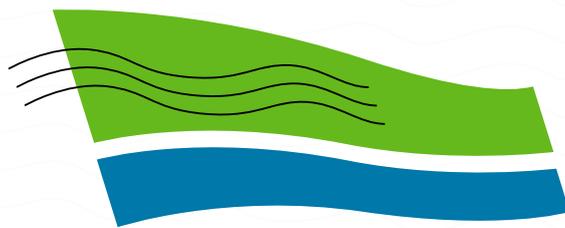




MOORABOOL  
SHIRE COUNCIL



# ANNUAL REPORT 2020 / 2021



**MOORABOOL**  
SHIRE COUNCIL



# WELCOME

Moorabool Shire Council's 2020-21 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.

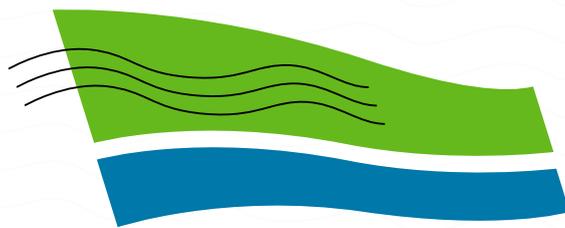
**ACCOUNTABILITY** I have courage to make decisions and take ownership for their outcomes.

**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.

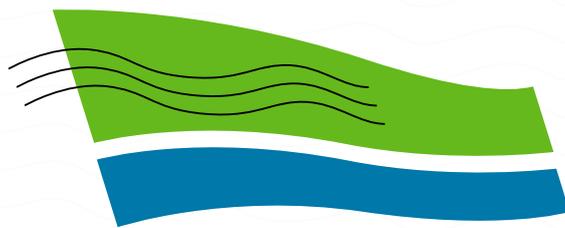


**MOORABOOL**  
SHIRE COUNCIL



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**MOORABOOL**  
SHIRE COUNCIL

Part

1

MOORABOOL SHIRE

**Blackwood**



Introduction

# A MESSAGE FROM THE MAYOR AND CEO

We are pleased to present our 2020/21 Annual Report.

Our total Capital Spend in the 2021/21 financial year was \$22.788 million, which will deliver fantastic infrastructure for our community now and into the future.

The 2020-21 financial year was a big year for successful grants for Moorabool Shire Council. As demonstrated on page 10, Council was successful in obtaining 47 out of 57 grants for which we applied. This gave all our directorates a big boost and enabled some major projects to start or progress (Bald Hill 100+ Steps project as an example), as well as the opportunity to streamline some services (such as the kindergarten enrolment centralised system) and run speciality programs (such as the Moorabool's Got Talent event for youth).

The biggest funding came for some of our highest priority advocacy projects: Darley Park Community Sports Centre, Bacchus Marsh

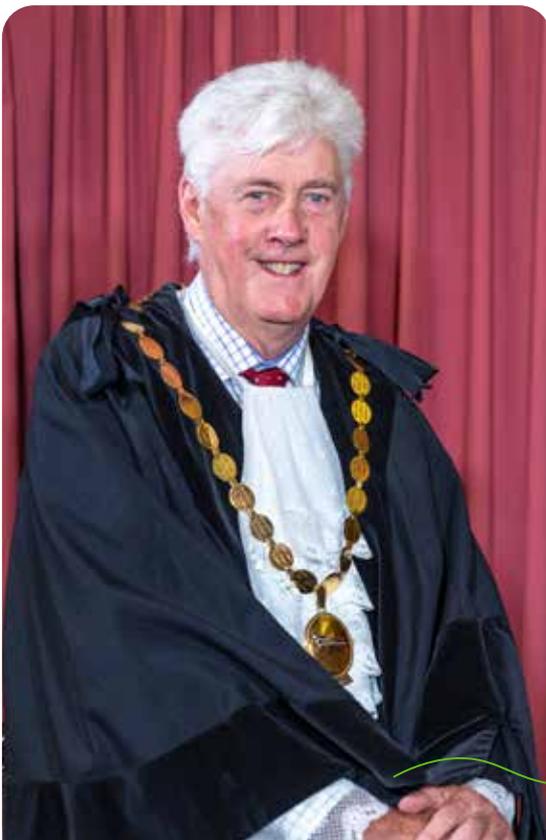
Racecourse Recreation Reserve stage 2 works, West Maddingley Early Years Hub, and Aqualink path in Bacchus Marsh.

COVID-19 had a huge impact on Council's services. With the full year impacted to varying degrees, many units had to alter the way they delivered services to the community. In addition to this, we had a significant storm event in June 2021, from which the recovery will go well in to the next 12 months. You can read about the highlights and challenges throughout the year in our Year in Review, starting on page 20.

We thank our staff who have continued to work hard to progress our strategic work and deliver excellent service for our community, even through the challenges thrown at us.

We hope you find our 2020/21 Annual Report an informative read.

**Cr Tom Sullivan, Mayor and Derek Madden, CEO**





# COUNCILLORS

WEST MOORABOOL WARD



Cr Tom Sullivan  
MAYOR

EAST MOORABOOL WARD



Cr Rod Ward  
DEPUTY MAYOR

WOODLANDS WARD



Cr Ally Munari

EAST MOORABOOL WARD



Cr Moira Berry

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.

CENTRAL WARD



Cr Paul Tatchell

EAST MOORABOOL WARD



Cr David Edwards

EAST MOORABOOL WARD



Cr Tonia Dudzik

# COMMUNITY PROFILE

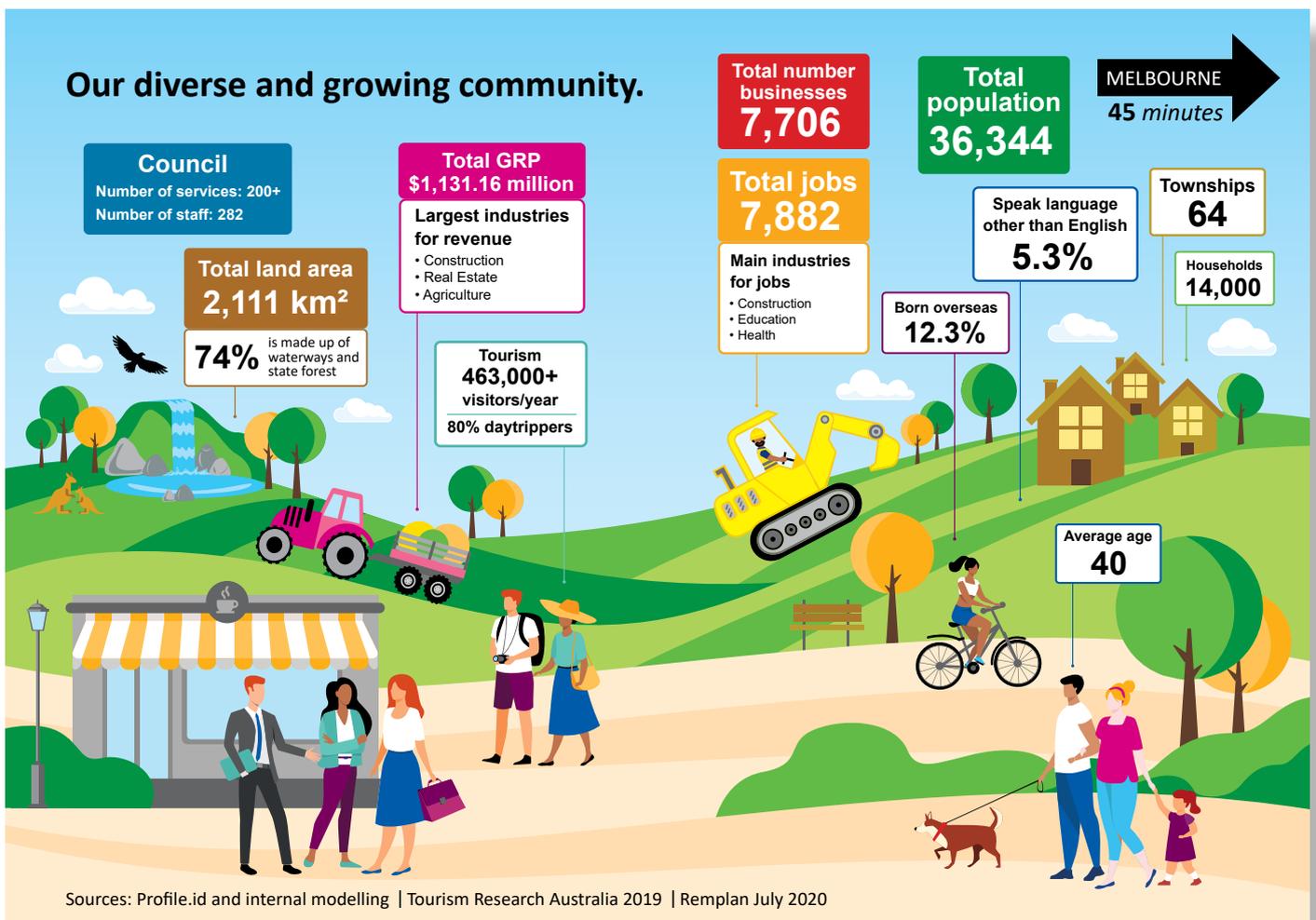
Moorabool Shire is an increasingly popular choice for those seeking rural tranquillity with a mix of an urban lifestyle.

The current population of 36,344 is forecast double in the next 20 years.

The municipality contains 64 settlements of varying sizes. These range from small towns, hamlets and farming settlements to the larger districts of Bacchus Marsh and Ballan.

Moorabool Shire is positioned along the major road and rail transport corridors between Melbourne and Adelaide. Its 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. Bacchus Marsh is equidistant to Melbourne and Avalon airports and close to the sea ports of Geelong and Melbourne.





# ACKNOWLEDGEMENT OF COUNTRY

Council respectfully acknowledges Moorabool Shire's indigenous history and we pay our respects to its elders both past, present and emerging. We extend that respect to all Aboriginal and Torres Strait Islander People who are a part of Moorabool Shire.

Our land was traditionally occupied by, and connected to, a number of Aboriginal communities for tens of thousands of years.

This land is home to the Wadawurrung Tribe in the south and west, the Dja Dja Wurrung Tribe in the northern ranges and the Wurundjeri Tribe in the east.

We appreciate our responsibility to care for the land and maintain it for future generations to enjoy.



# ACCESS AND INCLUSION

Council respects the rights of equal access for everyone and values the diverse communities who live, visit and work in the Shire.

Our municipality plays host to people young and old, those living with a disability, people with diverse gender identities, LGBTIQ communities, people with diverse political perspectives and those who have experienced advantage or disadvantage. It is this diversity that strengthens our community and shapes the services, facilities and public spaces we provide every day.





# BUSINESS, TOURISM AND INVESTMENT

The diversity of Moorabool's economy, from agriculture through to professional services, underpins our economic resilience. Whilst sustaining our unique regional/rural lifestyle, we leverage our enviable ease of access to Melbourne, Ballarat and Geelong.

Economic development holds a pivotal role in connecting local people to jobs, identifying infrastructure priorities to leverage future investment (such as in Parwan), branding the experiences for visitors in accessing Shire attractions and collaborating with local industry and regional stakeholders to build capacity and unlock growth.

Moorabool's prospective industries include agriculture – primary production, agribusiness – processing and value adding, health services, tourism, education, retail, and professional and business services. Many supporting industry sectors are anticipated to thrive due to the increased customer base driven by population growth.

The liveability of the Shire is key to attracting higher value workers and businesses. Aspects such as housing, skills, transport, access to community infrastructure, culture, health, the natural environment and social capital all influence the economic sustainability of Moorabool. Liveability and visitability are two sides of the same coin – as such tourism and awareness of the Shire's brand are key to our vision for growth.

By leading economic development in the Shire, Council is positioned as a champion of growth, facilitating and advocating for investment, providing support, networking and training for business, along with digital and traditional marketing campaigns to promote the value of spend local, and the Shire's visitor experiences.

The creation of a new Economic Development strategy, and a separate Visitor Economy strategy, will deliver a pathway to further success and growth for Moorabool's economy. Further supported by Council's Economic Development Taskforce, and expert industry advice via the Local Business Advisory Committee, Moorabool Shire's growth trajectory will stem from a strong foundation of insight and momentum.



# GRANT SUMMARY

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





<b>Children's Week Events 2020</b> Online events throughout the Shire to celebrate and showcase children's achievements	<b>\$1,000</b>
<b>Municipal Emergency Resourcing Program (MERP Funding) 2020-2024</b> Plan, prepare and deliver activities that will assist communities in an emergency	<b>\$120,000</b>
<b>Council Meeting and Community Participation Program</b> Improved technology to facilitate video streaming and livestreaming capabilities	<b>\$100,000</b>
<b>Darley Park Community and Sports Centre</b> Development of a new accessible and inclusive community sports pavilion	<b>\$2,500,000</b>
<b>Darley Local Area Traffic Management Plan - Stage 4</b> Provide an integrated approach to traffic management, recommend a range of priority treatments to reduce incidents and improve safety	<b>\$25,500</b>
<b>Household Recycling Reform Transition Program - Develop a draft transition plan to support recommendations of the Recycling Victoria: A new economy report</b>	<b>\$10,000</b>
<b>Old Melbourne Road, Millbrook</b> Upgrade and widening of 500m of narrow sealed road	<b>\$350,000</b>
<b>Social Support Program Planning and Evaluation Framework</b> Support the ongoing planning of social support delivery	<b>\$20,000</b>
<b>National Australia Day Branding Program</b> Support new messaging of the National Australia Day Council	<b>\$1,000</b>
<b>Bacchus Marsh Town Centre Structure Plan</b> Planning to accommodate growth	<b>\$115,000</b>
<b>Roadside Weeds and Pests Program</b> Manage invasive species and implement control activities along municipal rural roadsides	<b>\$40,777</b>
<b>National Australia Day COVID Safe Program</b> Assist celebrations to occur in a COVID-19 safe environment	<b>\$13,000</b>
<b>Fire Access Road Subsidy Scheme Priority 1 - Gordon Static Water Supply</b> Development of static water supply for Gordon for emergency purposes	<b>\$7,937</b>
<b>Fire Access Road Subsidy Scheme Priority 2 - Falcons Track</b> Construction of a Fire Access Road	<b>\$13,593</b>
<b>Kindergarten Central Registration and Enrolment</b> Expand the kindergarten central registration and enrolment process to include 3 year old kindergarten	<b>\$12,000</b>
<b>Women Building Surveyors Program</b> Support women to commence a new career or transition an existing career within local government to the pathway of building surveying	<b>\$150,000</b>
<b>Dunnstown Township</b> Roundabout Upgrades	<b>\$125,000</b>




<b>Bradys Lane, Greendale</b>	<b>\$100,000</b>
Car park construction and footpath connection	
<b>Hopetoun Park Road, Hopetoun Park</b>	<b>\$115,000</b>
Surface renewal	
<b>Mill Park Road, Ballan</b>	<b>\$171,821</b>
Road widening and parking	
<b>Jonathan Drive, Bacchus Marsh</b>	<b>\$193,975</b>
New path construction and speed humps	
<b>Egans Reserve, Greendale (Stage 2)</b>	<b>\$30,000</b>
Implementation of Masterplan recommendations	
<b>Mill Park, Ballan</b>	<b>\$465,000</b>
Implementation of Masterplan recommendations	
<b>Peppertree Park, Bacchus Marsh</b>	<b>\$390,000</b>
Implementation of Masterplan recommendations	
<b>Gordon Public Park, Gordon</b>	<b>\$150,000</b>
Reserve upgrades	
<b>Maddingley Park, Maddingley</b>	<b>\$35,000</b>
Netball court resurfacing	
<b>Ballan Recreation Reserve</b>	<b>\$98,740</b>
Cricket Training Nets	
<b>Bacchus Marsh Racecourse Reserve</b>	<b>\$500,000</b>
Soccer Pitches and Lighting	
<b>Bacchus Marsh Racecourse Recreation Reserve Stage 2 Active Sport Precinct</b>	<b>\$3,500,000</b>
Multi-Purpose Oval, LED Lighting, Fencing, Player's Shelter, Netball Courts, Tennis Courts, All Abilities Adventure Playground	
<b>West Maddingley Early Years Hub</b>	<b>\$3,500,000</b>
Development of a new Early Years and Community Hub	
<b>COVID-19 Vaccination</b>	<b>\$20,000</b>
Community Engagement	
<b>Bacchus Marsh 1000+ All Abilities &amp; Sculpture Trail</b>	<b>\$1,600,000</b>
Construction of an all abilities walking trail including acquisition of sculptural elements	
<b>Ballan Recreation Reserve</b>	<b>\$21,589</b>
Installation of safety nets behind AFL goals	



<b>Bacchus Marsh Indoor Stadium – Stage 1</b>	<b>\$1,924,420</b>
Development of a multi-purpose stadium including development of four sports courts, multipurpose meeting rooms, toilets and change facilities (including accessible change), cafeteria, carpark and road entry, accessible shared pathways, outdoor green area and construction of services and utilities	
<b>Strategic Cycling Corridor - Route 1 - Aqualink</b>	<b>\$2,500,000</b>
Shared path between Lerderderg River and Holts Lane	
<b>Bacchus Marsh Strategic Cycling Corridor - Route 3</b>	<b>\$1,100,000</b>
Shared Path from Bacchus Marsh Train Station to Main Street, Bacchus Marsh	
<b>Transfer Station Upgrades</b>	<b>\$467,951</b>
Sheltered hardstands to improve processing of glass and organics	
<b>Moorabool's Got Talent</b>	<b>\$2,000</b>
Community based events during Victorian Youth Week	
<b>COVID-19 Reignite Your Community Connections</b>	<b>\$41,000</b>
Program to improve mental health and reduce social isolation	
<b>COVID-19 Event Support as an Economic and Community Recovery Driver</b>	<b>\$30,000</b>
Blackwood Wood Chop Funding	
<b>Bus Stop and Shelter Project - Griffith Street, Maddingley</b>	<b>\$25,500</b>
Pedestrian crossing with bus stop and shelter	
<b>Local Roads and Community Infrastructure Program</b>	<b>\$2,563,406</b>
<b>Working for Victoria Scheme</b>	<b>\$2,500,000</b>
Initiative designed to assist LGs employ job seekers	
<b>COVID-19 Local Government Business Concierge and Hospitality Support Program</b>	<b>\$60,000</b>
Business support to maintain COVID Safe working environments in community venues and local businesses	
<b>Bacchus Marsh Strategic Cycling Corridor Route 3 Design</b>	<b>\$195,200</b>
Develop route alignment options, detailed design and cost estimates	
<b>Dunnstown Quarry to Midland Highway</b>	<b>\$991,500</b>
Route upgrade	
<b>Glenmore Road and Ballan-Egerton Road</b>	<b>\$484,000</b>
Bridge deck overlay	

## CARRIED OVER GRANTS FROM LAST FINANCIAL YEAR

●	Moorabool Female Friendly Sports Facilities Strategy	\$30,000
●	Connecting People with Nature for a Greener, Brighter Future	\$9,000
●	Redevelopment of Ballan Recreation Reserve	\$3,000,000
●	Quarry Route Safety Improvements and Pavement Strengthening	\$991,500
●	Moorabool Shire Bridge Strengthening Program	\$484,000



# Part 2



Our  
Council

# HIGHLIGHTS AND CHALLENGES 2020/21

Despite the challenges COVID-19 has presented, there were significant achievements across our four directorates and some great outcomes for our community in the 2020/21 financial year. We have highlighted our highlights and challenges faced throughout the year.





# COMMUNITY ASSETS AND INFRASTRUCTURE

## Highlights

In the Capital Works unit, the team completed the following:

- ▶ 10.6 kms of sealed roads reconstructed
- ▶ 34.4 kms of sealed roads resurfaced
- ▶ 4 bridges upgraded
- ▶ 7.9 kms of gravel roads re-sheeted
- ▶ 4.6 kms of road shoulder re-sheeting
- ▶ 5.6 kms of new footpaths

Large projects included:

- ▶ Werribee Vale Road upgrade
  - \$2.1M project providing improved connectivity for all road users and increased amenity along the Werribee River.
- ▶ Heavy vehicle corridor improvements from Dunnstown Quarries to Lal Lal
  - \$1.6M project including three new intersection treatments and 2kms of road reconstruction.
- ▶ Lidgett Street Reserve
  - \$640K Stage 1 & 2 works to provide new facilities including playground, shade sails, paths and seats, with improved landscaping and irrigation.
- ▶ Solar lighting pedestrian connection from Holts Lane to Grey Street, Darley
  - 460m of newly illuminated path incorporating Jonathon Drive Reserve.

The Assets team:

- ▶ Completed condition audits for buildings, open space and road, footpath and kerb infrastructure assets.
- ▶ Developed a Nature Strip Policy and Guidelines.
- ▶ Produced a 10 Year Capital Improvement Program.
- ▶ Implemented Assetic Cloud (Asset Management System).
- ▶ Developed a Bridge Management Plan.
- ▶ Completed Local Area Traffic Management Study Stage 4.
- ▶ Developed and awarded a contract for Building Security Services.
- ▶ Formalised an inhouse Buildings Maintenance Team.
- ▶ Developed and implemented a 5-year Buildings Maintenance Program.



Caption?



The Operations team had a huge year and completed:

- ▶ 1,442 sealed road defects.
- ▶ 885 unsealed road defects.
- ▶ 529 vegetation defects.
- ▶ 524 drainage, kerb and channel, signage, safety barriers, line marking, vegetation defects.
- ▶ 390 sealed and unsealed path defects.
- ▶ High level of compliance (95-100%) with Council's Road Management Plan.
- ▶ Procurement and delivery of new plant/equipment and trade in/auction of surplus items amounting to approximately \$1.4M in total.
- ▶ A review of existing unsealed and sealed road maintenance practices.
- ▶ Assisted in reviewing, updating and implementing Council's Road Management Plan.
- ▶ Assisted with the design and ongoing construction of the new Ballan Depot.

- ▶ COVID-19 restrictions on work arrangements and availability of resources.
- ▶ An increase in development activity across the Shire.
- ▶ Multiple corporate system changes and delays.
- ▶ Recruitment.
- ▶ Increased permit numbers and investigations.
- ▶ A large volume of customer requests.
- ▶ Budget constraints exacerbated by an increase of gifted assets handed to Council to maintain.
- ▶ Extreme weather events, such of the storm event in early June 2021, high rainfall, high winds, significant vegetation debris on roadsides.

Challenges



# COMMUNITY STRENGTHENING

## Highlights

### Our Active Ageing and Diversity Unit:

- ▶ Delivered more than 34,052 hours of Commonwealth Home Support Program services to 1,570 clients.
- ▶ Delivered almost 2100 hours of Home and Community Care Program for Younger People services to 104 clients.
- ▶ Developed and delivered a Virtual Social Support Program to ensure older community members were able to stay connected during periods of isolation during the COVID-19 pandemic.
- ▶ Developed and endorsed a new Disability, Access and Inclusion Plan 2021 – 2024.
- ▶ Delivered on Year 3 of the Moorabool Health and Wellbeing Plan 2017 – 2021.

### Our Connected Communities Unit:

- ▶ Secured \$11.5 million in external funding for sport and recreation projects in the municipality.
- ▶ Coordinated access for approximately 6000 participants to the five Council-managed recreation reserves across the shire.
- ▶ Delivered more than 1300 court hours at Bacchus Marsh Leisure Centre.
- ▶ Provided high level support and assistance to local sporting clubs throughout the COVID-19 pandemic ensuring they were best placed for their return to community sport.
- ▶ Facilitated Council’s first Community Leadership Program of which 11 people completed amidst the challenges of the pandemic.
- ▶ Helped develop Council’s first ever (Draft) Arts and Culture Strategy.
- ▶ A record number of Have Your Say (digital engagement portal) page views – 71,349 (increase of more than 100% from previous year).
- ▶ A record number of Moorabool Shire community engagements – 37 community consultations.



### Our Family, Youth and Children Unit:

- ▶ Significant increase in participation of supported playgroups in 2020/2021 (2020 – 84-89% compared to 57% in 2019) despite the challenges associated with COVID-19. A mixed model of face-to-face and online groups is being delivered in 2021.
- ▶ Increased engagement of young people in the Youth Engagement Support (YES) Program.
- ▶ This year’s total of 462 babies is well above the previous high of 404 recorded in 2019/20 and marks it a record year of births for Moorabool. While Victoria has seen a 5.7% increase in the number of babies born compared to the same period last year; Moorabool has seen a huge 18% increase in the number of babies born compared to the same period last year. The team continued to provide high quality services to the community throughout the pandemic.



Our Libraries Team:

- ▶ Found innovative ways to offer services through lockdowns, such as click and collect and online storytime sessions.
- ▶ Received a higher number of entries for the annual Peter Carey Short Story Award.
- ▶ Started the 'Tablets for Loan' program, to assist people with the basics of navigating the online world.

- ▶ COVID-19 continued to impact on the delivery of services.
- ▶ Ongoing sector changes within Aged Care and the Royal Commission into Aged Care.
- ▶ Ongoing sustainability of the workforce during COVID-19 due to vulnerable status of some employees and the inability to recruit quality staff.
- ▶ Delivering a record number of community engagement processes for Council projects, plans and strategies within restrictions of a COVID-19 environment.
- ▶ Transitioning delivery of Community Leadership program from face-to-face to online.
- ▶ A reduction in the number of community grants received and delays in the delivery of community projects funded under this grant program due to COVID-19.
- ▶ Transitioning stakeholder management of clubs and Community Asset Committees to online due to COVID-19 lockdowns.
- ▶ Reduced capacity limits for our leisure facilities due to COVID-19 capacity limits.



# CUSTOMER CARE AND ADVOCACY

## Highlights



### Our Communications Unit:

- ▶ Developed Council’s Community Vision and Council Plan.
- ▶ Created more rigorous and coordinated approach to advocacy.
- ▶ Delivered a new website as stage one of a digital transformation project. The website has much greater search functionality and allows for greater transacting with Council.
- ▶ Developed a brand identity to roll out through channels.
- ▶ Developed the MooraBuild brand to support our Capital Infrastructure Program and to support our advocacy work to attract external funding for projects.
- ▶ Supported other teams in communicating information throughout the COVID-19 pandemic and the storm event in June.

### Our Information Communication Technology Unit:

- ▶ Supported staff through IT set-ups during work from home orders.
- ▶ Implemented Sharepoint as a new document management system.

- ▶ Developed a new GIS System.
- ▶ Built a Council meeting streaming platform in the Ballan Council Chambers.
- ▶ Launched an exclusive training hub for staff.

### Our Customer Experience Unit:

- ▶ Established a Customer Experience team.
- ▶ Developed a Customer Experience Strategy.
- ▶ Developed a new Customer Service Charter.

### Our Revenue Unit:

- ▶ Implemented a Rating and Revenue Plan.

- ▶ Losing staff that had been employed temporarily under the Working for Victoria Scheme.
- ▶ Having to set up systems to enable staff to work remotely.
- ▶ COVID-19 pandemic and the storm event in June put pressure on resources and existing workloads.

## Challenges



# COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT

## Highlights

### Economic outcomes:

- ▶ Conducted the 2021 Women in Business Luncheon featuring Kathryn Mackenzie OAM which was fully booked.
- ▶ Signing the Small Business Friendly Charter with the Commissioner for Small Business and introduction of a Business Connoisseur role.
- ▶ Establishment of the Local Business Advisory Committee.
- ▶ Hospitality venue support as part of Council's response to COVID-19:
  - Hungry Order Local / Taste the Central Highlands outdoor dining campaign
  - On-street dining parklet program trial
  - Footpath dining permits waived for hospitality for 2020/21.
- ▶ Introduced electronic lodgement system for private Building Surveyors to lodge Building permits and related documents online.
- ▶ Development of the new and improved user-friendly website in collaboration with Council's Communications and Customer Experience teams.
- ▶ Received and processed more than 950 Building Permit lodgements with an estimated building cost of \$188M.
- ▶ Completed 60% of planning permit applications within 60 statutory days despite challenges of COVID-19 and Council caretaker period.

### Planning outcomes:

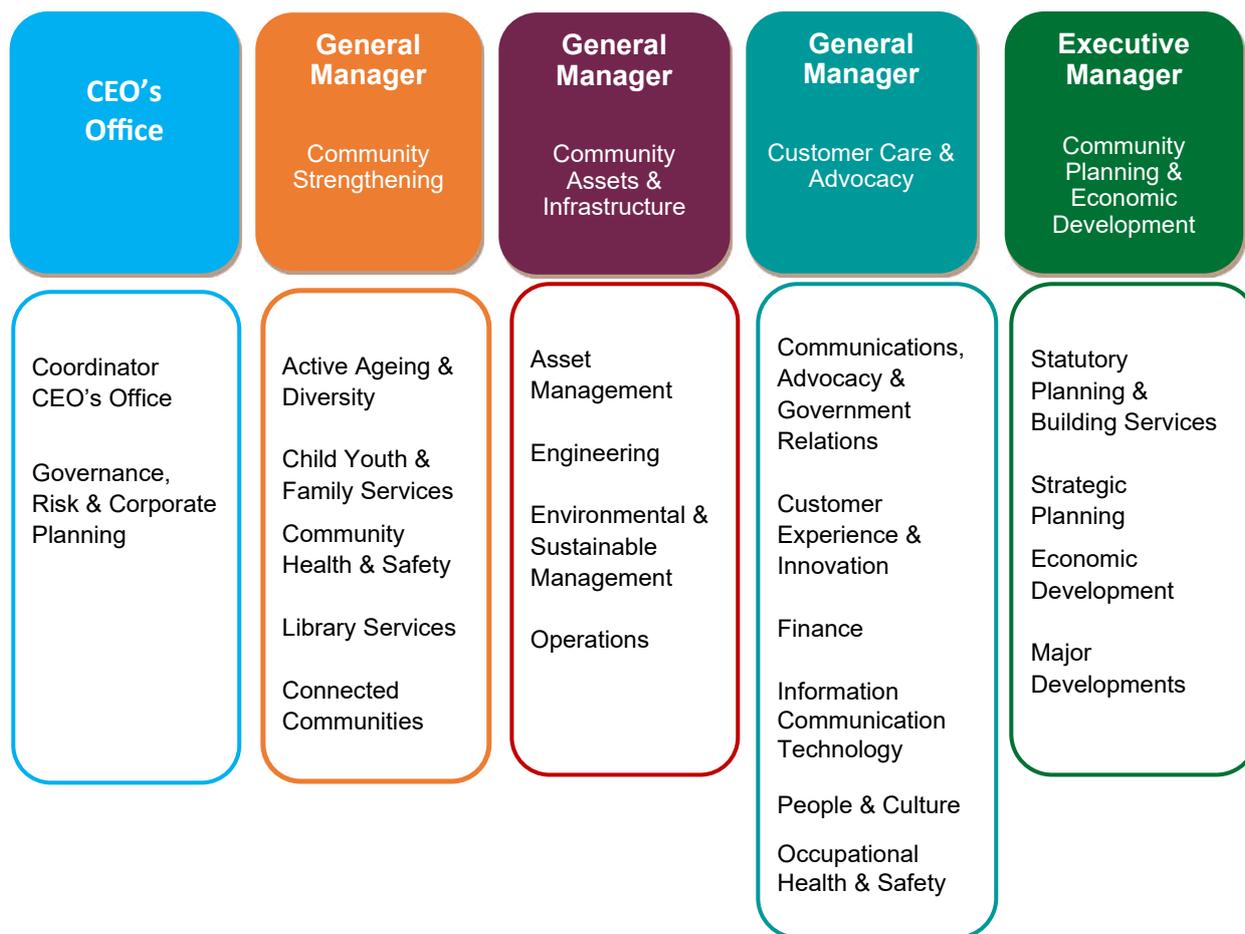
- ▶ Completed the comprehensive Moorabool Planning Scheme Review.
- ▶ Completed the majority of background studies and technical reports for the three growth precincts identified within the Urban Growth Framework in conjunction with the Victoria Planning Authority and commenced the drafting of Structure Plan/Development Plan preparation for the precincts.
- ▶ Facilitated community engagement, communications and awareness with regards to major external projects impacting the Shire.
- ▶ The introduction of a dedicated Planning Service counter with the ability to pre-book customer appointments at our Darley Office.
- ▶ Council now offers the option of lodging planning applications, secondary consents and amended applications online and the ability for the community to electronically view applications during advertising.

- ▶ Extent of population growth and development within the Shire.
- ▶ Increased State significant projects in the Shire.
- ▶ Challenge of finding suitable strategic planning staff due to high demand and competitive market.
- ▶ Holding a Panel Hearing for Amendment C91 remotely (via video link).
- ▶ Difficultly meeting with businesses in person.
- ▶ Transitioning from in person consultation meetings with community consultation meetings being held on-line rather than face to face.
- ▶ Inspections due to COVID-19 restrictions.

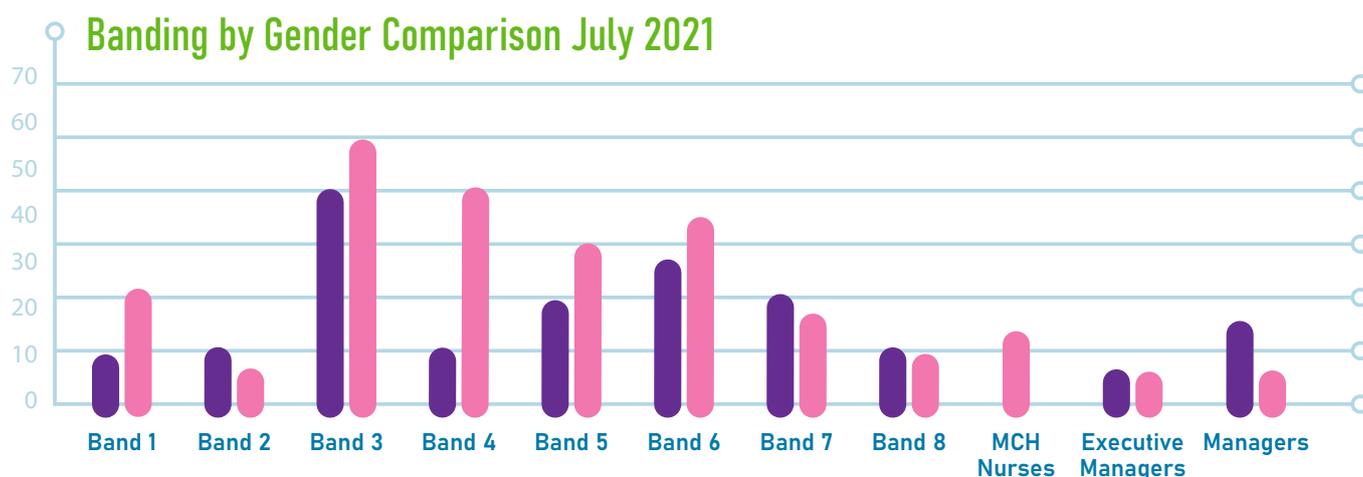
## Challenges



# ORGANISATIONAL STRUCTURE



# EMPLOYEE INFORMATON



## Staff by Gender

Moorabool Shire Council's workforce is made up of 58% female and 42% male staff. At the present time, Moorabool Shire Council reports no indeterminate, intersex or unspecified gender categories.

While there is equal gender representation at executive level, there is a 74% representation of males at manager level, which is an improvement of 5% from last year's representation.

100% of our MCH Nurses are currently female, so there is an opportunity for greater gender representation in this area.

Band 6 employees are more technically specialised with diploma level and above, Band 7 and Band 8 are usually Coordinators showing relatively equal balance of females and males.

Band 5 employees are mostly more technically specialised with some form of tertiary studies and team leaders with 61% being female and 39% being male.

Band 3 employees are mostly a mix of outdoor workers occupied by males, and community support workers occupied by females. In this banding, there is a mix of female and males in other roles such as library and leisure centre staff (including seasonal pool staff).

Band 2 employees are outdoor workers with 67% occupied by males and 33% are female pound keepers.

Band 1 employees are school crossing supervisors with 74% female and 26% male.



# SERVICE AWARDS

## 5 Year Service Awards

Brock Davis

Mark Lovell

Scott Burns

Samantha Hartwig

John Miller

Josef Morgan- Payler

Sharon Davson

Linda Cole

Leanne McNear

Therese McPhan

Sydney Histed

Andrew Dyson

Ross McCallum

Heather Bernaldo

Barbara McBain

Julie Martin

## 20 Year Service Awards

Karen Blobel

Amanda Willison

Jean Robertson

Veronica Burgess

Jodie Phillips

Karen Bendelle

Vicki Bainbridge

Christopher Murphy

Andrew Conroy

## 10 Year Service Awards

Judith Lotz

Jeanette Cox

Phillip Jeffrey

## 15 Year Service Awards

Faye Laskaris

John Speed

Lorraine Pilakis

Nichole Knight

Debbie Frappa

Barry Mitchell

Craig Loveridge

Robina Brown

Kate Tobin

Ian Parks

## 25 Year Service Awards

Neil Binks

Sandra Thacker

Hetty Pitcher

## 30 Year Service Awards

Bernadette Mahar

Tanis Giles

## 35 Year Service Awards

Stephen Cassar

Lindsay Grey

# TRAINING

## 2020/2021

During the 2021/21 financial year, Council continued to invest, improve, and develop its employees despite the challenges faced through the COVID-19 pandemic.

We continue to offer a broad spectrum of initiatives across the learning and development platform, via virtual and face-to-face training opportunities.

The development of Council staff will be further served through the recent review of the Learning and Development Framework that will align employee capabilities and competencies to Council's 2025 strategy, the Council Plan and objectives, and Council's values.

In line with the Learning and Development Framework we have delivered and will continue to deliver compliance, capability, and professional development training through virtual and face-to-face learning.

The ELMO Learning platform continues to provide Council the opportunity to provide employees with an in-office or at-home online learning platform, advancing skills from personal development to compliance applications, with over 80 updated training module options available to assist employees to develop and grow.

Occupational Health and Safety training and compliance is a significant element of Council's learning and development program, with a strong commitment to ensuring the safety and wellbeing of our staff and the community.

Reviews and audits of skills and licences are completed annually to support skills-based training needs, with local providers engaged wherever possible.

During 2021-2022 we will continue to expand our focus on learning and development aligned to Council priorities, ensuring strong employee capability to meet community needs.

### During 2020-2021 some of the training undertaken has included:

- ▶ Customer Experience
- ▶ Manual Handling
- ▶ Change Management
- ▶ Statutory Planning
- ▶ Mental Health First Aid
- ▶ Working from Heights
- ▶ Gender Equality
- ▶ Emergency Management
- ▶ First Aid & CPR
- ▶ Traffic Management
- ▶ Community Engagement
- ▶ Employment Relations

# Part 3



Our  
Performance

# Summary of Outcomes of 2017-2021 Council Plan (2020 - 2021 Review)

## STRATEGIC OBJECTIVE 1: PROVIDING GOOD GOVERNANCE & LEADERSHIP.

Strategic Context	Strategic Action	Outcome
1A Our Assets and Infrastructure	Deliver Annual Capital Improvement Programs (2017-2021)	Completed
	Develop and Implement a Fleet and Plant Strategy	Completed
	Develop a Framework for Asset Handover (2019-2021)	Completed
	Develop Infrastructure Policy for Nature Strips	Completed
1B Our People	Councillor Development – Induction and Ongoing Professional Development (2017-2021)	Completed
	Prepare an Organisational Development Strategy	Completed
	Revise the Community Engagement Policy and Framework	In Progress (90%) The Community Engagement Policy was developed and adopted by Council at a Special Meeting of Council in February. Since this time work has been undertaken relating to the development of the Framework to support the Policy. There is currently internal staff engagement being undertaken in the form of service unit and individual surveys. The data and information collected through this process will support the final stages of development of the Frameworks. It is intended that the Framework will be finalised and implemented in August 2021.



Strategic Context	Strategic Action	Outcome
1B Our People	Develop and Implement the Action Plan of the Customer Service Policy and Strategy	Completed
	Develop a Project Management Framework	Completed
	Enhance our OHS systems and Procedures for the Organisation (2017-2021)	Completed
1C Our Business and Systems	Review the Municipal Planning Scheme	Completed
	Develop an Enforcement Policy	<p>In progress (75%)            30/6/21 Presentation of Draft Enforcement Policy provided to Executive. Executive confirmed content however prior to further progress and discussion with Council, need to undertake a GIA on the plan. Training in GIA only completed in June 2021 and currently gathering group together to discuss best way to tackle GIA on this policy.            23/7/21 Confirmation that a Council wide corporate process for GIA will not be introduced in the coming weeks as such confirmed that the GIA for this policy will be undertaken using the base documentation from State Gov contained within their guide. Group to be formed from those who have undertaken the training in GIA to assess the policy.</p>
	Facilitate the Development of Service Plans for all Business Units (2020-2023)	Completed
	Undertake Service Reviews as Determined by Council	Completed
	Annually Review the Long-Term Financial Plan (2017-2021)	Completed
	Annually Review the Need to Make a Rate Cap Variation for 2020/21 year	Completed
	Identify and Develop Shared Services with other Local Governments, Community and Private Sector Organisations (2017-2021)	Completed
	Seek Funding for New, Upgrade and Renewed Community Facilities (2017-2021)	Completed

**STRATEGIC OBJECTIVE 2:  
MINIMISING ENVIRONMENTAL IMPACT**

Strategic Context	Strategic Action	Outcome
2A Built Environment	Develop the Gateways Strategy (2017-2021)	Completed* *This Action has been marked completed as it is included in the 2021-2025 Council Plan
	Prepare Structure Plans for Key Growth Areas	Completed
	Incorporate Flood Mapping into the Planning Scheme (2017-2021) and Prepare and Exhibit Moorabool Planning Scheme Amendment C91 (2017-2021)	In Progress (95%) Amendment C91 seeks to introduce flood controls to the Moorabool Planning Scheme. Following the preparation of the flood study and mapping in conjunction with Melbourne Water, a report was presented to the Ordinary Meeting of Council in September 2019, where Councillors endorsed seeking authorisation from the Department of Environment, Land, Water and Planning (DELWP) and exhibiting the Amendment. Conditional authorisation was received from DELWP on 25 November 2019, to prepare and exhibit the amendment. On 13 February 2020, DELWP granted approval to commence exhibition. Exhibition formally commenced on the 12 March 2020 for a period of 8 weeks. Due to COVID-19, the exhibition period was extended until 18 August 2020. The planning scheme amendment was reported to Council on 3 March 2021. At this meeting the amendment was referred to a planning panel. A planning panel has been appointed and a hearing is scheduled for June 2021. A directions hearing was held on 20 April 2021. The panel hearing was held during the week of 15 June.



Strategic Context	Strategic Action	Outcome
2B Natural Environment	Finalise and Implement the Action Plan of the Moorabool Sustainable Environment Strategy (2017-2021)	Completed
	Review the 2015 Waste Strategy	Completed
	Develop and Implement a Policy on Allocation, Use and Trading of Water for Council Water Assets	In progress (90%) A Draft Water Trading Policy has been developed. The Policy was been provided to the consultants developing the Bacchus Marsh Integrated Water Management Strategy for inclusion in this document, however due to the scale of the Integrated Water Strategy, it was not incorporated. As a result, the Policy is still in draft form - it is expected that the Policy will be completed in 2021.
	Complete a Waterway and Storm Water Management Strategy (2019-2021)	Completed



**STRATEGIC OBJECTIVE 3:  
STIMULATING ECONOMIC DEVELOPMENT**

<b>Strategic Context</b>	<b>Strategic Action</b>	<b>Outcome</b>
3A Land Use Planning	Incorporate Strategic Documents into the Planning Scheme: - West Moorabool Heritage Study	In progress (50%) The consultant undertaking the amendment has completed a review of West Moorabool Heritage Study 2a to ensure the study is consistent with the Planning Practice Note 1: Applying the Heritage Overlay. As a result of this review, a number of changes were required to the statements of significance and heritage curtilages to ensure consistency with the practice note. A consultant was engaged to undertake these changes and progress the planning scheme amendment. The consultant completed all ground truthing. The heritage citations have been completed and amendment documentation drafted. Heritage overlay mapping has been completed.
	Include the Recommendations from the Planning Scheme Review Report into the Planning Scheme	In progress (15%) This action will commence once the Planning Scheme Review is complete and has been adopted by Council. The Planning Scheme Review Stage 1 and Stage 2 was completed and adopted by Council on 3 March 2021. Any further work on this project was put on hold as there was a notice of rescission for this report. The notice of motion was withdrawn. Officers are preparing an implementation plan and will brief the Councillors on the proposed implementation of the Planning Scheme Review. No further update on this action.
	Develop a Program for Services and Utilities in Small Towns (2017-2021)	Completed
	Develop a Long-Term Strategy for the Bacchus Marsh Civic Precinct	Completed
	Review Future Opportunities for the Darley Civic Precinct (2019-2021)	Completed



Strategic Context	Strategic Action	Outcome
3B Investment and Employment	Implement the Action Plan of the Economic Development Strategy (2017-2021)	Completed
	Facilitate the Parwan Employment Precinct Planning and Marketing (2017-2021)	Completed
	Construct the Ballan Depot (2019-2021) – Stage 1B	Completed
	Advocate, Resource and Implement the Bacchus Marsh Integrated Transport Strategy Action Plans	Completed



**STRATEGIC OBJECTIVE 4:  
IMPROVING SOCIAL OUTCOME**

<b>Strategic Context</b>	<b>Strategic Action</b>	<b>Outcome</b>
4A Health and Wellbeing	Prepare and Implement an Advocacy and Partnership Plan to Attract Investment in Government and Non-Government Services in the Municipality (2017-2021)	Completed
	Plan and Design the Proposed West Maddingley Early Years & Community Hub	Completed
	Adopt a Revised Municipal Early Years Plan	In Progress (5%) This action is a multi-year action with the bulk of the work to be completed in late 2021 -2022 when the current Municipal Early Years Plan expires. Late 2021 will see the development of a Project Plan and a Community Engagement Plan. This action has been funded in the 2021-2022 Budget.
	Implement the Reserve Management Framework (2017-2021)	In Progress (90%) Connected Communities team is continuing to liaise with local sporting clubs and leagues to ensure the impacts of the pandemic are manageable for local clubs and to ensure their ongoing financial sustainability. Amendments to the planned outcomes for the final year of the Framework have been further reviewed in 2021 to ensure the future of this Framework remains relevant and up to date. The review/renewal of this Framework in 2021/22 will be informed by real/actual data providing a more robust Framework for future years. Once the reviewed document has been developed it will be taken back to Council for future consideration.
	Design Indoor Courts in Bacchus Marsh	Completed* *This Action has been marked completed as it is included in the 2021-2025 Council Plan
	Prepare and Revise a Rolling Cycle of Reserve Master Plans (2017-2021)	Completed
	Revise the Recreation and Leisure Strategy (Incorporating Hike and Bike Strategy)	Completed* *This Action has been marked completed as it is included in the 2021-2025 Council Plan



Strategic Context	Strategic Action	Outcome
4A Health and Wellbeing	Facilitate and Support Existing and Emerging Arts and Cultural Development Groups and Activities Across the Municipality (2017-2021)	<p>In Progress (95%)</p> <p>Following the appointment of Council’s first Arts and Culture officer in July 2020, an extensive amount of engagement and consultation has taken place with the Moorabool community to support the development of Council’s inaugural Arts &amp; Culture Strategy.</p> <p>The strategy was developed in two parts, the first of which was to develop a creative ecology map of the shire to determine and understand what existing arts and cultural activities existed or were being undertaken. Stage two was development of the Draft Strategy. This went out for public exhibition in June 2021 and will be taken back to the August 7 OMC for final endorsement by Council.</p>
	Revise the Community Development Strategy (Incorporating the Volunteer Strategy and an Arts and Culture Strategy)	<p>Completed*</p> <p>*This Action has been marked completed as it is included in the 2021-2025 Council Plan</p>
	Undertake a Master Plan including Concept and Cost Plan for a Youth Space at Rotary Park, Including the Andy Arnold Facility	<p>In progress (37%)</p> <p>This is a multi-year project that has been delayed due to COVID-19 lockdowns and restrictions. Council officers have completed a Project Plan and Community Engagement Plans. The project control group met and this identified relevant internal and external stakeholders. A request for quote (RFQ) process was completed in February 2021 with four consultants submitting applications. Fourteen architects were appointed to the project in March 2021 and commenced work on the project. Community Engagement for the project will commence in August 2021, in line with any COVID-19 restrictions. Due to the delays related to COVID-19, this project will be completed by December 2021.</p>
	Deliver the Youth Engagement Support (YES) Program to Support Young People to Remain Engaged in Education or Employment	<p>Completed</p>
4B Community Connectedness and Capacity	Develop and Deliver a Community Group Capacity Building and Sustainability Program	<p>Completed</p>
	Deliver Community Emergency Management Education Program (2017-2021)	<p>Completed</p>

# PERFORMANCE

Council's performance for the 2020-21 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.



# 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.

Moorabool Shire Council consists of seven Councillors who are democratically elected by the constituents of Moorabool Shire in accordance with the Local Government Act 2020 (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:

- ▶ Supporting the Mayor and Councillors;
- ▶ 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 (if social distancing restrictions are not in place) or view the proceedings online via Council's website.

Council meetings also provide the opportunity for community members to submit a question to Council, 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 2020-2021 year Council held the following meetings:

- ▶ 9 Ordinary Council Meetings
- ▶ 7 Special Council Meetings

Two Ordinary Council Meetings were postponed (October and November 2020) due to Local Government Elections.

The table below depicts each Councillor as present or as an apology for each meeting in the 2020-2021 year.



## ORDINARY MEETINGS OF COUNCIL - COUNCILLOR ATTENDANCE 2020-2021

	Cr. David Edwards	Cr. Tonia Dudzik	Cr. Tom Sullivan	Cr. Lawry Borgelt	Cr. Paul Tatchell	Cr. Jarrod Bingham	Cr. John Keogh
1-Jul-20	1	1	1	1	1	1	1
5-Aug-20	1	1	1	1	1	1	1
2-Sep-20	1	1	1	1	1	1	1
	Cr. David Edwards	Cr. Tonia Dudzik	Cr. Tom Sullivan	Cr. Ally Munari	Cr. Paul Tatchell	Cr. Rod Ward	Cr. Moira Berry
2-Dec-20	1	1	1	1	1	1	1
3-Feb-21	1	1	1	1	1	1	1
3-Mar-21	1	1	1	1	1	1	1
7-Apr-21	1	1	1	1	0	1	0
5-May-21	1	1	1	1	1	0	1
2-Jun-21	1	1	1	1	1	0	1
<b>Number of Meetings</b>	9	9	9	9	8	7	8

Cr. Ward - Leave of absence granted until 27 June 2021.

## SPECIAL MEETINGS OF COUNCIL - COUNCILLOR ATTENDANCE 2020-2021

	Cr. David Edwards	Cr. Tonia Dudzik	Cr. Tom Sullivan	Cr. Lawry Borgelt	Cr. Paul Tatchell	Cr. Jarrod Bingham	Cr. John Keogh	
15-Jul-20	1	1	1	1	1	1	1	
26-Aug-20	1	1	1	1	1	1	1	
16-Sep-20	1	1	1	1	1	1	1	
	Cr. David Edwards	Cr. Tonia Dudzik	Cr. Tom Sullivan	Cr. Ally Munari	Cr. Paul Tatchell	Cr. Rod Ward	Cr. Moira Berry	
23-Nov-20	1	1	1	1	1	1	1	
16-Dec-20	1	1	1	1	1	1	1	
24-Feb-21	1	1	1	1	1	1	1	
16-Jun-21	0	1	1	1	1	0	1	
30-Jun-21	1	1	1	1	1	1	1	
<b>Number of Meetings</b>	7	8	8	8	8	7	8	<b>TOTAL</b>
<b>Total # of Council meetings attended</b>	16	17	17	17	16	14	16	113

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



# DELEGATED COMMITTEES

Pursuant to the provisions of section 63 of the Local Government Act 2020, Council may establish one or more delegated committees consisting of:

- ▶ at least 2 Councillors
- ▶ and may include any other persons

Delegated committees are established to assist Council with executing specific functions or duties.

By instrument of delegation, Council may delegate to the members of a delegated committee such functions, duties or powers of the Council that it deems appropriate, utilising provisions of the Local Government Act 2020. The Council cannot delegate certain powers as specifically indicated in section 11(2) of the Act.

The following Delegated Committees have been established by Council under section 63 of the Local Government Act 2020:

- ▶ Development Assessment Committee
- ▶ Moorabool Growth Management Committee.

# COMMUNITY ASSET COMMITTEES

Pursuant to the provisions of section 65 of the Local Government Act 2020, Council may establish one or more Community Asset Committees, for the purposes of managing a community asset, and appoint as many members the Council considers necessary. The CEO may delegate certain powers, duties or functions to members of a Community Asset Committee, which must be exercised subject to specific terms and conditions.

The following Community Asset Committees have been established by Council under Section 65 of the Local Government Act 2020:

- ▶ Bacchus Marsh Public Hall
- ▶ Blacksmith's Cottage and Forge
- ▶ Dunnstown Recreation Reserve
- ▶ Gordon Public Hall
- ▶ Greendale Recreation Reserve
- ▶ Lal Lal Soldiers' Memorial Hall
- ▶ Millbrook Community Centre
- ▶ Navigators Community Centre
- ▶ Wallace Public Hall
- ▶ Wallace Recreation Reserve





# ADVISORY COMMITTEES

In addition to the Delegated Committees of Council and Community Asset Committees, with delegated authority established under the Local Government Act 2020, Council has the ability to create Advisory Committees by resolution.

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
- ▶ Australia Day Award Selection Panel (for years 2020 and 2021)
- ▶ Bacchus Marsh District Trails Advisory Committee
- ▶ Bacchus Marsh Leisure Centre Joint Use Management Agreement Advisory Committee
- ▶ Bacchus Marsh Racecourse & Recreation Reserve Advisory Committee
- ▶ Economic Development Taskforce Advisory Committee
- ▶ Heritage Advisory Committee
- ▶ Lal Lal Falls Reserve Advisory Committee
- ▶ Local Business Advisory Committee
- ▶ Maddingley Park Advisory Committee
- ▶ 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 Councillors 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 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.

# COUNCILLOR ALLOWANCES

In accordance with the Local Government Act 2020, 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 ending 30 June 2021, the Councillor annual allowance for a category two (2) council (as defined by the Local Government Act 1989) was fixed at \$26,245 per annum and the allowance for the Mayor was \$81,204 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 41 of the Local Government Act 2020, 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 details of the expenses, including reimbursement of expenses for each Councillor and member of a Council Committee paid by the Council for the 2020-21 year are set out in the following table:

Councillors	Travel \$	Car Mileage \$	Child Care \$	Info & Communications \$	Training \$	Total \$
Cr. Edwards	-	-	-	346	-	346
Cr. Sullivan	-	-	-	751	-	751
Cr. Dudzik	-	-	-	403	-	403
Cr. Tatchell	-	-	-	699	-	699
Cr. Bingham	-	-	-	692	-	692
Cr. Borgelt	-	-	-	334	-	334
Cr. Ward	-	-	-	198	-	198
Cr. Berry	-	-	-	376	-	376
Cr. Munari	-	-	-	239	-	239
Cr. Keogh	-	-	-	466	-	466
	-	-	-	4,503	-	4,503

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



# RISK MANAGEMENT

Organisational Risk Registers were updated by the respective Service Unit Managers. Risks are managed across the organisation at three levels, Strategic, Operational and Corporate.

- ▶ Strategic - Risks that can impede the achievement of organisational goals.
- ▶ Operational - Risks that can impede the achievement of the Service Unit goals.
- ▶ Corporate - Risks that are common to more than one Service Unit.

## Fraud Policy Review

Council maintains a Fraud Policy which applies to any irregularity or suspected irregularity in relation to dishonest and illegal activities involving employees and/or any other parties with a business relationship with Moorabool Shire Council.

## Insurance

2020-21 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.





# AUDIT AND RISK COMMITTEE

The Audit and Risk Committee's (the Committee) role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management fostering an ethical environment. The Committee consists of 3 independent members, Ms. Linda MacRae (Chair), Mr. Michael Said and Mr Simon Dalli, as well as two Councillors. Any new independent members being appointed due to a vacancy occurring on the committee will be 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 and is governed by the Audit and Risk Committee Charter, which was adopted by Council in August 2020. The Internal Auditor, Chief Executive Officer, General Managers and the Chief Financial Officer attend the Audit and Risk Committee meetings.

Other management representatives attend as required to present reports.

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

# INTERNAL AUDIT

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

The Internal Auditor attends each Audit and Risk Committee meeting to report on the status of the Internal Audit 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 Committee.

# EXTERNAL AUDIT

Council is externally audited by the Victorian Auditor-General. For the 2020-21 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 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.

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

In 2020-2021, Council administered 7 Freedom of Information requests with no valid requests to be carried over and administered in the next financial year 2021/22, however, there are a number of requests which were received that have not yet reached validity:

Requests granted in full	0
Requests granted in part, subject to specific exemptions	4
Requests denied in full, subject to specific exemptions.	2
Requests being processed as of June 30, 2020	1
Other: (where requests were withdrawn or no documents found under the FOI Act or documents provided outside of the FOI Act)	1
<b>Total</b>	<b>7</b>



# PUBLIC INTEREST DISCLOSURES

## (formerly known as Protected Disclosures or Whistleblowers)

Moorabool Shire Council is a public body subject to the Public Interest Disclosures Act 2012 (“Act”).

The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies, including Moorabool Shire Council, its staff, employees and Councillors.

Moorabool Shire Council is committed to the aims and objectives of the Act. It recognises the value of transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal improper conduct. It does not tolerate improper conduct by the organisation, its employees, officers, or Councillors, nor the taking of reprisals against those who come forward to disclose such conduct.

As required under the Act, Moorabool Shire Council has established procedures to facilitate and encourage the making of disclosures under the Act and how Council handles any such disclosures received (“Public Interest Disclosure Procedures”). These procedures are available on Council’s website at [www.moorabool.vic.gov.au](http://www.moorabool.vic.gov.au) or by contacting Council’s Public Interest Disclosure Principal Officer.

In accordance with the Public Interest Disclosures Act 2012, the following specific reporting requirements have been included in this 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



## DISABILITY ACTION PLAN

Council has a Disability Action Plan and has implemented the following actions:

- ▶ Reviewing all PDs as part of our recruitment process to eliminate unintentional discriminatory language
- ▶ Creating a directory for all disability employment agencies
- ▶ Undertaking supported employment opportunities and flexible work practices for people with a disability
- ▶ Supplying annual mandatory disability awareness training across the organisation.

## DEVELOPER CONTRIBUTIONS

For the 2020-21 year, Council has no Infrastructure and Development Contributions to disclose.

## DOMESTIC ANIMAL MANAGEMENT PLAN

Council adopted the Domestic Animal Management Plan 2018–21 in July 2018. The Plan was developed in consultation with Council's Animal Management Team with input from other Council departments. Actions are ongoing and a new Plan is being developed.

## ROAD MANAGEMENT ACT MINISTERIAL DIRECTION

In accordance with section 22 of the Road Management Act 2004, Council can declare that no Ministerial Directions were received by Council during the financial year.

## FOOD ACT MINISTERIAL DIRECTION

In accordance with section 7E of the Food Act 1984, Council can declare that no Ministerial Directions were received during the financial 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 pages following this.

There are items that have been highlighted as important components of the Management Framework.



# 2020/2021 GOVERNANCE AND MANAGEMENT CHECKLIST

Requirement		Assessment	Date implemented/ Effective date
<b>Community Engagement Policy</b> (Policy outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act	YES	24/02/2021
<b>Community Engagement Guidelines</b> (Guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation	YES	24/02/2021
<b>Financial Plan</b> (Plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act	YES	15/07/2020
<b>Asset Plan</b> (Plan that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act	YES	Part A General 30/04/2013 Part B Transport 30/04/2013 Part C Buildings 03/12/2014 Part D Drainage 03/12/2014 Part E Recreation 03/12/2014
<b>Revenue and Rating Plan</b> (Plan setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act	NO	07/07/2021
<b>Annual Budget</b> (Plan setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 94 of the Act	YES	30/06/2021



Requirement		Assessment	Date implemented/ Effective date
<b>Risk Policy</b> (Policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation	YES	21/01/2019
<b>Fraud Policy</b> (Policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation	YES	30/10/2019
<b>Municipal Emergency Management Plan</b> (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	03/06/2020
<b>Procurement Policy</b> (Policy outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council)	Adopted in accordance with section 108 of the Act	YES	05/05/2021
<b>Business Continuity Plan</b> (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	24/10/2017
<b>Disaster Recovery Plan</b> (Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation	YES	11/11/2019
<b>Risk Management Framework</b> (Framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation	YES	22/06/2021
<b>Audit and Risk Committee</b> (Advisory committee of Council under section 53 and 54 of the Act)	Established in accordance with section 53 of the Act	YES	26/08/2020

Requirement		Assessment	Date implemented/ Effective date
<b>Internal Audit</b> (Independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged	YES	24/11/2020
<b>Performance Reporting Framework</b> (A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Local Government Act 1989)	Current framework in operation	YES	02/12/2020
<b>Council Plan Reporting</b> (Report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Current report	YES	1st Quarter 02/12/2020 2nd Quarter 03/03/2021 3rd Quarter 05/05/2021
<b>Financial Reporting</b> (Quarterly statements to Council under section 138(1) of the Local Government Act 1989 comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly statements presented to Council in accordance with section 138(1) of the 1989 Act	YES	1st Quarter 02/12/2020 2nd Quarter 03/03/2021 3rd Quarter 05/05/2021
<b>Risk Reporting</b> (Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented	YES	12/08/2020 09/12/2020
<b>Performance Reporting</b> (Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the 1989 Act)	Reports prepared and presented	YES	03/03/2021



Requirement	Assessment	Date implemented/ Effective date
<b>Annual Report</b> (Annual report under sections 131, 132 and 133 of the Local Government Act 1989 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 1989 Act	YES 02/12/2020
<b>Councillor Code of Conduct</b> (Code setting out the standards of conduct to be followed by Councillors and other matters)	Code of conduct reviewed and adopted in accordance with section 139 of the Act	YES 24/02/2021
<b>Delegations</b> (A document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act	YES 26/08/2020
<b>Meeting procedures</b> (Governance Rules governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act	YES 26/08/2020

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

**Derek Madden**  
Chief Executive Officer

Dated: 2 September 2021

**Cr Tom Sullivan**  
Mayor

Dated: Dated: 2 September 2021

# Independent Auditor's Report

## To the Councillors of Moorabool Shire Council

<p><b>Opinion</b></p>	<p>I have audited the financial report of Moorabool Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2021</li> <li>• comprehensive income statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cashflows for the year then ended</li> <li>• statement of capital works for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• certification of the financial report.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
<p><b>Basis for Opinion</b></p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p><b>Councillors' responsibilities for the financial report</b></p>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>



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

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

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

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

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

Sanchu Chummar

*as delegate for the Auditor-General of Victoria*

# 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 2021</li> <li>• sustainable capacity indicators for the year ended 30 June 2021</li> <li>• service performance indicators for the year ended 30 June 2021</li> <li>• financial performance indicators for the year ended 30 June 2021</li> <li>• other information - basis of preparation and</li> <li>• the certification of the performance statement.</li> </ul>
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In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2021 in accordance with the performance reporting requirements of Part 6 of the *Local Government Act 1989*.

<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p>
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I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

<b>Councillors' responsibilities for the performance statement</b>	<p>The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
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<b>Auditor's responsibilities for the audit of the performance statement</b>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>
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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

Sanchu Chummar

*as delegate for the Auditor-General of Victoria*

MELBOURNE  
23 September 2021



# Part 5



Performance  
Statement

## 2020-21 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 2,111 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 estimated resident population of Moorabool Shire in 2020/21 is 36,013 and is forecast to double in the next 20 years.

### 2020-21 In Review

Moorabool Shire Council continued to be impacted by the COVID19 Pandemic throughout the 2020 - 21 financial year with restrictions and extended closures to Council services.

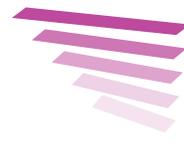
The restrictions and closures have impacted the council operations through the loss of fees and charges and the provision of support packages to help those in the community most impacted by the effects of the COVID-19 Pandemic. The closure of leisure centres, libraries and community centres has resulted in a decrease in user fee revenue of \$351,000. Council has also provided rebates on various services including food and health registrations, building rentals and recreation user fees. This has impacted revenue by \$209,000 during the year. The closures and restrictions in place have also resulted in increased expenditure of \$395,000 due mainly to increased cleaning costs, advertising, signage, Information Technology, protective equipment, and equipment hire.

Council has also adapted well and managed to transition a lot of front-line services online, including customer service, click and collect library services and parent groups.

During 2020 – 21, Council considered the request for rate deferrals under its hardship policy.

## Sustainable Capacity Indicators - for the year ended 30 June 2021

LGV Ref	Indicator / measure and [formula]	Results 2018	Results 2019	Results 2020	Results 2021	Comments
	<b>Population</b>					
C1	Expenses per head of municipal population [Total expenses / Municipal population]	\$1,423.25	\$1,439.25	\$1,563.47	\$1,680.35	The increase in 2020/21 is mainly due to an increase in employee costs and depreciation. Employee costs have increased significantly in 2020/21 due to the Working for Victoria Program. Council received funding to employee 50.6 FTE for a 6 month period in a State Government COVID initiative. Expenses per property assessment are predicted to increase over the next 4 years fuelled by rapid growth and infrastructure investment. However, in comparative terms, expenses per property assessment are significantly lower in Moorabool Shire than both the state average and that of similar Councils.
C2	Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$13,226.44	\$15,065.11	\$15,257.41	\$15,300.90	The value of Infrastructure has increased mainly due to the revaluation of Buildings in 2020/21, the capital works program, and the addition of gifted assets from developers. 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.
C3	Population density per length of road [Municipal population / Kilometres of local roads]	23.34	23.28	24.34	24.84	



LGV Ref	Indicator / measure and [formula]	Results 2018	Results 2019	Results 2020	Results 2021	Comments
	<b>Own-source revenue</b>					
C4	Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,178.67	\$1,230.74	\$1,240.94	\$1,222.14	
	<b>Recurrent grants</b>					
C5	Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$329.96	\$301.76	\$328.11	\$315.81	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.
	<b>Disadvantage</b>					
C6	Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	7.00	7.00	7.00	7.00	
	<b>Workforce turnover</b>					
C7	Percentage of staff turnover	12.90%	10.20%	12.43%	15.8%	There was an increase in permanent staff turnover in 2020/21. There were 10 more staff leave the organisation than the year before. This was mainly due to a number of retirements of some long-term employees during the 2020/21 year. This is more of an anomaly and not considered to a consistent trend.

## 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.



## 2020-21 Performance Statement

### Service Performance Indicators – for the year ended 30 June 2021

LGV Ref	Service Indicator / measure and [formula]	Results 2018	Results 2019	Results 2020	Results 2021	Comments
	<b>Aquatic Facilities</b>					
AF6	<b>Utilisation</b> Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	0.26	0.30	0.20	0.18	Similar rate to the past financial year.
	<b>Animal Management</b>					
AM7	<b>Health and safety</b> Animal management prosecutions [Number of successful animal management prosecutions]	New in 2020	New in 2020	0.00%	50.00%	Two (2) prosecutions were undertaken in 2020/21. One (1) was successful, the other was withdrawn before Court.
	<b>Food Safety</b>					
FS4	<b>Health and safety</b> Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up/Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100	100.00%	100.00%	100.00%	100.00%	All businesses where critical or major outcomes were identified were reinspected to ensure compliance.
	<b>Governance</b>					
G5	<b>Satisfaction</b> Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	51.00	49.00	47.00	49.00	Council is committed to taking into account the different views and interests in the municipality to reach a majority position on what is in the best interests of the whole community, and how it can be achieved.

LGV Ref	Service Indicator / measure and [formula]	Results 2018	Results 2019	Results 2020	Results 2021	Comments
	<b>Libraries</b>					
LB4	<b>Participation</b> Active library borrowers in municipality [Number of active library borrowers in the last three years / The sum of the population for the last three years] x 100	9.51%	9.64%	8.35%	7.37%	COVID19 pandemic has resulted in several closures to the library so limited physical access for the community.
	<b>Maternal and Child Health (MCH)</b>					
MC4	<b>Participation</b> Participation in the MCH service [Number of children who attend the MCH service at least once (in the year)/Number of children enrolled in the MCH service] x 100	77.92%	76.17%	74.14%	71.43%	Impacts of COVID19 on alternative service models and staff leave due to needing to quarantine or isolated has affected service delivery.
MC5	<b>Participation</b> Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year)/Number of Aboriginal children enrolled in the MCH service] x 100	81.97%	90.24%	75.00%	63.10%	Impacts of COVID19 on alternative service models and staff leave due to needing to quarantine or isolated has affected service delivery.
	<b>Roads</b>					
R5	<b>Satisfaction</b> Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	46.00	48.00	42.00	45.00	Council provided additional funding for the road maintenance program.
	<b>Statutory Planning</b>					
SP4	<b>Decision making</b> Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100	66.67%	33.33%	50.00%	90.91%	More applications ended up at VCAT this year with a low number of one (1) overturned. Last year two (2) cases overturned.





LGV Ref	Service Indicator / measure and [formula]	Results 2018	Results 2019	Results 2020	Results 2021	Comments
	<b>Waste Collection</b>					
WC5	<b>Waste diversion</b> Kerbside collection waste diverted from landfill <i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100</i>	37.56%	38.49%	38.38%	39.88%	Resulting from the COVID19 pandemic there was an increase in households opting into the Green waste service which has seen an increase in the materials diverted from landfill.

## 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

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

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

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

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

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

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

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

"Population" means the resident population estimated by council

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



## 2020-21 Performance Statement

### Financial Performance Indicators – for the year ended 30 June 2021

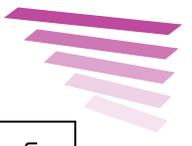
LGV Ref	Dimension/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Forecasts				Material Variations and Comments
						2022	2023	2024	2025	
E2	<b>Efficiency</b> <b>Expenditure level</b> Expenses per property assessment [Total expenses / Number of property assessments]	\$2,867.61	\$2,876.48	\$3,105.22	\$3,341.49	\$3,134.98	\$3,172.92	\$3,227.71	\$3,307.58	Expenses per property assessment are predicted to increase over the next 4 years fuelled by rapid population and infrastructure investment. In 2020/21, expenses are significantly higher mainly due to the Working for Victoria Program. This State Government COVID initiative supplied Council with funding to employ approximately 50 staff for a six month period. Although the net cost to Council was zero (due to grant funding), additional expenditure of \$2.3 million was incurred.
E4	<b>Revenue level</b> Average rate per property assessment [General rates and Municipal charges / Number of property assessments]	New in 2020	New in 2020	\$1,763.45	\$1,785.26	\$1,799.73	\$1,860.17	\$1,915.14	\$1,977.34	

LGV Ref	Dimension/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Forecasts				Material Variations and Comments	
						2022	2023	2024	2025		
	<b>Liquidity</b>										
L1	<b>Working capital</b> Current assets compared to current liabilities <i>[Current assets / Current liabilities] x100</i>	192.64%	226.49%	277.07%	135.84%	265.22%	226.28%	209.75%	161.97%		Movement is due to a significant increase in current liabilities due to a large amount of capital grants received in advance. There is also the full repayment of an interest only loan in 2021/22.
L2	<b>Unrestricted cash</b> Unrestricted cash compared to current liabilities <i>[Unrestricted cash / Current liabilities] x100</i>	76.70%	91.13%	27.51%	13.20%	175.69%	143.27%	129.67%	100.20%		The decrease is primarily due to a significant increase in current liabilities in 2020/21. This is due to a large amount of capital grants received in advance during the 2020/21 financial year. There is also the full repayment of an interest only loan in 2021/22. This ratio is forecast to improve significantly over the next few years.
	<b>Obligations</b>										
O2	<b>Loans and borrowings</b> Loans and borrowings compared to rates <i>[Interest bearing loans and borrowings / Rate revenue] x100</i>	37.85%	32.59%	50.90%	44.88%	58.82%	66.51%	83.69%	77.83%		The decrease is due to loan redemption and scheduled new borrowings for 2020/21 being deferred to 2021/22.
O3	Loans and borrowings repayments compared to rates	6.33%	4.99%	4.46%	4.66%	15.88%	5.89%	7.81%	9.12%		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.



LGV Ref	Dimension/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Forecasts				Material Variations and Comments	
						2022	2023	2024	2025		
	<i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>										Moorabool Shire is compelled to fund infrastructure growth through loan borrowings in lieu of large scale funding support from state and federal governments.
O4	<b>Indebtedness</b> Non-current liabilities compared to own source revenue <i>[Non-current liabilities / Own source revenue] x100</i>	29.49%	25.72%	43.06%	29.99%	49.06%	53.72%	67.54%	54.01%		The improvement is due to a large portion of non current interest-bearing liabilities moving to current. An interest only loan Council took up in 2014/15 matures early in the 2021/22 financial year.
O5	<b>Asset renewal and upgrade</b> Asset renewal and upgrade compared to depreciation <i>[Asset renewal and asset upgrade expense / Asset depreciation] x100</i>	New in 2020	New in 2020	173.84%	128.61%	222.71%	118.92%	107.58%	107.22%		Renewal spend was less in 2020/21 due to timing issues with the plant replacement program and also the 2019/20 capital program containing a large amount of local roads renewal projects (compared to 2020/21). Depreciation expense has also increased in 2020/21 due to revaluations on infrastructure assets in the past two years. It is forecast that this ratio will improve significantly in the next two financial years.

LGV Ref	Dimension/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Forecasts				Material Variations and Comments	
						2022	2023	2024	2025		
	<b>Operating position</b>										
OP1	<b>Adjusted underlying result</b> Adjusted underlying surplus (or deficit) $[\text{Adjusted underlying surplus (deficit)} / \text{Adjusted underlying revenue}] \times 100$	6.37%	7.96%	0.92%	-2.84%	0.02%	0.17%	0.32%	0.01%		Council has moved into a small underlying deficit in 2020/21 after years of operating on an underlying surplus. The main reasons for this are increases in depreciation, and the net loss on disposal of property, infrastructure, plant and equipment. Depreciation has increased due to the revaluation of infrastructure assets over the past two years, a significant amount of capital works completed, and gifted assets from developers. Going forward, Councils Strategic Financial Plan forecasts underlying surpluses for the next three years.
	<b>Stability</b>										
S1	<b>Rates concentration</b> Rates compared to adjusted underlying revenue $[\text{Rate revenue} / \text{Adjusted underlying revenue}] \times 100$	63.71%	63.91%	66.13%	65.49%	69.14%	69.92%	70.17%	70.42%		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



LGV Ref	Dimension/indicator/measure	Forecasts					Results 2021	Results 2020	Results 2019	Results 2018	Material Variations and Comments
		2022	2023	2024	2025						
S2	<b>Rates effort</b> Rates compared to property values <i>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</i>	0.41%	0.42%	0.43%	0.44%	0.40%	0.42%	0.47%	0.50%	The decline in this ratio is attributed to significant property price growth in the municipality.	
										geographical size and low population density significantly limit its ability to generate alternative income streams outside of rates and grants.	

### 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.



### **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 15 July 2020 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.

# 2019-20 Performance Statement

## Retired – for the year ended 30 June 2020

The following indicators were retired in 2020:

	<i>Service / indicator / measure</i>	Results 2017	Results 2018	Results 2019						Comments
	<b>Animal Management</b>									
AM4	<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	2.00	0.00	0.00		Retired in 2020				This measure was replaced by AM7 from 1 July 2019.
	<b>Efficiency</b>									
E1	<b>Revenue level</b> <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,512.85	\$1,543.84	\$1,580.05		Retired in 2020				This measure was replaced by E4 from 1 July 2019.
	<b>Obligations</b>									
O1	<b>Asset renewal</b> <i>Asset renewal compared to depreciation</i> [(Asset renewal expense / Asset depreciation) x100]	104.74%	90.25%	124.41%		Retired in 2020				This measure was replaced by O5 in 1 July 2019.



# 2020-21 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*.



**Peter Smith ICMA**  
**Principal Accounting Officer**  
**Dated:** 2 September 2021

In our opinion, the accompanying performance statement of the (council name) for the year ended 30 June 2021 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:** 2 September 2021

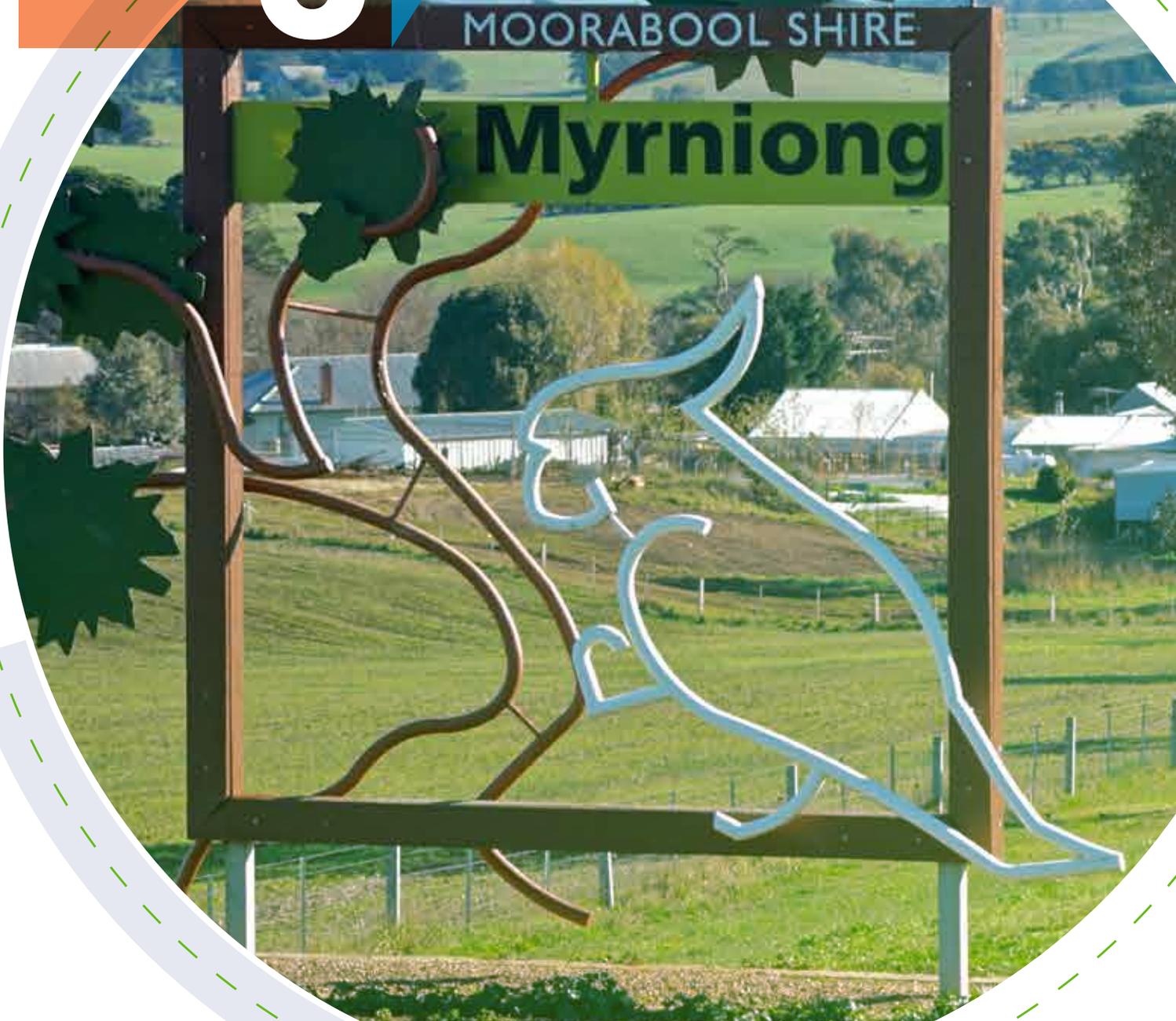


**Cr. Ally Munari**  
**Councillor**  
**Dated:** 2 September 2021



**Derek Madden**  
**Chief Executive Officer**  
**Dated:** 2 September 2021

# Part 6

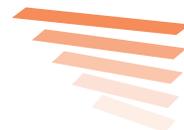


Financial  
Statements



**MOORABOOL SHIRE COUNCIL  
ANNUAL FINANCIAL REPORT**

*For the Year Ended 30 June 2021*



# Moorabool Shire Council

## 2020/2021 Financial Report

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*Moorabool Shire Council  
2020/2021 Financial Report*

**Victorian Auditor-General's Office Report 2020/21**

Insert VAGO Report here

## Certification of the Financial Statements 2020/21

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.



*Peter Smith ICMA*  
**Principal Accounting Officer**

**Dated:** 02 September 2021  
*Ballan*

In our opinion the accompanying financial statements present fairly the financial transactions of Moorabool Shire Council for the year ended 30 June 2021 and the financial position of the Council as at that date.

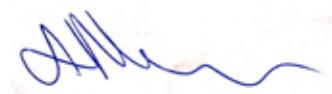
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

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:** 02 September 2021  
*Ballan*



*Ally Munari*  
**Councillor**

**Dated:** 02 September 2021  
*Ballan*



*Derek Madden*  
**Chief Executive Officer**

**Dated:** 02 September 2021  
*Ballan*

## Comprehensive Income Statement For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
Rates and charges	3.1	38,539	36,572
Statutory fees and fines	3.2	1,017	829
User fees	3.3	2,555	2,853
Grants - operating	3.4(a)	13,551	10,531
Grants - capital	3.4(b)	6,640	4,839
Contributions - monetary	3.5	1,050	5,413
Contributions - non-monetary	3.5	4,167	11,924
Other income	3.7	1,903	3,240
<b>Total Income</b>		<b>69,422</b>	<b>76,200</b>
<b>Expenses</b>			
Employee costs	4.1	(26,500)	(21,571)
Materials and services	4.2	(19,638)	(20,641)
Depreciation and amortisation	4.3	(11,147)	(10,371)
Amortisation - right of use assets	4.4	(224)	(224)
Bad and doubtful debts	4.5	(42)	(51)
Borrowing costs	4.6	(479)	(511)
Net (loss)/Income on disposal of property, infrastructure, plant and equipment and investment properties	3.6	(1,803)	(858)
Finance costs - leases	4.7	(40)	(50)
Other expenses	4.8	(642)	(522)
<b>Total Expenses</b>		<b>(60,515)</b>	<b>(54,798)</b>
<b>Surplus for the year</b>		<b>8,906</b>	<b>21,402</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment	6.1	33,442	-
<b>Total comprehensive result</b>		<b>42,349</b>	<b>21,402</b>

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

## Balance Sheet As at 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1(a)	15,880	12,027
Other financial assets	5.1(b)	21,000	14,000
Trade and other receivables	5.1(c)	7,346	6,368
Inventories	5.2	15	28
Other assets	5.2	744	2,048
<b>Total current assets</b>		<b>44,985</b>	<b>34,472</b>
<b>Non-current assets</b>			
Trade and other receivables	5.1(c)	84	97
Property, infrastructure, plant and equipment	6.1	634,324	587,105
Right-of-use assets	5.8	672	896
<b>Total non-current assets</b>		<b>635,080</b>	<b>588,098</b>
<b>Total assets</b>		<b>680,065</b>	<b>622,570</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3	20,303	4,934
Trust funds and deposits	5.3(b)	1,488	1,205
Provisions	5.4	5,695	4,769
Interest-bearing loans and borrowings	5.5	5,406	1,320
Lease liabilities	5.8	223	213
<b>Total current liabilities</b>		<b>33,115</b>	<b>12,442</b>
<b>Non-current liabilities</b>			
Provisions	5.4	831	729
Interest-bearing loans and borrowings	5.5	11,889	17,295
Lease liabilities	5.8	481	704
<b>Total non-current liabilities</b>		<b>13,201</b>	<b>18,727</b>
<b>Total liabilities</b>		<b>46,316</b>	<b>31,169</b>
<b>Net assets</b>		<b>633,749</b>	<b>591,401</b>
<b>Equity</b>			
Accumulated surplus		207,460	198,847
Reserves	9.1	426,289	392,553
<b>Total Equity</b>		<b>633,749</b>	<b>591,400</b>

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## Statement of Cash Flows For the Year Ended 30 June 2021

	2021	2020
	Inflows/ (Outflows)	Inflows/ (Outflows)
Note	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Rates and charges	38,250	35,844
Statutory fees and fines	1,017	829
User fees (inclusive of GST)	1,584	3,564
Grants - operating	14,227	10,531
Grants - capital	21,981	4,839
Contributions - monetary	1,050	5,413
Interest received	333	457
Trust funds and deposits taken	845	393
Other receipts (inclusive of GST)	1,760	3,107
Net GST refund/(payment)	2,025	1,496
Employee costs	(25,471)	(21,268)
Materials and services (inclusive of GST)	(20,933)	(24,597)
Short-term, low value and variable lease payments	-	(11)
Trust funds and deposits repaid	(563)	(818)
Other payments	(642)	(522)
<b>Net cash provided by operating activities</b>	<b>35,463</b>	<b>19,257</b>
<b>Cash flows from investing activities</b>		
Payments for property, infrastructure, plant and equipment	(22,788)	(23,007)
Proceeds from sale of property, infrastructure, plant and equipment	228	763
Payments for investments	(7,000)	(7,000)
<b>Net cash (used in) investing activities</b>	<b>(29,559)</b>	<b>(29,244)</b>
<b>Cash flows from financing activities</b>		
Finance costs	(479)	(511)
Proceeds from borrowings	-	8,608
Repayment of borrowings	(1,318)	(1,120)
Interest paid - lease liability	(40)	(50)
Repayment of lease liabilities	(213)	(203)
<b>Net cash (used in) financing activities</b>	<b>(2,050)</b>	<b>6,725</b>
Net increase (decrease) in cash and cash equivalents	3,853	(3,262)
Cash and cash equivalents at the beginning of the financial year	12,027	15,290
<b>Cash and cash equivalents at the end of the financial year</b>	<b>15,880</b>	<b>12,027</b>
Financing arrangements	5.6	
Restrictions on cash assets & Other financial assets	5.1	

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

## Statement of Changes in Equity For the Year Ended 30 June 2021

2021	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		591,401	198,847	378,249	14,304
Surplus/(deficit) for the year		8,906	8,906	-	-
Net asset revaluation increment/(decrement)	6.2	33,442	-	33,442	-
Transfers to other reserves	9.1	-	(1,337)	-	1,337
Transfers from other reserves	9.1	-	1,044	-	(1,044)
<b>Balance at end of the financial year</b>		<b>633,749</b>	<b>207,460</b>	<b>411,692</b>	<b>14,597</b>

2020	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		569,998	180,888	378,249	10,861
Surplus/(deficit) for the year		21,403	21,403	-	-
Net asset revaluation increment/(decrement)		-	-	-	-
Transfers to other reserves	9.1	-	(9,315)	-	9,315
Transfers from other reserves	9.1	-	5,872	-	(5,872)
<b>Balance at end of the financial year</b>		<b>591,401</b>	<b>198,847</b>	<b>378,249</b>	<b>14,304</b>

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

## Statement of Capital Works For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Property</b>			
Land		-	248
Buildings		1,868	548
<b>Total property</b>		<b>1,868</b>	<b>796</b>
<b>Plant and equipment</b>			
Plant, machinery and equipment		1,741	2,901
Computers and telecommunications		809	484
Library books		100	93
<b>Total plant and equipment</b>		<b>2,650</b>	<b>3,478</b>
<b>Infrastructure</b>			
Roads		9,217	10,729
Bridges		493	625
Footpaths and cycleways		512	996
Drainage		131	20
Recreational, leisure and community facilities		7,293	5,935
Parks, open space and streetscapes		168	346
Other infrastructure		454	82
<b>Total infrastructure</b>		<b>18,269</b>	<b>18,732</b>
<b>Total capital works expenditure</b>		<b>22,788</b>	<b>23,007</b>
<b>Represented by:</b>			
New asset expenditure		8,451	4,980
Asset renewal expenditure		11,635	13,765
Asset upgrade expenditure		2,701	4,262
<b>Total capital works expenditure</b>		<b>22,788</b>	<b>23,007</b>

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

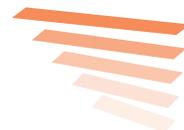
### (a) Basis of accounting

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) )
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not AASB 1059 Service Concession Arrangements: Grantors is applicable (refer to Note 8.2)



### Significant accounting policies (cont.)

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) Impact of Covid-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. While the impacts of the pandemic have abated somewhat through the 2020-21 year, Council has noted the following significant impacts on its financial operations:

- Additional revenue – Council has received \$2.767 million of additional grant funding in response to COVID-19 outbreak. This has been offset by additional costs relating to these funds.
- Revenue reductions – In response to decreases in demand and various Government directives amidst the COVID-19 outbreak, all leisure centres, libraries and community centres were closed for extended periods. These closures resulted in a decrease in Council user fee revenue by \$351,000.
- Revenue foregone – Council has provided rebates on various services including food and health registration, building rentals, and recreation reserve user fees. Additionally there were some reduction in parking infringements. These issues have caused revenue to reduce by \$209,000 during the year.
- Additional costs – Various other Council operations were impacted by the outbreak of COVID-19. This has resulted in an overall increase in expenses by \$395,000. This mainly relates to cleaning costs, advertising, signage, IT, protective equipment and equipment hire.
- Asset valuations – No material impact on the valuation of Council's land, building and infrastructure assets.

#### (c) 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.

#### (d) 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.

#### (e) 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

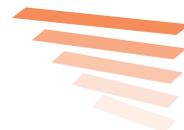
The budget comparison note compares Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent 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 3 July 2020. 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	2021	2021	2021		
	\$'000	\$'000	\$'000	%	Ref
<b>Income</b>					
Rates and charges	38,868	38,539	(329)	(1%)	
Statutory fees and fines	1,238	1,017	(221)	(18%)	1
User fees	3,248	2,555	(693)	(21%)	2
Grants - operating	10,484	13,551	3,067	29%	3
Grants - capital	10,102	6,640	(3,462)	(34%)	4
Contributions - monetary	5,818	1,050	(4,768)	(82%)	5
Contributions - non monetary	7,948	4,167	(3,781)	(48%)	6
Interest received	530	333	(197)	(37%)	7
Other income	1,128	1,570	442	39%	8
<b>Total income</b>	<b>79,364</b>	<b>69,422</b>	<b>(9,942)</b>	<b>(13%)</b>	
<b>Expenses</b>					
Employee costs	(23,567)	(26,500)	(2,933)	12%	9
Materials and services	(18,792)	(19,638)	(846)	5%	
Depreciation	(11,385)	(11,147)	238	(2%)	
Amortisation - Right of use assets	(224)	(224)	-	0%	
Borrowing costs	(513)	(479)	34	(7%)	
Loss on disposal of property, infrastructure, plant and equip.	(1,376)	(1,803)	(427)	31%	10
Finance costs - Leases	(253)	(40)	213	(84%)	11
Other expenses	(552)	(642)	(90)	16%	12
<b>Total expenses</b>	<b>(56,660)</b>	<b>(60,515)</b>	<b>(3,855)</b>	<b>7%</b>	
<b>Surplus/(deficit) for the year</b>	<b>22,703</b>	<b>8,906</b>	<b>(13,797)</b>	<b>(61%)</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	Statutory fees and fines	Actual was under budget by \$221k mainly due to a reduction in Statutory Planning Fees and Parking Infringements.
2	User fees	User fees were less than budget mainly as a result of COVID restrictions impacting various Council services. These include; Active Ageing and Diversity, Subdivisions, Family and Children's Services, and Leisure Facilities.
3	Grants - operating	Greater than budget by \$3,067k primarily due to new funding received that was not included in the budget. The largest new source of funding was the Working for Victoria program (\$2,502k). Other new funding received includes; Outdoor Eating and Entertainment, Rural Council ICT Support, and Women in Building Surveying Program.
4	Grants - capital	Capital grants are less than budget due to some major projects being deferred to next financial year. The two most significant being Ballan Recreation Reserve Pavilion (\$2,603k) and Darley Park Pavilion (\$2,296k).
5	Contributions - monetary	The actual is \$4,768k less than what was originally budgeted. This is merely a timing issue with the completion of certain stages of subdivision development in the Shire. The impact of COVID being a major influence on the completion of various developments. These contributions will now be received in future financial years.
6	Contributions - non monetary	Actual gifted and donated assets from developers is less than budget mainly due to delays in the completion of some new subdivisions during the year. It is expected that these contributions will be received in 2021/22.
7	Interest received	The actual is less than budget mainly due to a decrease in investment interest on cash deposits. Interest rates have been historically low for all of the 2020/21 financial year. There was also a decrease in interest on Rates and charges.
8	Other income	The favourable variance relates to increases in various sources of income. This includes; Workcover reimbursements, COVID employment incentives, compensation for delays in ICT project delivery, and Green waste bin sales. Most of these items were not budgeted for and are non-recurrent in nature.
9	Employee costs	Employee costs are over budget primarily due to the Working for Victoria Program. Council received funding of over \$2,500k to employee 50.6 FTE for a six month period in a State Government COVID initiative. These additional roles included; parks and gardens, communications, administration, road maintenance, statutory planning, and economic development. Other increases relate to an increase in leave provisions and new grant funded positions (such as Community Activation and Social Isolation Initiative).
10	Loss on disposal of property, infrastructure, plant and equip.	The net loss on disposal was more than budget partly due to a decrease in sale proceeds of plant and vehicles. This is due to a significant portion of the plant replacement program being deferred to 2021/22. The written down value of disposals and replacement of infrastructure assets was also greater than what was originally estimated in the budget.

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

**1.1.1 Explanation of material variations**

- |           |                        |  |
|-----------|------------------------|--|
| <b>11</b> | Finance costs - Leases | The actual is less than what was originally anticipated due to an over estimation of the costs in the 2020/21 budget.              |
| <b>12</b> | Other expenses         | Other expenses were greater than budget by \$90k due to various COVID related costs that were not included in the original budget. |



Note 1 Performance against budget (cont.)

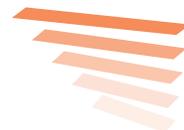
	Budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000	Variance %	Ref
<b>1.2 Capital Works</b>					
<b>Property</b>					
Land	2,500	-	(2,500)	(100%)	1
Buildings	11,800	1,868	(9,932)	(84%)	2
<b>Total property</b>	<b>14,300</b>	<b>1,868</b>	<b>(12,432)</b>	<b>(87%)</b>	
<b>Plant and equipment</b>					
Plant, machinery and equipment	1,890	1,741	(149)	(8%)	
Computers and telecommunications	775	809	34	4%	
Library books	108	100	(8)	(7%)	
<b>Total plant and equipment</b>	<b>2,774</b>	<b>2,650</b>	<b>(124)</b>	<b>(4%)</b>	
<b>Infrastructure</b>					
Roads	9,359	9,217	(142)	(2%)	
Bridges	421	493	72	17%	3
Footpaths and cycleways	578	512	(66)	(11%)	4
Drainage	-	131	131	100%	5
Recreational, leisure and community facilities	9,734	7,293	(2,441)	(25%)	6
Parks, open space and streetscapes	725	168	(557)	(77%)	7
Other infrastructure	325	454	129	40%	8
<b>Total infrastructure</b>	<b>21,143</b>	<b>18,269</b>	<b>(2,874)</b>	<b>(14%)</b>	
<b>Total capital works expenditure</b>	<b>38,216</b>	<b>22,788</b>	<b>(15,428)</b>	<b>(40%)</b>	
<b>Represented by:</b>					
New asset expenditure	12,614	8,451	(4,163)	(33%)	
Asset renewal expenditure	13,083	11,635	(1,448)	(11%)	
Asset upgrade expenditure	12,519	2,701	(9,818)	(78%)	
<b>Total capital works expenditure</b>	<b>38,216</b>	<b>22,788</b>	<b>(15,428)</b>	<b>(40%)</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	Land	This item has been deferred to the 2021/22 financial year.
2	Buildings	Capital expenditure on buildings was \$9,932k less than budget due to some major projects being incomplete at year end and will be carried over to the 2021/22 financial year. These include; Ballan Depot Relocation, Bacchus Marsh Indoor Recreation Facility Preplanning, Ballan Recreation Reserve Pavilion, and West Maddingley Early Years Facility.
3	Bridges	Actual expenditure was greater than budget by \$72k due to new funding received since the adoption of the budget for Ballan-Egerton Road (Bridge over Moorabool River). This project will be completed in the 2021/22 financial year.
4	Footpaths and cycleways	Expenditure was slightly less than budget due to path works at Maddingley Park being carried over to next financial year.
5	Drainage	Actual expenditure was greater than budget by \$131k due to the completion of works at Halletts Way that was carried over from the 2019/20 financial year.
6	Recreational, leisure and community facilities	Expenditure was less than budget due to some projects being incomplete at year end and being carried over to next financial year. This includes Bacchus Marsh Racecourse and Recreation Reserve, Female Friendly Facilities Grant (Dunnstown Recreation Reserve), and Darley Recreation Reserve Playground.
7	Parks, open space and streetscapes	Under budget at year end due to some projects being incomplete and carried over to 2021/22. These include upgrades at Mill Park, Gordon Public Park, and Egan's Reserve.
8	Other infrastructure	Actual spend was greater than budget due to additional expenditure incurred in the Forward Design Program. These costs go towards the design of projects included in future years capital works program.



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

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

**CEO's Office**

The CEO's Office is responsible for providing strategic direction to business units and to the Council as a whole. This division includes:

Office of the CEO

**Customer Care & Advocacy**

Customer Care & Advocacy Division is responsible for providing internal operational services to business units and external customer services, communications and advocacy to our community and different tiers of government agencies. This division includes:

Finance and Procurement	Governance, Risk and Corporate Planning
Communication, Public Affairs and Advocacy	Customer Experience and Innovation
Information and Technology	

**People and Culture**

People and Culture division is responsible for providing expertise and support in the areas of Performance Management, Employee Relations, Employee Engagement, Diversity & Inclusion, Policy and Procedure Development, and HR Compliance. This division includes:

Human Resources	Payroll
Learning and Development	

**Community Strengthening**

Community Strengthening provides a diverse range of high quality services to meet the needs of growing communities. This division includes:

Family, Youth and Children's Services	Libraries and Education Services
Active Ageing and Community Access	Recreation and Leisure
Community Health and Safety	

**Community Planning and Economic Development**

Community Planning and Economic Development is responsible for planning and delivery of major festivals and events as well as strategic and statutory planning, building services and major development across the municipality. This division includes:

Strategic and Statutory Planning	Major Developments
Building Services	Economic Development

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

**Community Assets & Infrastructure**

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

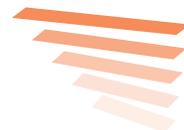
Asset Management	Capital Works
Operations	Engineering Services
Waste Management	Emergency Management

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>2021</b>					
CEO's Office	126	1,041	(915)	14	11,698
Community Strengthening	5,321	10,138	(4,817)	3,330	113,939
Customer Care & Advocacy	41,882	10,632	31,250	7,036	119,484
Community Assets & Infrastructure	16,249	30,348	(14,100)	5,429	341,051
Community Planning & Economic Development	3,169	4,526	(1,357)	1,881	50,863
People & Culture	2,674	3,829	(1,155)	2,502	43,029
	<b>69,422</b>	<b>60,515</b>	<b>8,906</b>	<b>20,191</b>	<b>680,065</b>

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2020</b>					
CEO's Office	-	816	(816)	-	9,276
Community Strengthening	5,348	10,284	(4,937)	3,390	116,842
Customer Care & Advocacy	44,561	8,603	35,958	6,753	97,739
Community Assets & Infrastructure	25,073	30,386	(5,313)	5,149	345,220
Community Planning & Economic Development	1,067	3,576	(2,509)	2	40,626
People & Culture	152	1,133	(981)	76	12,867
	<b>76,200</b>	<b>54,798</b>	<b>21,402</b>	<b>15,370</b>	<b>622,570</b>

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



2021	2020
\$'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 2020/2021 was \$9,355 million (2019/2020: \$8,474 million).

General Rates	32,672	31,043
Waste / Garbage Charges	5,525	4,940
Supplementary rates and rate adjustments	342	589
<b>Total rates and charges</b>	<b>38,539</b>	<b>36,572</b>

The date of general revaluation of land for 2020/2021 rating purposes within the municipal district was 01 January 2020 and the valuation was first applied in the rating year commencing 01 July 2020.

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	284	248
Town planning fees	602	455
Land information certificates	47	39
Permits	84	86
Freedom of Information	1	2
<b>Total statutory fees and fines</b>	<b>1,017</b>	<b>829</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.

2021  
\$'000

2020  
\$'000

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

**3.3 User fees**

Aged and health services	639	690
Leisure centre and recreation	193	243
Child care/children's programs	9	35
Registrations and other permits	857	776
Building services	324	571
Waste management services	339	419
Other fees and charges	194	119
<b>Total user fees</b>	<b>2,555</b>	<b>2,853</b>

**User fees by timing of revenue recognition**

User fees recognised at a point in time.	2,555	2,853
<b>Total user fees</b>	<b>2,555</b>	<b>2,853</b>

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

**3.4 Funding from other levels of government**

Grants were received in respect of the following :

**Summary of grants**

Commonwealth funded grants	9,925	9,623
State funded grants	8,621	5,571
Others	1,646	176
<b>Total grants received</b>	<b>20,191</b>	<b>15,370</b>

**(a) Operating Grants**

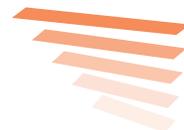
**Recurrent - Commonwealth Government**

Financial Assistance Grant	6,884	6,585
Commonwealth Home Support Program	1,759	1,756

**Recurrent - State Government**

Aged care	218	381
School crossing supervisors	91	93
Libraries	277	270
Maternal and child health	724	691
Other	140	161

<b>Total recurrent operating grants</b>	<b>10,092</b>	<b>9,937</b>
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	2021	2020
	\$'000	\$'000

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

**Non-recurrent - State Government**

Emergency management	146	120
Strategic planning and tourism	241	29
Families and youth	88	148
Environment and health	144	140
Community development	162	-
Disability access	45	81
Working for Victoria	2,502	76
Other	132	-
<b>Total non-recurrent operating grants</b>	<b>3,459</b>	<b>594</b>
<b>Total operating grants</b>	<b>13,551</b>	<b>10,531</b>

**(b) Capital Grants**

**Recurrent - Commonwealth Government**

Roads to recovery	1,282	1,282
<b>Total recurrent capital grants</b>	<b>1,282</b>	<b>1,282</b>

**Non-recurrent - State Government**

Community and recreational facilities	2,628	999
Local roads	1,085	2,382

**Non-recurrent - Other sources**

Sundry capital grants	1,646	176
<b>Total non-recurrent capital grants</b>	<b>5,358</b>	<b>3,557</b>
<b>Total capital grants</b>	<b>6,640</b>	<b>4,839</b>

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

2021  
\$'000

2020  
\$'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

**Operating**

Balance at start of year	511	468
Received during the financial year and remain unspent at balance date	123	402
Received in prior years and spent during the financial year	(163)	(359)
Balance at year end	<u>471</u>	<u>511</u>

**Capital**

Balance at start of year	-	431
Received during the financial year and remain unspent at balance date	15,341	-
Received in prior years and spent during the financial year	-	(431)
Balance at year end	<u>15,341</u>	<u>-</u>

3.5 Contributions

Monetary	1,050	5,413
Non-monetary	4,167	11,924
<b>Total contributions</b>	<u>5,217</u>	<u>17,337</u>

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

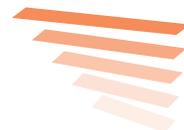
Land	1,206	3,063
Buildings	-	204
Infrastructure	2,961	7,176
<b>Total non-monetary contributions</b>	<u>4,167</u>	<u>10,443</u>

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	228	763
Written down value of assets disposed	(2,032)	(1,621)
<b>Total net loss on disposal of property, infrastructure, plant and equipment</b>	<u>(1,803)</u>	<u>(858)</u>

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



2021  
\$'000

2020  
\$'000

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

**3.7 Other income**

Interest	333	457
Reimbursements, rebates and recoveries	484	1,722
Recycling income	-	64
Other rent	156	141
Royalties	80	73
Peri-Urban contributions	60	75
Insurance claims	33	47
Sales	85	91
Other	672	569
<b>Total other income</b>	<b>1,903</b>	<b>3,240</b>

*Reimbursements, rebates and recoveries*

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, when the performance obligation is met and the amount of the contribution can be measured reliably.

*Interest*

Interest is recognised as it is earned.

*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	22,833	18,551
WorkCover	791	449
Casual staff	739	761
Superannuation	2,135	1,787
Fringe benefits tax	3	23
<b>Total employee costs</b>	<b>26,500</b>	<b>21,571</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%	41	51
--	----	----

2021  
\$'000

2020  
\$'000

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

**Accumulation funds**

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

2,090

1,736

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2,090

---

1,736

Employer contributions payable at reporting date

25

14

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

**4.2 Materials and services**

Materials and services

3,020

2,916

Contract payments

9,043

10,749

Building maintenance

462

678

General maintenance

873

787

Utilities

503

639

Office administration

721

649

Information technology

1,472

1,254

Insurance

795

701

Consultants

1,443

1,114

Agency staff

690

429

Community grants and advances

617

724

**Total materials and services**

**19,638**

**20,641**

**4.3 Depreciation**

Property

816

826

Plant and equipment

1,461

1,230

Infrastructure

8,870

8,315

**Total depreciation and amortisation**

**11,147**

**10,371**

Refer to Note 5.8 and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

**4.4 Amortisation - Right of use assets**

Property

224

224

**Total depreciation and amortisation**

**224**

**224**

**4.5 Bad and doubtful debts**

Parking fine debtors

1

10

Other debtors

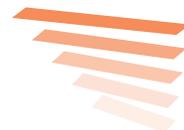
41

41

**Total bad and doubtful debts**

**42**

**51**



2021  
\$'000

2020  
\$'000

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

**Movement in provisions for doubtful debts**

Balance at the beginning of the year	93	96
New provisions recognised during the year	108	93
Amounts already provided for and written off as uncollectible	(80)	(96)
Balance at end of year	<u>122</u>	<u>93</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.

**4.6 Borrowing costs**

Interest - Borrowings	479	511
<b>Total borrowing costs</b>	<u>479</u>	<u>511</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.

**4.7 Finance Costs - Leases**

Interest - Lease Liabilities	40	50
<b>Total borrowing costs</b>	<u>40</u>	<u>50</u>

**4.8 Other expenses**

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	45	45
Auditors' remuneration - Internal	39	55
Auditors' remuneration - Other	1	2
Councillors' allowances	250	248
Operating lease rentals	42	66
Bank fees	61	54
Other	203	51
<b>Total other expenses</b>	<u>642</u>	<u>522</u>

2021  
\$'000

2020  
\$'000

**Note 5 Our financial position**

**5.1 Financial assets**

**(a) Cash and cash equivalents**

Cash on hand	3	3
Cash at bank	15,877	12,025
<b>Total cash and cash equivalents</b>	<b>15,880</b>	<b>12,027</b>

**(b) Other financial assets**

Term deposits - current	21,000	14,000
<b>Total other financial assets</b>	<b>21,000</b>	<b>14,000</b>
<b>Total financial assets</b>	<b>36,880</b>	<b>26,027</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)	1,488	1,205
- Statutory reserves (Note 9.1)	2,453	1,486
Total restricted funds	3,940	2,692
<b>Total unrestricted cash, cash equivalents and term deposits</b>	<b>32,939</b>	<b>23,336</b>

**Intended allocations**

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

- Recreation facilities reserve	931	-
- Cash held to fund carried forward capital works and projects	19,201	9,914
Total funds subject to intended allocations	20,132	9,914

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.



	2021 \$'000	2020 \$'000
<b>Note 5 Our financial position (Cont.)</b>		
<b>(c) Trade and other receivables</b>		
<b>Current</b>		
<i>Statutory receivables</i>		
Rates debtors	4,752	4,448
Special rate assessment	27	30
Infringement debtors	535	387
Provision for doubtful debts - infringements	(53)	(9)
Net GST receivable	371	699
<i>Non-statutory receivables</i>		
Other debtors	1,783	898
Provision for doubtful debts - other debtors	(69)	(84)
<b>Total current trade and other receivables</b>	<b>7,346</b>	<b>6,368</b>
<b>Non-current</b>		
<i>Statutory receivables</i>		
Special rate assessment	84	97
<b>Total non-current trade and other receivables</b>	<b>84</b>	<b>97</b>
<b>Total trade and other receivables</b>	<b>7,430</b>	<b>6,465</b>

Receivables are carried at invoice amount as amortised cost using the effective interest rate method. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred.

**(d) Ageing of receivables**

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

Current (not yet due)	701	407
Past due by up to 30 days	155	60
Past due between 31 and 60 days	188	35
Past due between 61 and 90 days	35	110
Past due by more than 90 days	705	286
<b>Total trade and other receivables</b>	<b>1,783</b>	<b>898</b>

**(e) Ageing of individually impaired receivables**

At balance date, other debtors representing financial assets with a nominal value of \$108,180 (2020: \$84,194) were impaired. The amount of the provision raised against these debtors was \$28,549 (2020: \$18,561). They have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

Past due by more than 90 days	108	84
<b>Total trade and other receivables</b>	<b>108</b>	<b>84</b>

2021  
\$'000

2020  
\$'000

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

**5.2 Non-financial assets**

**(a) Inventories**

Inventories held for distribution	15	28
<b>Total inventories</b>	<b>15</b>	<b>28</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	514	365
Accrued income	230	1,684
<b>Total other assets</b>	<b>744</b>	<b>2,048</b>

**5.3 Payables**

**(a) Trade and other payables**

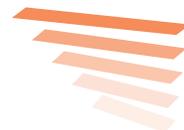
Trade payables	724	415
Accrued expenses	3,562	3,618
<b>Total trade and other payables</b>	<b>4,286</b>	<b>4,033</b>

**(b) Trust funds and deposits**

Refundable building deposits	1,123	897
Refundable contract deposits	12	12
Refundable civic facilities deposits	14	14
Retention amounts	164	51
Fire services levy	23	72
Other refundable deposits	151	158
<b>Total trust funds and deposits</b>	<b>1,488</b>	<b>1,205</b>

**(c) Unearned income**

Grants received in advance - operating	676	704
Grants received in advance - capital	15,341	197
<b>Total unearned income</b>	<b>16,017</b>	<b>901</b>



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

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

*Purpose and nature of items*

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

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

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

**5.4 Provisions**

	Quarry restoration \$ '000	Employee \$ '000	Total \$ '000
<b>2021</b>			
Balance at beginning of the financial year	257	5,241	5,499
Additional provisions	3	3,206	3,209
Amounts used		(2,180)	(2,180)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-
Balance at the end of the financial year	260	6,266	6,528
<b>2020</b>			
Balance at beginning of the financial year	252	4,944	5,196
Additional provisions	6	2,476	2,482
Amounts used	-	(2,065)	(2,065)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	(114)	(114)
Balance at the end of the financial year	257	5,241	5,499
		<b>2021</b>	<b>2020</b>
<b>(a) Employee provisions</b>		<b>\$'000</b>	<b>\$'000</b>
<b>Current provisions expected to be wholly settled within 12 months</b>			
Annual leave		1,309	1,214
Long service leave		380	386
Other leave		275	220
		1,964	1,820
<b>Current provisions expected to be wholly settled after 12 months</b>			
Annual leave		608	321
Long service leave		3,123	2,628
		3,732	2,949
<b>Total current employee provisions</b>		<b>5,695</b>	<b>4,769</b>



2021  
\$'000

2020  
\$'000

Note 5 Our financial position (cont.)

**Non-current**

Long service leave	571	472
Annual leave	-	-
<b>Total non-current employee provisions</b>	<b>571</b>	<b>472</b>

**Aggregate carrying amount of employee provisions:**

Current	5,695	4,769
Non-current	571	472
<b>Total aggregate carrying amount of employee provisions:</b>	<b>6,266</b>	<b>5,241</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 :

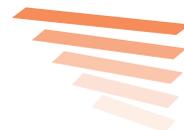
- present value - component that is not expected to be wholly settled within 12 months.
- nominal value - component that is expected to be wholly settled within 12 months.

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	1.66%	0.87%
- inflation rate	2.95%	2.50%



2021  
\$'000

2020  
\$'000

**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**

Non-current	260	257
	<u>260</u>	<u>257</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	2.20%	2.20%
- estimated cost to rehabilitate	260	257

**5.5 Interest-bearing loans and borrowings**

**Current**

Borrowings - Secured	5,406	1,320
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**Non-current**

Borrowings - Secured	11,889	17,295
	<u>11,889</u>	<u>17,295</u>

**Total interest-bearing loans and borrowings**

	<u>17,295</u>	<u>18,615</u>
--	---------------	---------------

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

Not later than one year	5,406	1,320
Later than one year and not later than five years	7,714	12,819
Later than five years	4,175	4,476
	<u>17,295</u>	<u>18,615</u>

2021  
\$'000

2020  
\$'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 30 June 2021.

Bank overdraft	750	750
Credit card facilities	200	200
<b>Total facilities</b>	<b>950</b>	<b>950</b>
Used facilities	26	36
Unused facilities	924	914

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.

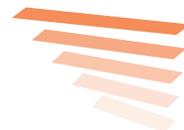
2021	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Waste collection	4,670	4,161	4,207	4,253	17,290
Septic program	87	-	-	-	87
Maintenance services	1,366	16	-	-	1,382
Financial and organisational services	1,145	895	55	-	2,095
Home care services	170	-	-	-	170
Meals for delivery	99	-	-	-	99
<b>Total</b>	<b>7,537</b>	<b>5,072</b>	<b>4,262</b>	<b>4,253</b>	<b>21,123</b>
<b>Capital</b>					
Building	3,761	-	-	-	3,761
Roads	2,906	-	-	-	2,906
Recreational, leisure and community	5,012	-	-	-	5,012
Plant and Equipment	1	-	-	-	1
Bridges	351	-	-	-	351
<b>Total</b>	<b>12,031</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,031</b>
<b>Total</b>	<b>19,568</b>	<b>5,072</b>	<b>4,262</b>	<b>4,253</b>	<b>33,154</b>



## Note 5 Our financial position (cont.)

## 5.7 Commitments (Continued)

2020	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	4,086	4,168	8,587	-	16,841
Septic program	96	-	-	-	96
Maintenance services	527	422	14	-	963
Financial and organisational services	643	313	31	-	987
Home care services	170	170	-	-	340
Meals for delivery	99	99	-	-	198
<b>Total</b>	<b>5,621</b>	<b>5,172</b>	<b>8,632</b>	<b>-</b>	<b>19,425</b>
<b>Capital</b>					
Building	567	-	-	-	567
Roads	3,430	-	-	-	3,430
Recreational, leisure and community	5,676	-	-	-	5,676
Plant and Equipment	275	-	-	-	275
Bridges	328	-	-	-	328
<b>Total</b>	<b>10,276</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,276</b>
<b>Total</b>	<b>15,897</b>	<b>5,172</b>	<b>8,632</b>	<b>-</b>	<b>29,701</b>



Note 5 Our financial position (cont.)

### 5.8 Leases

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

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

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

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

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

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

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

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

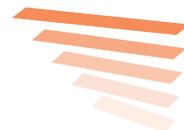
Lease payments included in the measurement of the lease liability comprise the following:

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

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

Council has no right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

<b>Right-of-Use Assets</b>	<b>Property</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July 2020	896	896
Amortisation charge	(224)	(224)
<b>Balance at 30 June 2021</b>	<b>672</b>	<b>672</b>
<b>Lease Liabilities</b>	<b>2021</b>	<b>2020</b>
<b>Maturity analysis - contractual undiscounted cash flows</b>	<b>\$'000</b>	<b>\$'000</b>
Less than one year	253	253
One to five years	505	758
<b>Total undiscounted lease liabilities as at 30 June:</b>	<b>758</b>	<b>1,011</b>
Adjustment for Interest	54	94
<b>Total discounted lease liabilities as at 30 June:</b>	<b>704</b>	<b>917</b>
<b>Lease liabilities included in the Balance Sheet at 30 June:</b>		
Current	223	213
Non-current	481	704
<b>Total lease liabilities</b>	<b>704</b>	<b>917</b>



Note 5 Our financial position (cont.)

**Short-term and low value leases**

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

There were no expenses related to short term lease and low value leases during the year.

## Note 6 Assets we manage

## 6.1 Property, infrastructure, plant and equipment

## Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2020	Acquisitions	Contributions	Revaluation	Depreciation	Disposal	Transfers	At Fair Value 30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	53,248	-	1,206	28,839	-	-	-	83,293
Buildings	27,438	3,008	-	18,287	(816)	(415)	71	47,573
Plant and Equipment	7,304	2,105	-	-	(1,461)	(259)	-	7,689
Infrastructure	488,776	7,023	2,961	(13,683)	(8,870)	(127)	6,662	482,740
Work in progress	10,339	10,654	-	-	-	(1,231)	(6,733)	13,029
<b>Total</b>	<b>587,105</b>	<b>22,790</b>	<b>4,167</b>	<b>33,443</b>	<b>(11,147)</b>	<b>(2,032)</b>	<b>-</b>	<b>634,324</b>

## Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	780	1,868	(71)	-	2,577
Plant and Equipment	364	884	-	-	1,248
Infrastructure	9,195	7,901	(6,662)	(1,231)	9,203
<b>Total</b>	<b>10,339</b>	<b>10,653</b>	<b>(6,733)</b>	<b>(1,231)</b>	<b>13,029</b>

Note 6 Assets we manage (Cont.)

(a) Property

	Land - specialised	Land - non specialised	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	4,791	48,456	53,248	32,104	14,661	46,765	780	100,793
Accumulated depreciation at 1 July 2020	-	-	-	(17,914)	(1,413)	(19,327)	-	(19,327)
	4,791	48,456	53,248	14,190	13,248	27,438	780	81,466
<b>Movements in fair value</b>								
Acquisition of assets at fair value	-	-	-	3,008	-	3,008	1,868	4,877
Contributed assets	207	999	1,206	-	-	-	-	1,206
Revaluation increments/decrements	1,095	27,744	28,839	21,610	3,442	25,052	-	53,891
Fair value of assets disposed	-	-	-	(1,293)	(106)	(1,398)	-	(1,398)
Transfers	-	-	-	71	-	71	(71)	-
	1,302	28,743	30,045	23,396	3,337	26,733	1,797	58,576
<b>Movements in accumulated depreciation</b>								
Depreciation and amortisation	-	-	-	(522)	(294)	(816)	-	(816)
Revaluation increments/decrements	-	-	-	(2,493)	(4,272)	(6,765)	-	(6,765)
Accumulated depreciation of disposals	-	-	-	973	11	984	-	984
Transfers	-	-	-	-	-	-	-	-
	-	-	-	(2,042)	(4,555)	(6,598)	-	(6,598)
At fair value 30 June 2021	6,094	77,199	83,293	55,500	17,998	73,498	2,577	159,368
Accumulated depreciation at 30 June 2021	-	-	-	(19,956)	(5,968)	(25,924)	-	(25,924)
	6,094	77,199	83,293	35,544	12,029	47,573	2,577	133,444



## Note 6 Assets we manage (Cont.)

## (b) Plant and Equipment

	Plant, machinery and equipment	Computers and telecomms	Library books	Work In Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	9,845	834	520	364	11,563
Accumulated depreciation at 1 July 2020	(3,356)	(366)	(173)	-	(3,895)
	6,489	469	347	364	7,668
<b>Movements in fair value</b>					
Acquisition of assets at fair value	1,741	264	100	884	2,989
Contributed assets	-	-	-	-	-
Revaluation increments/decrements	-	-	-	-	-
Fair value of assets disposed	(649)	(36)	(37)	-	(722)
Transfers	-	-	-	-	-
	1,092	228	63	884	2,267
<b>Movements in accumulated depreciation</b>					
Depreciation and amortisation	(1,154)	(248)	(58)	-	(1,461)
Accumulated depreciation of disposals	394	36	33	-	463
Transfers	-	-	-	-	-
	(760)	(213)	(25)	-	(998)
At fair value 30 June 2021	10,937	1,062	583	1,248	13,830
Accumulated depreciation at 30 June 2021	(4,116)	(579)	(198)	-	(4,892)
	6,821	484	385	1,248	8,937

Note 6 Assets we manage (Cont.)

(c) Infrastructure

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Recreational, leisure and Community \$'000	Parks open spaces and streetscapes \$'000	Other Infrastructure \$'000	Work In Progress \$'000	Total Infrastructure \$'000
At fair value 1 July 2020	404,946	39,237	26,317	102,286	3,083	9,750	2,494	9,195	597,307
Accumulated depreciation at 1 July 2020	(56,084)	(7,279)	(9,235)	(23,074)	(1,718)	(1,265)	(681)	-	(99,336)
	348,862	31,958	17,081	79,212	1,365	8,486	1,812	9,195	497,971
<b>Movements in fair value</b>									
Acquisition of assets at fair value	4,139	239	868	931	-	595	250	7,901	14,924
Contributed assets	1,239	-	454	1,169	-	99	-	-	2,961
Revaluation increments/decrements	(7,679)	-	(1,914)	-	(338)	4,600	-	-	(5,331)
Fair value of assets disposed	(31)	-	(40)	(8)	(175)	(7)	-	(1,231)	(1,491)
Transfers	2,712	-	-	199	333	2,550	868	(6,662)	-
	381	239	(631)	2,290	(180)	7,837	1,118	9	11,063
<b>Movements in accumulated depreciation</b>									
Depreciation and amortisation	(5,804)	(546)	(612)	(1,030)	(165)	(624)	(90)	-	(8,870)
Revaluation increments/decrements	(7,047)	-	(820)	-	383	(870)	-	-	(8,353)
Accumulated depreciation of disposals	10	-	25	4	91	4	-	-	133
Transfers	-	-	-	-	-	-	-	-	-
	(12,840)	(546)	(1,407)	(1,026)	310	(1,490)	(90)	-	(17,090)
At fair value 30 June 2021	405,327	39,476	25,685	104,576	2,902	17,588	3,612	9,203	608,369
Accumulated depreciation at 30 June 2021	(68,925)	(7,824)	(10,642)	(24,100)	(1,408)	(2,755)	(772)	-	(116,426)
	336,402	31,652	15,043	80,476	1,495	14,833	2,840	9,203	491,943



Note 6 Assets we manage (Cont.)

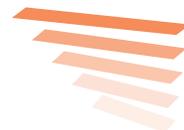
**Acquisition**

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***

Valuation of land and land under roads were undertaken by a qualified independent valuer (Preston Rowe Paterson (Warrnambool) Pty. Ltd). The valuation of land and land under roads 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 2021 are as follows:

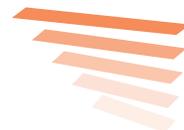
	Level 1	Level 2	Level 3	Valuation Date
Land	-	62,410	14,789	30/06/2021
Specialised land	-	-	6,094	30/06/2021
Buildings	-	12,029	35,544	30/06/2021
<b>Total</b>	<b>-</b>	<b>74,439</b>	<b>56,427</b>	

**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 2021 are as follows:

	Level 1	Level 2	Level 3	Valuation Date
Roads	-	-	336,402	30/06/2021
Bridges	-	-	31,652	30/06/2017
Footpaths and cycleways	-	-	15,043	30/06/2021
Drainage	-	-	80,476	30/06/2019
Recreational, leisure and community facilities	-	-	1,495	30/06/2021
Parks, open space and streetscapes	-	-	14,833	30/06/2021
Other infrastructure	-	-	2,840	30/06/2018
<b>Total</b>	<b>-</b>	<b>-</b>	<b>482,741</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.

	2021	2020
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	6,094	4,791
<b>Total specialised land</b>	<b>6,094</b>	<b>4,791</b>

Note 7 People and relationships

**7.1 Council and Key Management Personnel** **2021** **2020**  
**No.** **No.**

**(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  
Councillor Tonia Dudzik  
Councillor David Edwards (Mayor until 24th October 2020)  
Councillor Tom Sullivan (Mayor from 23rd November 2020)  
Councillor Rodney Ward (from 13th November 2020)  
Councillor Ally Munari (from 13th November 2020)  
Councillor Moira Berry (from 13th November 2020)  
Councillor John Keogh (until 24th October 2020)  
Councillor Jarrod Bingham (until 24th October 2020)  
Councillor Lawry Borgelt (until 24th October 2020)

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

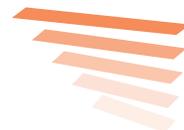
Derek Madden - Chief Executive Officer  
Philip Jeffrey - General Manager Community Assets and Infrastructure  
Sally Jones - General Manager Community Strengthening  
Caroline Buisson - General Manager Customer Care and Advocacy  
Henry Bezuidenhout - Executive Manager Community Planning and Economic Development  
Karen Jansen - Executive Manager People and Culture until 24th of August 2020  
Joshua Warner - Executive Manager People and Culture from 24th May 2021

<b>Total Number of Councillors</b>	10	8
<b>Total of Chief Executive Officer and other Key Management Personnel</b>	7	7
<b>Total Number of Key Management Personnel</b>	17	15

**(b) Remuneration of Key Management Personnel** **2021** **2020**  
**\$'000** **\$'000**

Total remuneration of key management personnel was as follows:

Short-term benefits	1,235	1,308
Long-term benefits (Long Service Leave accruals in the current reporting period)	28	27
Post employment benefits	94	103
Termination benefits	-	-
<b>Total</b>	1,357	1,438



**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:

	<b>2021</b>	<b>2020</b>
Income Range:	<b>No.</b>	<b>No.</b>
\$1 - \$9,999	3	1
\$10,000 - \$19,999	4	1
\$20,000 - \$29,999	3	4
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	1	1
\$60,000 - \$69,999	1	1
\$80,000 - \$89,999	-	-
\$140,000 - \$149,999	-	1
\$180,000 - \$189,999	1	3
\$190,000 - \$199,999	-	-
\$200,000 - \$209,999	3	1
\$210,000 - \$219,999	-	-
\$250,000 - \$259,999	1	1
\$260,000 - \$269,999	-	-
	<b>17</b>	<b>15</b>

**(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 \$151,000 (2020 - \$151,000)

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

	<b>2021</b>	<b>2020</b>
Income Range:	<b>No.</b>	<b>No.</b>
\$151,000 - \$159,999	1	1
\$160,000 - \$169,999	-	-
	<b>1</b>	<b>1</b>

	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	157	154

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:

	2021	2020
Responsible Person / Related Party	\$'000	\$'000
Helen Tatchell - The Moorabool News (Ballan News Pty Ltd)		
- Payment for Moorabool News subscription and advertising *	69	60
Tonia Dudzik - Bacchus Marsh Community Radio**		
- Income on lease of Building to Bacchus Marsh Community Radio***	-	2
- Payment for Community training workshop	-	2

\* 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.

\*\* Cr Tonia Dudzik was affiliated with Bacchus Marsh Community Radio until 2020.

\*\*\* 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

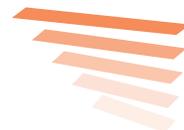
There was no outstanding balance with related parties at balance date.

(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.

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 2021/2022 total \$7.500 million (actual 2020/2021 \$4.167 million).

**Operating lease receivables**

The Council has entered into commercial property leases on its various properties. 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:

	2021	2020
	\$'000	\$'000
Not later than one year	171	169
Later than one year and not later than five years	590	460
Later than five years	791	823
	<b>1,552</b>	<b>1,452</b>

**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.

*Future superannuation contributions*

There were \$15,072 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2021. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 are \$36,000.

**(c) 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**

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council assesses the impact of these new standards. As at 30 June 2021 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 that are expected to impact Council.



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 +0.5% and -0.5% in market interest rates (AUD) from year-end rates of 1%.

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.

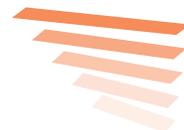
Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up 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

9.1 Reserves

(a) Asset revaluation reserves

2021

Property

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
Land	26,483	27,744	54,227
Land under roads	447	1,095	1,542
Buildings	603	18,287	18,890
	<u>27,532</u>	<u>47,126</u>	<u>74,658</u>

Infrastructure

Roads	279,078	(13,672)	265,407
Bridges	18,063	-	18,063
Drainage	43,865	-	43,865
Recreation, leisure and community facilities	6,921	1,042	7,963
Kerb & channel	2,791	(1,054)	1,737
	<u>350,718</u>	<u>(13,682)</u>	<u>337,035</u>

Total Asset revaluation reserves

**378,250      33,442      411,692**

2020

Property

Land	26,482	-	26,482
Land under roads	447	-	447
Buildings	603	-	603
	<u>27,531</u>	<u>-</u>	<u>27,531</u>

Infrastructure

Roads	279,078	-	279,078
Bridges	18,063	-	18,063
Drainage	43,865	-	43,865
Recreation, leisure and community facilities	6,921	-	6,921
Kerb & channel	2,791	-	2,791
	<u>350,718</u>	<u>-</u>	<u>350,718</u>

Total Asset revaluation reserves

**378,249      -      378,249**

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>2021</b>				
Car park reserve	40	-	(29)	11
Recreation facilities	605	326	-	931
Storm water management	73	-	-	73
Capital works contributions reserve	14	-	-	14
Developer contribution reserve	755	669	-	1,425
Industrial estate	1,631	-	(1,000)	631
Closed landfill	823	100	-	923
Defined benefits	469	81	-	550
Community seed funding	280	81	(15)	346
LGFV loan repayment reserve	9,171	-	-	9,171
Maddingley brown coal reserve	139	80	-	219
Wind farm dilapidation deeds reserve	304	-	-	304
<b>Total statutory and other reserves</b>	<b>14,304</b>	<b>1,337</b>	<b>(1,044)</b>	<b>14,597</b>
<b>2020</b>				
Car park reserve	93	-	(53)	40
Recreation facilities	583	269	(248)	605
Storm water management	73	-	-	73
Capital works contributions reserve	14	-	-	14
Developer contribution reserve	880	5,144	(5,269)	755
Industrial estate	1,631	-	-	1,631
Closed landfill	818	100	(94)	823
Defined benefits	392	78	-	469
Community seed funding	339	78	(137)	280
LGFV loan repayment reserve	5,902	3,269	-	9,171
Maddingley brown coal reserve	66	73	-	139
Wind farm dilapidation deeds reserve	71	304	(71)	304
<b>Total statutory and other reserves</b>	<b>10,861</b>	<b>9,315</b>	<b>(5,872)</b>	<b>14,304</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).

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.

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.

Note 9 Other matters (Cont.)

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

	2021 \$'000	2020 \$'000
Surplus/(deficit) for the year	8,906	21,403
Depreciation/amortisation	11,371	10,595
Loss on disposal of property, infrastructure, plant and equipment	1,803	858
Contributions - non-monetary assets	(4,167)	(11,924)
Finance costs-leases	40	50
Interest expense - borrowing cost	479	511
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(965)	(208)
(Increase)/decrease in prepayments	(149)	(149)
(Increase)/decrease in accrued income	1,454	(736)
Increase/(decrease) in trade and other payables	15,650	(1,445)
(Increase)/decrease in inventories	13	1
Increase/(decrease) in provisions	1,028	302
<b>Net cash provided by/(used in) operating activities</b>	<b>35,463</b>	<b>19,257</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 2021, 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 Employee Benefits.

### 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.

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

A triennial actuarial review for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns 5.6% pa

Salary information 2.5% pa for two years and 2.75% pa

Price inflation (CPI) 2.0% pa.

Vision Super has advised that the estimated VBI at 30 June 2021 was 109.7%. The financial assumptions used to calculate this VBI were:

Net investment returns 4.8% pa

Salary information 2.75% pa

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 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 2020 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2021, this rate was 9.5% of members' salaries (9.5% in 2019/2020). This rate is expected to increase in line with any increases in the SG contribution rate and reviewed as part of the 30 June 2020 triennial valuation. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

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.

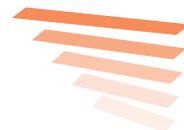
Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the 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.

**2020 triennial actuarial investigation surplus amounts**

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2020. The Fund's actuarial investigation identified the following for the Defined Benefit category of which Council is a contributing employer:

	2020 (Triennial)	2019 (Interim)
	\$m	\$m
A VBI surplus	100.0	151.3
A total service liability surplus	200.0	233.4
A discounted accrued benefits surplus	217.8	256.7

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 2020. The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2020. Council was notified of the 30 June 2020 VBI during August 2020 (2020: August 2019)



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

**The 2021 interim actuarial investigation**

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2021. Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

**Superannuation contributions**

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2021 are detailed below:

<b>Scheme</b>	<b>Type of Scheme</b>	<b>Rate</b>	<b>2021 \$,000</b>	<b>2020 \$,000</b>
Vision super	Defined benefit	9.50%	41	51
Vision super	Accumulation	9.50%	2,090	1,736

There were \$15,072 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2021. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 are \$36,000.

Note 10 Change in accounting policy

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

Council has adopted AASB 1059 Service Concession Arrangements: Grantors , from 1 July 2020.

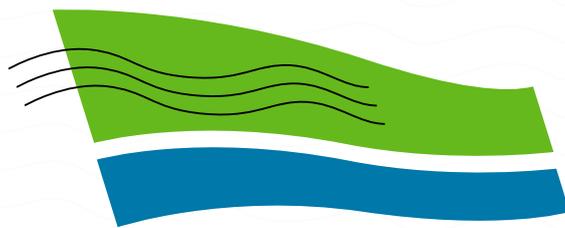
**(b) AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)**

Council has adopted AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material, from 1 July 2020.

**(c) AASB 2019-1 Amendments to Australian Accounting Standards -**

Council has adopted AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework from 1 July 2020.

**It is not expected that these standards will have any significant impact on Council.**



**MOORABOOL**  
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