365	2,973	-	5,212	2,133	12,029	571,138
Accumulated depreciation at 30 June 2019	(50,328)	(6,747)	(8,770)	(22,083)	(1,565)	-	(1,015)	(598)	-	(91,106)
	339,377	31,887	13,319	76,282	1,408	-	4,197	1,535	12,029	480,033

**Note 6 Assets we manage (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.

<i>Asset recognition thresholds and depreciation</i>	<b>Depreciation Period</b>	<b>Threshold Limit \$'000</b>
<b>Property</b>		
Land	-	5
Land improvements	-	5
<b>Buildings</b>		
Buildings	50-80 years	5
<b>Plant and Equipment</b>		
Plant, machinery and equipment	5-10 years	5
Fixtures, fittings and furniture	3-10 years	5
Computers and telecommunications	1-5 years	5
Library books	10 years	n/a
<b>Infrastructure</b>		
Roads		
- Formation and earthworks	-	5
- Pavement and seals	20-80 years	5
- Substructure	15-30 years	5
- Road kerb, channel and minor culverts	40-70 years	5
Footpaths and cycleways	10-50 years	5
Drainage	25-100 years	5
Bridges		
- Bridges deck	80 years	5
- Bridges substructure	80 years	5
- Major culverts	80 years	5
Recreational, leisure and community facilities	15-40 years	5
Parks, open space and streetscapes	20-100 years	5

**Note 6 Assets we manage (Cont.)**

**Land under roads**

Council recognises land under roads it controls at fair value. Council does not recognise land under roads that it controlled prior to 1 July 2008 in its financial report.

**Depreciation and amortisation**

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

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

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

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

**Repairs and maintenance**

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

**Valuation of land and buildings**

Valuation of land and buildings were undertaken by a qualified independent valuer (Preston Rowe Paterson (Warrnambool) Pty. Ltd.). The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

**Note 6 Assets we manage (Cont.)**

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

The date of the current valuation is detailed in the following table.

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

	Level 1	Level 2	Level 3	Valuation Date
Land	-	46,477	-	30/06/2018
Specialised land	-	-	3,094	30/06/2018
Buildings	-	13,381	14,035	30/06/2018
<b>Total</b>	<b>-</b>	<b>59,858</b>	<b>17,129</b>	

**Valuation of infrastructure**

Valuation of infrastructure assets has been determined in accordance with valuations undertaken by Council staff and expert contractors. 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	Level 2	Level 3	Valuation Date
Roads	-	-	339,377	30/06/2019
Bridges	-	-	31,887	30/06/2016
Footpaths and cycleways	-	-	13,319	30/06/2019
Drainage	-	-	76,282	30/06/2019
Recreational, leisure and community facilities	-	-	1,408	30/06/2018
Parks, open space and streetscapes	-	-	4,197	30/06/2018
Other infrastructure	-	-	1,535	30/06/2018
<b>Total</b>	<b>-</b>	<b>-</b>	<b>468,005</b>	

Note 6 Assets we manage (Cont.)

*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 \$27 per square metre.

**Specialised buildings** are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$1,500 to \$3,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 6 years to 75 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

**Infrastructure assets** are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 1 year to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2019	2018
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	3,094	2,513
<b>Total specialised land</b>	<b>3,094</b>	<b>2,513</b>

**Note 7 People and relationships**

7.1 Council and Key Management Personnel	2019 No.	2018 No.
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**(a) 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 Paul Tatchell (Mayor)  
Councillor Tonia Dudzik  
Councillor David Edwards  
Councillor Tom Sullivan  
Councillor Pat Toohey  
Councillor John Keogh  
Councillor Jarrod Bingham

**Chief Executive Officer and other Key Management Personnel**

Robert Croxford - Chief Executive Officer (up to 19/10/2018)  
Derek Madden - Chief Executive Officer (since 29/10/2018)  
Philip Jeffrey - General Manager Community Assets and Infrastructure  
Sally Jones - General Manager Community Development (since 03/06/2019)  
Satwinder Singh Sandhu - General Manager Community Planning  
Danny Colgan - General Manager Community Development

Total Number of Councillors	7	7
Total of Chief Executive Officer and other Key Management Personnel	6	4
Total Number of Key Management Personnel	13	11

(b) Remuneration of Key Management Personnel	2019 \$'000	2018 \$'000
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Total remuneration of key management personnel was as follows:

Short-term benefits	1,334	1,071
Long-term benefits (Long Service Leave and Annual Leave accruals in the current reporting period)	79	22
Termination benefits	204	-
<b>Total</b>	1,617	1,093

**Note 7 People and relationships (Cont.)**

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

	2019	2018
Income Range:	No.	No.
\$20,000 - \$29,999	6	5
\$40,000 - \$49,999	-	1
\$60,000 - \$69,999	-	1
\$80,000 - \$89,999	1	-
\$180,000 - \$189,999	-	2
\$190,000 - \$199,999	1	1
\$200,000 - \$209,999	1	-
\$210,000 - \$219,999	2	-
\$250,000 - \$259,999	1	1
\$260,000 - \$269,999	1	-
	13	11

**(c) 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 (2018 - \$145,000)

The number of Senior Officers, other than the Responsible Persons, are shown below in their relevant income bands:

	2019	2018
Income Range:	No.	No.
\$150,000 - \$159,999	2	1
\$160,000 - \$169,999	1	1
	3	2
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	468	299

**Note 7 People and relationships (Cont.)**

**7.2 Related party disclosure**

**(a) Transactions with related parties**

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

Responsible Person / Related Party	2019 \$'000	2018 \$'000
Helen Tatchell - The Moorabool News (Ballan News Pty Ltd)		
- Payment for Moorabool News subscription and advertising *	37	34
Tonia Dudzik - Bacchus Marsh Community Radio		
- Income on lease of Building to Bacchus Marsh Community Radio **	5	6
- Payment for Community training workshop	4	3

\* Moorabool Shire utilises services provided by the Moorabool News Pty Ltd. A public sector tender process was undertaken for the provision of media services and a contract is in place between the two entities. All transactions entered into between the two entities are in accordance with the terms and conditions of the contract.

\*\* Moorabool Shire Council has a contract in place with Bacchus Marsh Community Radio for the lease of office space at the Darley Civic and Community Hub. The lease has been provided as per the terms of the original agreement when the building was purchased by Council. The lease is for a term of 3 years with an option to renew for a further 2 years.

**(b) Outstanding balances with related parties**

There was no outstanding balance with related parties at balance date.

**(c) Loans to/from related parties**

No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year.

**(d) Commitments to/from related parties**

There were no commitments in existence at balance date that have been made, guaranteed or secured by the Council to/from a related party.

**Note 8 Managing uncertainties**

**8.1 Contingent assets and liabilities**

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively. Please refer to Note 8.1

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of note and presented inclusive of the GST payable.

**(a) Contingent assets**

Infrastructure assets from new subdivisions (constructed by developers) expected to be accounted for by Council in 2019/2020 total \$4.858 million (actual 2018/2019 \$10.443 million).

**Operating lease receivables**

The Council has entered into commercial property leases on its investment property. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. Most leases include a CPI based revision of the rental charge annually.

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.

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

	2019	2018
	\$'000	\$'000
Not later than one year	190	171
Later than one year and not later than five years	372	411
Later than five years	531	528
	<u>1,093</u>	<u>1,110</u>

**Guarantees for loans to other entities**

Council has a bank guarantee to the value of \$15,000 in favour of the Department of Environment and Primary Industries. This guarantee is for an extractive mining licence in relation to the Allen's Gravel Pit.

**(b) Contingent liabilities**

**Superannuation**

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 9.3. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

**Note 8 Managing uncertainties (Cont.)**

*Future superannuation contributions*

In addition to the disclosed contributions, Council has paid unfunded liability payments to Vision Super totalling \$61,831 (2017/18 \$60,168). 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 are \$63,000.

**(c) Financial guarantees**

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 8.1 Contingent Liabilities and Contingent Assets.

**(d) Building Cladding**

Council has not identified any potential contingents that may exist in relation to rectification works or other matters associated with building cladding.

**Note 8 Managing uncertainties (Cont.)**

**8.2 Change in accounting standards**

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

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

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

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

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

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

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

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements, Council expects that the transition to the new standard will see the initial recognition of \$94,997 in lease related assets and an equivalent liability.

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

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

Note 8 Managing uncertainties (Cont.)

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 our financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

**Interest rate risk**

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

- diversification of investment product,
- monitoring of return on investment,
- 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.

**Note 8: Managing uncertainties (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 loans and receivables from sporting clubs and associations. To help manage this risk:

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

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we 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 our operational liquidity requirements we will not have sufficient funds to settle a transaction when required or we 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 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 in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1, 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 5.5.

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

**Note 8 Managing uncertainties (Cont.)**

**(f) 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% and -1% in market interest rates (AUD) from year-end rates of 2.5%.

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

**8.4 Fair value measurement**

*Fair value hierarchy*

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

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

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

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

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

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

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

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

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

**Note 8 Managing uncertainties (Cont.)**

*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 on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 6 Property, infrastructure, plant and equipment, and infrastructure.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis up to every 5 years. The valuation is performed either by experienced Council officers or independent experts.

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

*Impairment of assets*

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

**8.5 Events occurring after balance date**

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

Note 9 Other matters

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
<b>9.1 Reserves</b>			
<b>(a) Asset revaluation reserves</b>			
<b>2019</b>			
<b>Property</b>			
Land	26,482	-	26,482
Land under roads	447	-	447
Buildings	603	-	603
	<u>27,531</u>	<u>-</u>	<u>27,531</u>
<b>Infrastructure</b>			
Roads	239,955	38,810	278,766
Bridges	18,063	-	18,063
Drainage	27,483	16,382	43,865
Recreation, leisure and community facilities	5,065	2,169	7,234
Kerb & channel	62	2,730	2,791
	<u>290,627</u>	<u>60,091</u>	<u>350,718</u>
<b>Total Asset revaluation reserves</b>	<u><b>318,159</b></u>	<u><b>60,091</b></u>	<u><b>378,249</b></u>
<b>2018</b>			
<b>Property</b>			
Land	24,859	1,622	26,482
Land under roads	258	189	447
Buildings	611	(8)	603
	<u>25,728</u>	<u>1,803</u>	<u>27,531</u>
<b>Infrastructure</b>			
Roads	239,955	-	239,955
Bridges	18,063	-	18,063
Drainage	27,483	-	27,483
Recreation, leisure and community facilities	3,390	1,675	5,065
Kerb & channel	62	-	62
	<u>288,952</u>	<u>1,675</u>	<u>290,627</u>
<b>Total Asset revaluation reserves</b>	<u><b>314,680</b></u>	<u><b>3,478</b></u>	<u><b>318,159</b></u>

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

Note 9 Other matters (Cont.)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
<b>(b) Other reserves</b>				
<b>2019</b>				
Car park reserve	78	15	-	93
Recreation facilities	818	136	(371)	583
Industrial estate	1,631	-	-	1,631
Social infrastructure reserve	6	-	(6)	-
Storm water management	73	-	-	73
Closed landfill	817	100	(99)	818
Defined benefits	318	73	-	392
Community seed funding	270	73	(4)	339
Capital works contributions reserve	14	-	-	14
Developer contribution reserve	880	4,101	(4,101)	880
LGFV Loan repayment reserve	3,342	2,560	-	5,902
Maddingley brown coal reserve	-	66	-	66
Wind farm dilapidation deeds reserve	-	96	(25)	71
<b>Total statutory and other reserves</b>	<b>8,246</b>	<b>7,220</b>	<b>(4,606)</b>	<b>10,861</b>
<b>2018</b>				
Car park reserve	43	35	-	78
Recreation facilities	857	133	(172)	818
Development works	1,755	-	(1,755)	-
Industrial estate	-	1,631	-	1,631
Social infrastructure reserve	18	-	(12)	6
Storm water management	73	-	-	73
Closed landfill	728	130	(41)	817
Defined benefits	248	70	-	318
Community seed funding	199	70	-	270
Capital works contributions reserve	14	-	-	14
Developer contribution reserve	987	-	(106)	880
LGFV Loan repayment reserve	2,311	1,031	-	3,342
<b>Total statutory and other reserves</b>	<b>7,232</b>	<b>3,100</b>	<b>(2,086)</b>	<b>8,246</b>

**Note 9 Other matters (Cont.)**

Car park reserve

The purpose of this reserve is to provide improved parking facilities in urban areas.

Recreation facilities reserve

The purpose of this reserve is to provide funding for recreational facilities. Funded from developer contributions this reserve requires that recreation facilities be established within the proximity of the relevant new subdivision.

Industrial estate reserve

The purpose of this reserve is to fund future opportunities for industrial subdivision or economic development activity of a capital nature in and around Bacchus Marsh. This reserve is funded from the net proceeds of land sold in the Council developed Industrial Estate (the final parcel of land sold was in the 2013/14 financial year).

Development works reserve

At the June 2018 Ordinary Meeting of Council it was resolved that this reserve be closed off and the remaining balance (excluding the Industrial Estate portion) be allocated to the 2018/19 Community Grants Program.

Social Infrastructure reserve

The purpose of this reserve is to provide funding for increased social infrastructure requirements arising out of new subdivisions and developments and is funded by a levy on developers.

Storm water management reserve

The purpose of this reserve is to provide funding for future storm water management works which will be required for future subdivisions at the western end of Holts Lane in Darley.

Closed landfill reserve

The purpose of this reserve is to provide funding for future site remediation works related to closed landfills within Moorabool Shire.

Defined benefits reserve

The purpose of this reserve is to provide funding for future liability calls related to the Defined Benefits Superannuation scheme.

Community seed funding reserve

The purpose of this reserve is to provide a funding platform for the planning and advancement of future capital works projects.

Capital works contributions reserve

The purpose of this reserve is to provide funding for future capital works, such as road works, associated with specific developments funded by contributions from the developer.

Developer contribution reserve

The purpose of this reserve is to provide funding for various agreed infrastructure requirements arising from new developments and is funded from developer contributions.

Local Government Funding Vehicle (LGFV) loan repayment reserve

The purpose of this reserve is to provide funding for the repayment of the principal component of loans held through the LGFV. These loans are interest only until maturity.

Maddingley brown coal reserve

The purpose of this reserve is to provide funding for the maintenance of the local road network between the Maddingley Brown Coal site and the Western Freeway, Bacchus Marsh.

**Note 9 Other matters (Cont.)**

Wind farm dilapidation deeds reserve

The purpose of this reserve is to provide for remediation works for Council assets that have had accelerated deterioration in their condition as a result of construction activity at Wind Farms.

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

	2019	2018
	\$'000	\$'000
Surplus/(deficit) for the year	22,056	11,127
Depreciation/amortisation	9,109	8,625
Loss on disposal of property, infrastructure, plant and equipment	952	1,396
Contributions - non-monetary assets	(10,443)	(5,500)
Interest expense - borrowing cost	583	683
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(1,247)	641
(Increase)/decrease in prepayments	(30)	46
(Increase)/decrease in accrued income	(124)	1,856
Increase/(decrease) in trade and other payables	1,411	(238)
(Increase)/decrease in inventories	(12)	6
Increase/(decrease) in provisions	337	237
<b>Net cash provided by/(used in) operating activities</b>	<b>22,591</b>	<b>18,880</b>

**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).

## Note 9 Other matters (Cont.)

### Defined Benefit

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

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

### Funding arrangements

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

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

Net investment returns 6.0% pa

Salary information 3.5% pa

Price inflation (CPI) 2.00% pa.

Vision Super has advised that the estimated VBI at June 30 2019 was 107.1%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30th June 2019 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

### Employer contributions

#### Regular contributions

On the basis of the results of the 2018 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

**Note 9 Other matters (Cont.)**

**Funding calls**

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

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

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

**2018 interim actuarial investigation surplus amounts**

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

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

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2018. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2018 VBI during August 2018.

**2019 interim actuarial investigation**

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2019 as the fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2019.