

WELCOME

Moorabool Shire Council's 2021-22 Annual Report reflects Council's performance during the year against the goals set in the Council Plan 2021-2025.

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 2021-2025 is structured under the following Strategic Framework:

- ▶ Healthy, inclusive and connected neighbourhoods
- ▶ Liveable and thriving environments
- ▶ A Council that listens and adapts to the needs of our evolving communities.

COUNCIL'S VISION

Embracing our natural environment and lifestyle options to create an inspiring place for everyone to live, work and play.

COUNCIL'S PURPOSE

Council exists to co-design local solutions that enable our communities to prosper now and into the future. We do this by:

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

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 of 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.

This Annual Report can be viewed online at moorabool.vic.gov.au/annual-report or can be obtained from all Council offices.

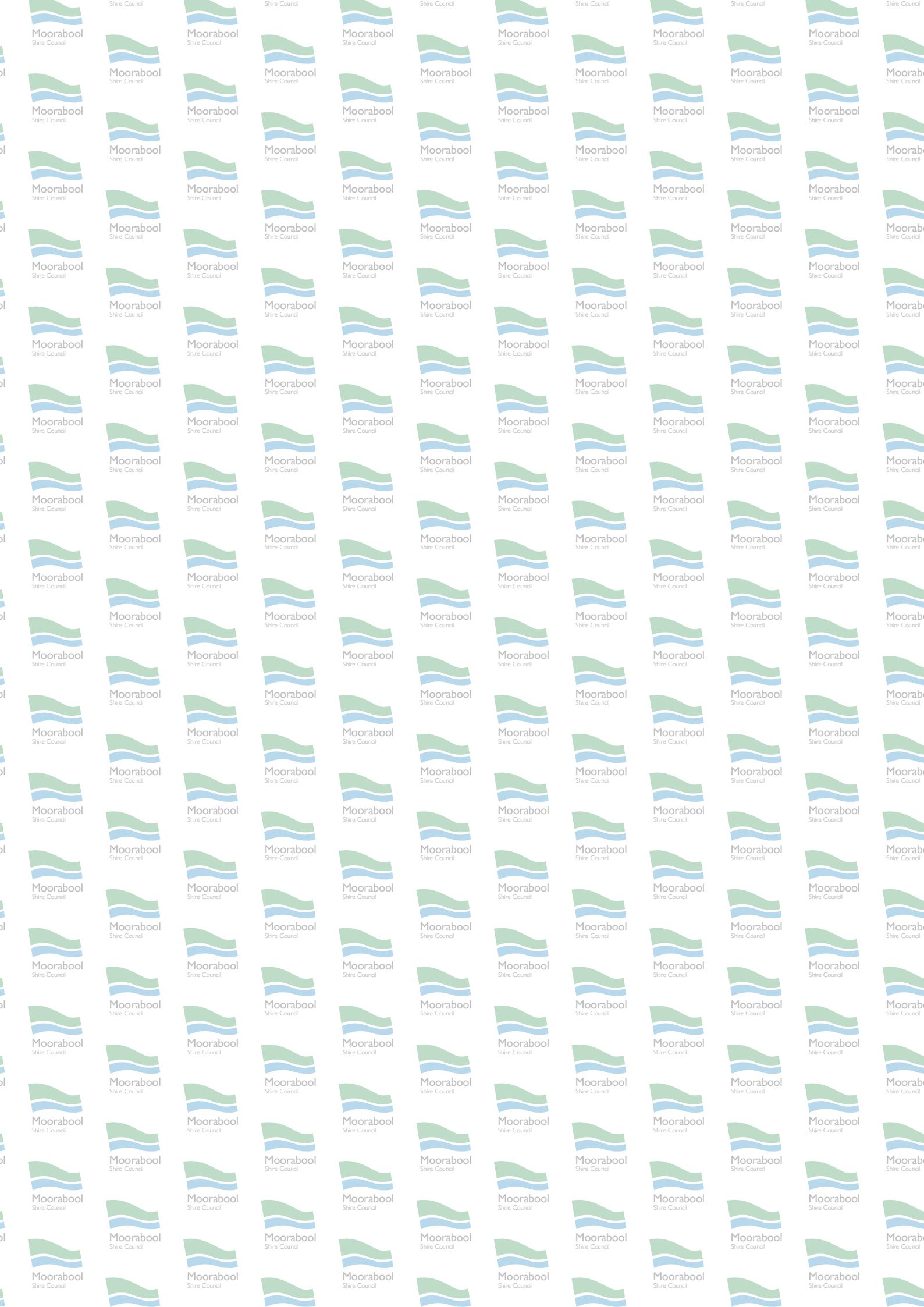
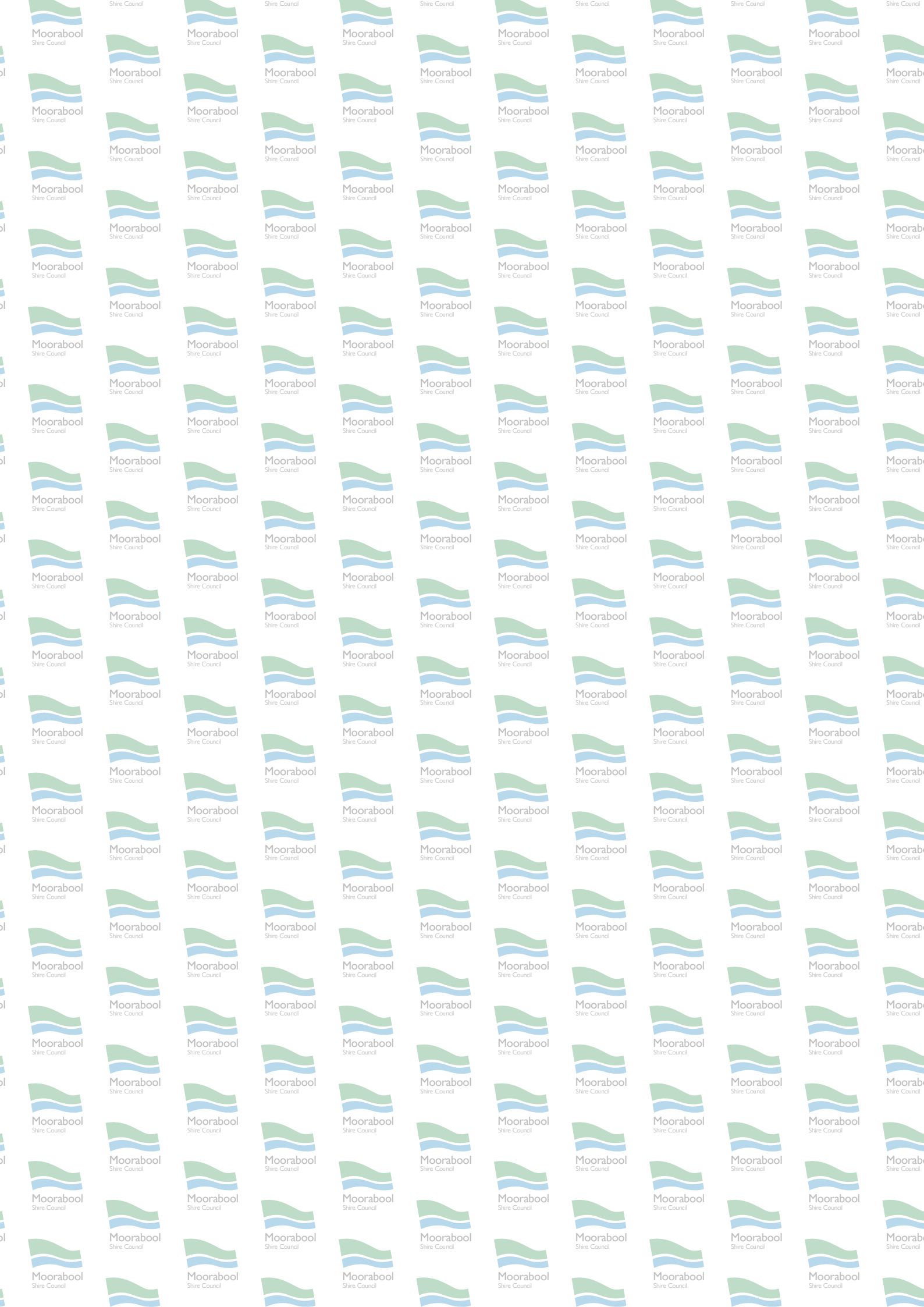


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Introduction

ACKNOWLEDGEMENT OF COUNTRY

Council respectfully acknowledges Moorabool Shire's Indigenous history and we pay our respects to its Elders 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.



A MESSAGE FROM THE MAYOR AND CEO

We are pleased to present our 2021/22 Annual Report.

It has been a big year of investment in our Shire, and we are so pleased to be progressing some of our biggest priority advocacy projects, such as Moorabool Aquatic and Recreation Centre, Aqualink, Ballan Library and Community Hub and Bald Hill 1000+ Steps project.

We had a very large total capital spend for the 2021/22 financial year, and we were able to leverage funds from other levels of Government, in particular the State Government to deliver these exciting projects. You can see on page 14 how many grants we were successful in receiving.

We again had the challenges of the COVID-19 pandemic to contend with, which impacted on services in the first half of the financial year. It was very pleasing to see how our units adapted to continue service delivery. We also had ongoing storm recovery, after a significant storm event in parts of our Shire in June 2021. This was followed by further storms in October 2021 and January 2022, that required significant assistance from Council. These challenges do not take away from the fantastic work achieved at Council in the 2021/22 year. You can read all the highlights starting on page 20.

We hope you find our 2021/22 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 Tonia Dudzik

DEPUTY MAYOR

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 except January and make decisions on the items listed in the Council meeting agenda. Where required, they also attend Special Meetings of Council.

WOODLANDS WARD



Cr Ally Munari

EAST MOORABOOL WARD



Cr Moira Berry

CENTRAL WARD



Cr Paul Tatchell

EAST MOORABOOL WARD



Cr David Edwards

EAST MOORABOOL WARD



Cr Rod Ward

COMMUNITY PROFILE

ABOUT US

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

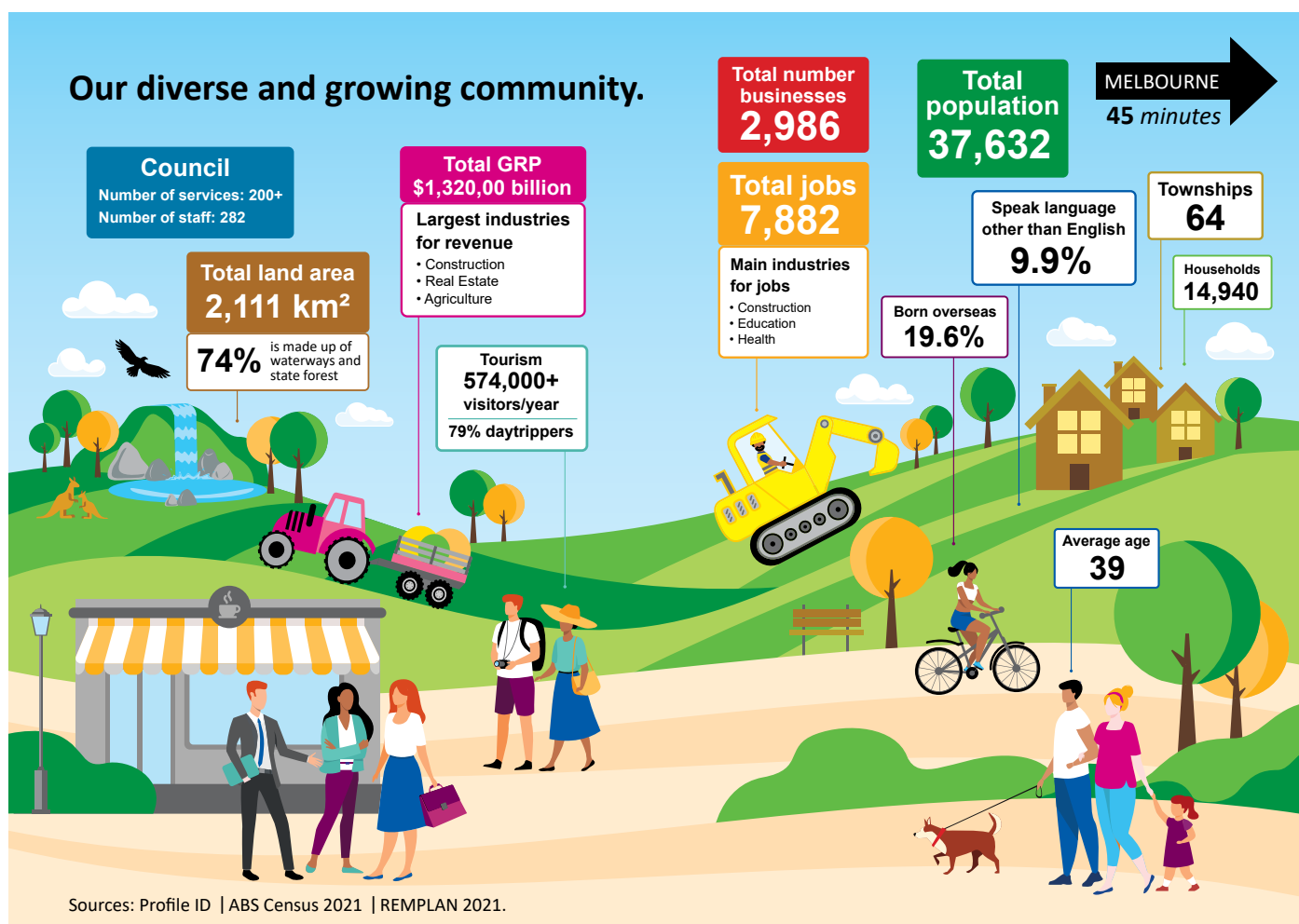
The current population of 37,632 is forecast to double in the next 20 years.

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.

LOCATION

Moorabool Shire is a highly strategic location because it offers the increasingly scarce opportunity to efficiently provide high quality food, energy and resources to a rapidly growing city while concurrently supporting the state's population and economic growth by providing housing, labour and waste processing.

Efficient movement of resources and labour is made possible by the strategic location at the interface with metropolitan Melbourne and proximity to Victoria's three largest regional cities, along with the high capacity road, rail and energy infrastructure which traverses through the Shire and its main towns.



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, LGBTQIA+ 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

Moorabool Shire is very diverse, with business ranging from agriculture through to professional services.

Whilst sustaining a unique regional/rural lifestyle, it leverages an enviable ease of access to Melbourne, Ballarat and Geelong, and their ports and airports.

Economic development holds a pivotal role in connecting local people to jobs and identifying infrastructure priorities for future investment, particularly in areas such as Parwan.

Moorabool Shire'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 able 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 Shire.

As well as facilitating and advocating for investment, Council provides support, networking and training for business, along with digital and traditional marketing campaigns to promote the value of spending locally, and the Shire's visitor experiences.

The creation of a new Economic Development Strategy, and a separate Visitor Economy Strategy in the 2021/22 financial year will deliver a pathway to further success and growth for Moorabool Shire's economy.



GRANT SUMMARY

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



Council Support Fund - June 2021 Storms and Flood Assistance

\$476,504

Support recovery from the 2021 Victorian storm and flood event that severely impacted the Moorabool local government area; undertake community recovery and engagement activities to support community recovery.

Kerbside Reform Support Fund

\$61,170

Fund transition planning and project management; minor works to reconfigure transfer stations to accommodate new collection service and implement local education programs to support the new service.

Children's Week 2021

\$700

Virtual event including guest speaker, music and movement performances and story time.

Safer Bacchus Marsh Construction Project – Stage 1

\$45,000

Construction of a range of treatments within the Bacchus Marsh township to assist in improving vehicle, pedestrian and cyclist safety.

Parwan Employment Precinct Infrastructure Network Planning

\$200,000

Network planning assessments for power and sewer in the Parwan Employment Precinct.

Navigators Community Centre Multi-Purpose Hub

\$300,000

Demolition of the existing tennis club room and outdated toilet block, to construct a new multi-purpose community space which will include a community space, viewing area, kitchen, two storage rooms and toilets.

Commonwealth Home Support Program Future Directions

\$20,000

Funding to enable virtual communications to be enhanced between the leadership team and team members during COVID-19 restrictions.

Expanding the Community Infrastructure Framework for Greenfield Growth Planning

\$100,000

This project seeks to streamline the community infrastructure and open space planning for residential development areas.

Ballan Library & Community Hub – Grant 1

\$3,500,000

The construction of a new library and community hub in Ballan.

Ballan Library & Community Hub – Grant 2

\$1,500,000

The construction of a new library and community hub in Ballan.

COVIDSafe Outdoor Activation Fund 2021

\$300,000

(Local Councils Outdoor Eating and Entertainment Package)

For works, services and promotion of outdoor activation, to immediately extend the life of existing outdoor eating and entertainment facilities and to establish semi-permanent and permanent outdoor precincts.

Moorabool Engage

\$150,000

Funding over three years for community organisations and local governments to deliver a range of activities for young Victorians aged 12 to 25 years. Service delivery will take place between 1 January 2022 and 31 December 2024.

Moorabool FReeZA

\$106,500

Provides opportunities for young Victorians aged 12 to 25 years to enjoy live band gigs, dance parties and other cultural, recreational and artistic events that are drug, alcohol and smoke-free in supervised and safe venues; provide opportunities for young people to make decisions and lead the staging of events, whilst also broadening networks within the community.

Premier's Reading Challenge Book Fund**\$8,621**

Provides public libraries with assistance in purchasing materials to support participation in the annual Reading Challenge.

COVID-19 Vaccination - Community Engagement**\$40,000**

As part of the COVID-19 pandemic response, the Department of Health is providing funding to engage priority communities regarding COVID-19 vaccination program awareness and engagement throughout the different phases of the program.

Power Back Up for STAND Projects**\$8,000**

Ensuring eight community halls and facilities across the Shire have internet access, which is vital during emergencies, especially where communications are also interrupted.

Feasibility Study - Transfer Stations - Resource Recovery/ Circular Economy Options**\$20,000**

Undertake a feasibility study at the transfer stations looking at current operations; options that lead to circular economy objectives; recommendation of future options.

Safer Bacchus Marsh Construction Project - Stage 1**\$45,000**

Construct a traffic island at the intersection of McFarland Street and Gell Street; install a wombat crossing in Young Street; and install a wombat crossing in Gell Street.

Mineral Springs of Moorabool - Cultural Heritage Story Telling**\$70,000**

Installation of artwork and interpretive signage at the Ballan and Spargo Creek Mineral Springs Reserves.

EV Charging for Council Fleet**\$55,000**

Install EV charging infrastructure at several Council sites.

Ballan Recreation Reserve - New Pavilion**\$3,000,000****Moorabool Disaster Resilience Initiative for Storm Affected Communities****\$9,000**

A series of micro-projects across and within storm affected communities that directly address issues facing communities in their recovery.

Central Registration and Enrolment Scheme (CRES) - 3 Year Old Kindergarten**\$12,000**

Funding to contribute towards the ongoing administrative costs of operating Council's Central Registration and Enrolment Scheme.

Aqualink Trail**\$2,192,000**

Funding to upgrade the Western Freeway Underpass and to construct shared use footpaths along the alignment.

Elaine-Mount Mercer Road Rehabilitation**\$396,298**

Road rehabilitation from Midland Highway intersection to 2.8km west.

Bungeeltap South Road, Mt Wallace**\$210,108**

Road rehabilitation from Ballan-Meredith Road to 2.6km south.

Gordon Public Park, Gordon (Stage 2)**\$325,000**

Reserve upgrades including paving, disability access, play space upgrade and landscaping.

Ballan Splash Park and Playground**\$760,000**

Construction of splash park and play space upgrades at Mill Park, Ballan.



●	Mill Park Toilet Replacement Replacement and relocation of toilet block.	\$185,000
●	Telford Park - All Accessibility Trail Bacchus Marsh 1000+ Steps Construction of accessible walking trails, sculpture and trail head at Telford Park, Darley.	\$400,000
●	Greendale-Myrniong Road Footpath - Stage 3 Footpath renewal from Suther Avenue to Hastings Road.	\$125,000
●	Ballan Recreation Reserve - Goal Netting Construction of AFL goal netting behind the goals at the Ballan Recreation Reserve, Ballan.	\$22,000
●	Blackwood Reserve - Tennis Courts Extension and resurfacing upgrade of the tennis courts at Blackwood Reserve, Blackwood.	\$140,000
●	Bus Pull Off Area, Gordon Construction of a gravel bus pull off area in front of 1044 Old Melbourne Road, Gordon.	\$4,000
●	Volunteer Clean Up Program Private Properties - June 2021 Storm Event (Moorabool, Hepburn and Macedon) Moorabool will manage the grant on behalf of Moorabool, Hepburn and Macedon which will assist with the cleanup of listed trees down on private properties, cleanup of some paper roads to assist with fire preparedness and access for communities.	\$218,889
●	Wiser Driver Education Program Contribute to building a culture of safer driver behaviour and increasing passenger safety; the program includes two courses of 4 weeks x 2 hour courses.	\$2,300
●	Motorised Mobility Devices Safety awareness presentation for those who currently have or are looking to access a motorised mobility device for themselves or someone they support.	\$400
●	New Car Park Spaces for Maddingley Park Precinct, Bacchus Marsh The project will see the design and construction of 100 free car parks across two sites in Maddingley Park precinct (Grant Street and Taverner Street), Bacchus Marsh.	\$1,000,000
●	Bald Hill Activation - Stage 3 Summit Trail Undertake Stage 3 works at Bald Hill including construction of a trail around the summit of Bald Hill, car parking, amenities, accessible trails, path connections to the 1000+ Steps and lookouts, sculptures and ancillary works.	\$2,116,755
●	Moorabool Aquatic and Recreation Centre - Indoor Pool As part of the wider Moorabool Aquatic and Recreation Centre Precinct, this funding will go towards a 25 metre indoor lap pool, a leisure pool, a warm water program pool, a spa and sauna, changerooms and seating areas.	\$10,000,000
●	Local Council Adolescent Vaccination Grants 2021/22 Funding to boost uptake of HPV and other school-based vaccinations.	\$20,000
●	All Abilities Adventure Playground, Bacchus Marsh Racecourse & Recreation Reserve Developing an All-Abilities Adventure Playground that will be accessible by incorporating the needs of everyone into the design, such as physical, cognitive, social-emotional and creative play.	\$750,000
●	Youth Fest 2022 Plan and deliver youth led activities in September 2022.	\$2,000

CARRIED OVER GRANTS FROM LAST FINANCIAL YEAR

Bacchus Marsh Racecourse & Recreation Reserve - Multisport Pavilion

\$3,500,000

Development of a multisport pavilion to service soccer, cricket and AFL ovals, as well as netball and tennis hardcourts which will cater for the growing demand for these, allowing clubs to expand year-round in a family friendly environment.

Moorabool Storm Recovery and Resilience Project

\$240,000

Build resilience and capacity within high-risk areas of the community who have experienced major storm events.

Bungaree and Wallace Structure Plans

\$100,000

Development of structure plans





Our Council

HIGHLIGHTS AND CHALLENGES 2021/22

Despite the ongoing challenges of the COVID-19 pandemic, there have been some significant achievements across our four directorates this past year as well as some great outcomes for our community in the 2021/ 2022 financial year.

We have shared some highlights and challenges faced throughout the year.



COMMUNITY ASSETS AND INFRASTRUCTURE

Highlights

Within the Engineering Services Unit, the Capital Works Team completed the following:

- ▶ 9.3km of sealed roads reconstructed.
- ▶ 20.7km of sealed roads resurfaced.
- ▶ 1 major culvert upgraded.
- ▶ 11km of gravel roads re-sheeted, including 2.77km upgraded to a sealed surface.
- ▶ 8.36km of road shoulders re-sheeted.
- ▶ 6.76km of new footpaths.

Major projects

- ▶ Bald Hill 1000+ steps.
- ▶ Completed construction of the \$1.25 million 1000+ Steps Project at Bald Hill.
- ▶ Ballan Recreation Reserve pavilion.
- ▶ Commenced construction of a new \$3.75 million pavilion and change room facility for user groups at the Ballan Recreation Reserve with new oval light towers and behind goal oval netting.
- ▶ Installed new shade sails, cricket wicket resurfacing, irrigation upgrades and re-line marking basketball/netball courts at Egans Reserve, in Gordon.
- ▶ Progressed construction of:
 - Aqualink Cycling and Walking Corridor
 - Ballan Depot
 - Darley Park Community Pavilion
 - Moorabool Aquatic and Recreation Centre – Stage One
 - Bacchus Marsh Racecourse Recreation Reserve – Stage Two
 - Skate parks in Ballan and Gordon
- ▶ Commenced design of:
 - Ballan Library & Community Hub
 - Bacchus Marsh Racecourse Recreation Reserve – Community Pavilion
 - Bacchus Marsh Racecourse Recreation Reserve – Regional Play Space
 - West Maddingley Early Years Hub

Development Infrastructure

- ▶ Verified compliance of \$17 million in new infrastructure (roads, footpaths, parks/reserves) handed to Council from completed subdivision developments at Stonehill, Underbank, Queensbrook, Holts Lane and various smaller infill developments.
- ▶ Processed more than 550 planning certificates - an increase of 25% on the 2020-2021 financial year.
- ▶ Reviewed more than 350 designs - an increase of 20% on the 2020-2021 financial year.

Assets

- ▶ Reviewed the Asset Management Strategy and Asset Management Plans for Buildings, Open Space, Stormwater and Transport.
- ▶ Developed a Nature Strip Policy & Guidelines.
- ▶ Delivered priority actions from the Road Safety Strategy.
- ▶ Produced a ten-year Capital Improvement Plan.

Operations

- ▶ Completed 5,700 Road Management Plan defects, sealed roads, unsealed roads, footpaths, and vegetation.
- ▶ Completed unsealed road and shoulder re-sheeting projects as part of the Capital Improvement Program.
- ▶ Completed the Annual Tree Planting Program with new trees planted in Greendale, Bungaree, Ballan, Bacchus Marsh and Darley.
- ▶ Completed the Annual Roadside Slashing Program.
- ▶ Responded rapidly to three significant storm events in June and October 2021, and January 2022 to reinstate essential assets and provide primary access to properties within a short period of time.

- ▶ Managed a large and complex storm clean-up program to further clear vegetation and reinstate essential assets to pre-event levels, which involved the investigation and completion of 540 tree defects relating to the June 2021 storm and 109 for the October 2021 storm.
- ▶ Managed \$3.2 million of works under the Natural Disaster Financial Assistance Program as a result of the three storm events.
- ▶ Processed more than 200 cubic metres of split firewood and more than 1000 cubic metres of mulch from the three storm events and successfully distributed it to the community with assistance from the Ballan Scout Group.
- ▶ Investigated and rectified a large number of drainage related issues, primarily caused by high rainfall from the January 2022 storm event.
- ▶ Publication and launch of a storm recovery book marking the one-year anniversary of the June 2021 storm event.
- ▶ Development and adoption by Council in June 2022 of the Waste and Resource Recovery Strategy.
- ▶ Construction and official opening of the Bacchus Marsh 1000+ Steps (Stage1) in May 2022.
- ▶ Successful funding announcements to complete Stage 2 (Telford Park All-Abilities Sculpture trail) and Stage 3 (Bald Hill Summit All-Abilities Sculpture Trail) at the Bacchus Marsh 1000+ Steps precinct.
- ▶ Moorabool became an official member of the Western Alliance for Greenhouse Action (WAGA) in April 2022.

Environment and Waste Service

- ▶ Led storm and flood recovery for the three major events.
- ▶ Establishment of Council's Storm Recovery Team which provided support for ongoing community recovery, following the major storm events in 2021 and 2022.
- ▶ Collaborative search and rescue planning and preparation exercises with emergency services for the Lerderberg and Werribee Gorge State Parks.

- ▶ Restrictions on work arrangements and availability of resources.
- ▶ Increased costs of materials and supply chain delays.
- ▶ An increase in development activity across the Shire.
- ▶ Recruiting skilled staff.
- ▶ Increased permit numbers and investigations.
- ▶ A high volume of customer requests.
- ▶ Extreme weather events resulted in significant vegetation debris on our roads, and the La Niña climate cycle, which brought sustained high rainfall and flooding across the Shire.



COMMUNITY STRENGTHENING

Highlights

Child, Youth and Family Services

- ▶ A total of 506 babies born in Moorabool is well above the previous high of 462 recorded in 2020/21 and makes it another record year of births. The team continued to provide high quality services to the community throughout the COVID-19 pandemic, adapting the service to suit families' needs through face-to-face consultations as well as telephone services as required.
- ▶ Kindergarten central registration was successfully expanded in 2021-2022 to include the allocation of kindergarten places to children in 3-year-old funded kindergarten programs for 2023.
- ▶ Early Years secured a \$2 million Building Blocks grant for the West Maddingley Early Years and Community Hub.
- ▶ Youth Services launched the Elevate Program, providing individualised support to young people to access the youth-specific services they need, such as mental health support, substance use treatment, education/employment and connection to pro-social recreational activities and programs.

- ▶ 'BYZ' Ballan Youth Zone, a drop in space for young people, was launched by the Youth Team in April 2022 with participation growing weekly.
- ▶ 'YES' Youth Engagement Service supported 58 young people in 2021-2022 to engage/re-engage in education, training and/or employment.
- ▶ Youth Services secured \$256,500 in external funding for the delivery of programs designed with and for Moorabool young people over the next three years.

Library Services

- ▶ We obtained maximum funding available from Growing Suburbs Fund (\$3.5 million) and Living Libraries (\$1.5 million) for the construction of a brand new, state of the art library and community hub in Ballan.
- ▶ The Peter Carey Short Story Awards (PCSSA) and the Young Writers Awards go from strength to strength, with 300 entries received for PCSSA and 735 entries received from young writers in our Shire.
- ▶ Library events are back on track with a full offering of our regular programs and a range of new programs, with attendances of more than 1000 people a month.





Community Health and Safety

- Impounded 263 cats and 181 dogs, with more than 80% returned to their owners.

Connected Communities

- Prepared the Arts and Culture Strategy 2021-2024, that was endorsed by Council.
- Prepared Council's first Public Art Policy, that was endorsed by Council.
- Supported artists to take their practice to the next level with the Arts Action Program.
- Supported the Shire's music sector through the Live and Local Program in partnership with the Live Music Office and Music Victoria.
- Workshops focused on stagecraft, collaboration for performers, production skills and included presentations from guest speakers and mentors.
- Delivered the Outdoor Activation Program in partnership with the Economic Development team:
 - Rotunda sessions – supported local musicians to perform in rotundas in Bacchus Marsh and Ballan in the weeks leading up to Christmas.
 - Hosted three outdoor cinema events in the regional towns of Gordon, Greendale and Wallace with more than 900 attendees.

- Installed 'Paste Up' artworks in partnership with local businesses in Bacchus Marsh, Ballan and Gordon.
- Pop up Pianos, painted by local artists were placed in public spaces in Bacchus Marsh and Ballan.
- Created an outdoor container stage.
- Created two outdoor galleries in Ballan and Bacchus Marsh.

- Public Art Commissions – the 1000+ Steps and Mineral Springs Public Art projects have progressed with Expressions of Interests distributed in partnership with the Wurundjeri Woi Wurrung and Wadawurrung Corporations.

Sport and Recreation

- Developed Female Friendly Sport and Recreation Participation and Infrastructure Strategy 2022-2032.
- Developed the Darley Park Master Plan 2021 – 2031.
- Commenced construction of Stage 2: Bacchus Marsh Racecourse Recreation Reserve. This project includes development of hardcourts, two new soccer pitches, an AFL/ cricket oval, sport lighting and an All-Abilities Adventure Playground.
- Commenced construction of the Bacchus Marsh Indoor Stadium. This project includes the development of a four-court indoor stadium.

- ▶ Received funding for the development of several smaller sport and active recreation projects, such as Ballan Recreation Reserve cricket training nets, Bungaree Recreation Reserve netball court upgrade, Ballan Recreation Reserve AFL safety nets, Gordon Public Park improvements, and Mill Park upgrade.

Community Engagement

- ▶ Facilitated the second year of Council's Community Leadership Program which saw 11 people complete the program in 2021 despite COVID-19 disruptions.
- ▶ Directly delivered 47 community engagement processes and saw a record number of Have Your Say (digital engagement portal) views – 107,627 – an increase of 50.8% from the previous year.
- ▶ Record funds of \$223,914.00 allocated to non-profit groups as part of the Community Grants Program August 2021 round, helping groups to significantly recover from COVID-19 impacts.

Active Ageing and Diversity

- ▶ Delivered more than 25,000 hours of Commonwealth Home Support Program services to 931 clients and delivered almost 13,000 meals to 209 clients.
- ▶ Delivered more than 1,700 hours of services to 50 clients through our Home and Community Care Program for Younger People program.
- ▶ Developed and endorsed the Moorabool Health and Wellbeing Plan 2021-25.
- ▶ Developed and endorsed the Age Well Live Well Strategy 2022-25.
- ▶ Commenced the delivery of actions in the Disability, Access and Inclusion Plan 2021-25.

- ▶ On 30 June 2022, Council transitioned out of direct service delivery in Aged and Disability Services. Silver Chain Victoria was appointed by the Commonwealth Government to provide aged care services to residents over 65 years of age and Mecwacare was appointed by the State Government to provide care for clients under 65 years of age, living with a disability. Silver Chain Victoria and Mecwacare commenced delivery of services on 1 July 2022. The appointment of new service providers to Moorabool occurred as a result of Council's confirmed decision to cease delivering aged and disability services to Moorabool residents.
- ▶ COVID-19 continued to have an impact on the delivery of services, and ongoing sustainability of the workforce due to isolation and illness of staff.



CUSTOMER CARE AND ADVOCACY

Highlights

Customer Experience and Innovation

- ▶ Began a Voice of the Customer Program to provide monthly insights so we can see how we are delivering against the commitments of our Customer Charter and make improvements to our customer service accordingly.
- ▶ Created a Do I Need a Permit? section for the website to assist residents in determining if a permit is required for certain building and planning works.
- ▶ Onboarded an after-hours call centre service for emergency enquiries.

People and Culture

- ▶ Developed and implemented key documents to guide our workplace such as the Workforce Plan, the Gender Equality Action Plan (GEAP) and the People Strategy.
- ▶ Successfully negotiated the Moorabool Shire Council Enterprise Agreement.

Finance, Revenue and Procurement

- ▶ Developed and delivered a long-term financial plan.
- ▶ Ran the 'Working with Council to Grow Your Business' webinar which focused on supporting local businesses to submit tender submissions and promoting the Moorabool Localised platform.

Brand and Advocacy

- ▶ Created an Advocacy Plan and Action Plan to attract funding and support for Council's priority projects.
- ▶ Created and updated an Advocacy Prospectus which provided detail on advocacy for priority projects and improved services in the Shire.
- ▶ Developed a Brand Strategy including a refresh of the corporate logo to roll out progressively through all channels in 2022 and 2023.



- ▶ Rolled out signage as part of the Moorabool Sub-brand Project to support our Capital Infrastructure Program and to support our advocacy work to attract funding for projects.
- ▶ Increased following and engagement across all corporate social media channels (Facebook, Twitter, Instagram, LinkedIn).
- ▶ Supported our community with informed and timely communications throughout the COVID-19 pandemic, including lockdowns, changed service delivery and vaccination rollout.

Information and Communications Technology

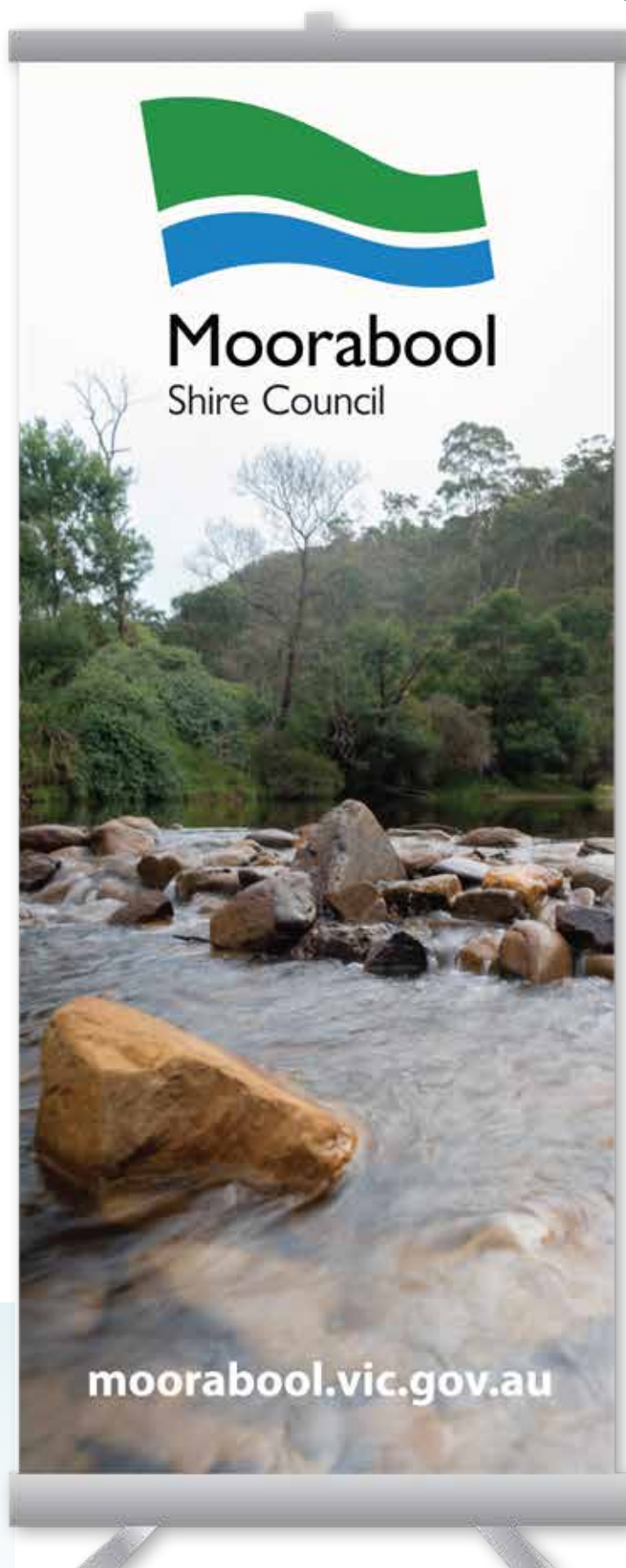
- ▶ Worked to develop a new Customer Relationship Management (CRM) system to improve services to customers through optimising and automating internal processes.
- ▶ Enabled development of more online forms, to allow the community to reach Council through digital channels anytime and anywhere.
- ▶ Adopted various measures to secure our network and organisation against phishing attacks.
- ▶ Developed a Data Collection Policy and client validation process which will define and standardise how we collect, maintain and manage our customer data. This allows Council to effectively store and analyse customer data to improve service quality and targeted customer experience.

Corporate Planning

- ▶ Created an online Council Plan dashboard in order to regularly share progress with the community and track performance against Council Plan commitments.

Challenges

- ▶ Attracting and retaining staff during the COVID-19 pandemic.
- ▶ Maintaining a positive and vibrant culture throughout the pandemic when many staff were working remotely.
- ▶ Working with ageing and/or outdated software and systems in the interim period before the project to implement new systems.



COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT

Highlights

Economic Initiatives

- ▶ Successfully obtained Federal and State Government grants to the value of more than \$600,000 in support of economic and activation initiatives aimed at economic recovery, activation and investment.
- ▶ Successfully delivered the Outdoor Activation Program with activities such as outdoor cinemas and Taste the Central Highlands campaign.
- ▶ Prepared draft Visitor Economy and Economic Development Strategies to facilitate employment growth, investment attraction, business development and tourism in the Shire.

Planning Outcomes

- ▶ Ongoing planning in conjunction with the Victorian Planning Authority of the growth precincts identified in the Urban Growth Framework.
- ▶ Progressed the implementation of the Ballan Strategic Directions Planning Framework.
- ▶ Completed and consulted on the draft Maddingley Planning Study which will guide future land use and development within the study area.
- ▶ Introduced flood controls into the Moorabool Planning Scheme to mitigate risk associated with new development in flood prone areas.
- ▶ Led and facilitated the provisioning of gas to the Parwan Employment Precinct to allow for future industrial development.
- ▶ Completion of the Parwan Employment Precinct Economic and Planning Study which will inform future planning and land uses within the precinct.
- ▶ Entered a Memorandum of Understanding with Central Highlands Water to investigate the provision for the supply of a sewer in Bungaree and Wallace to support future growth.

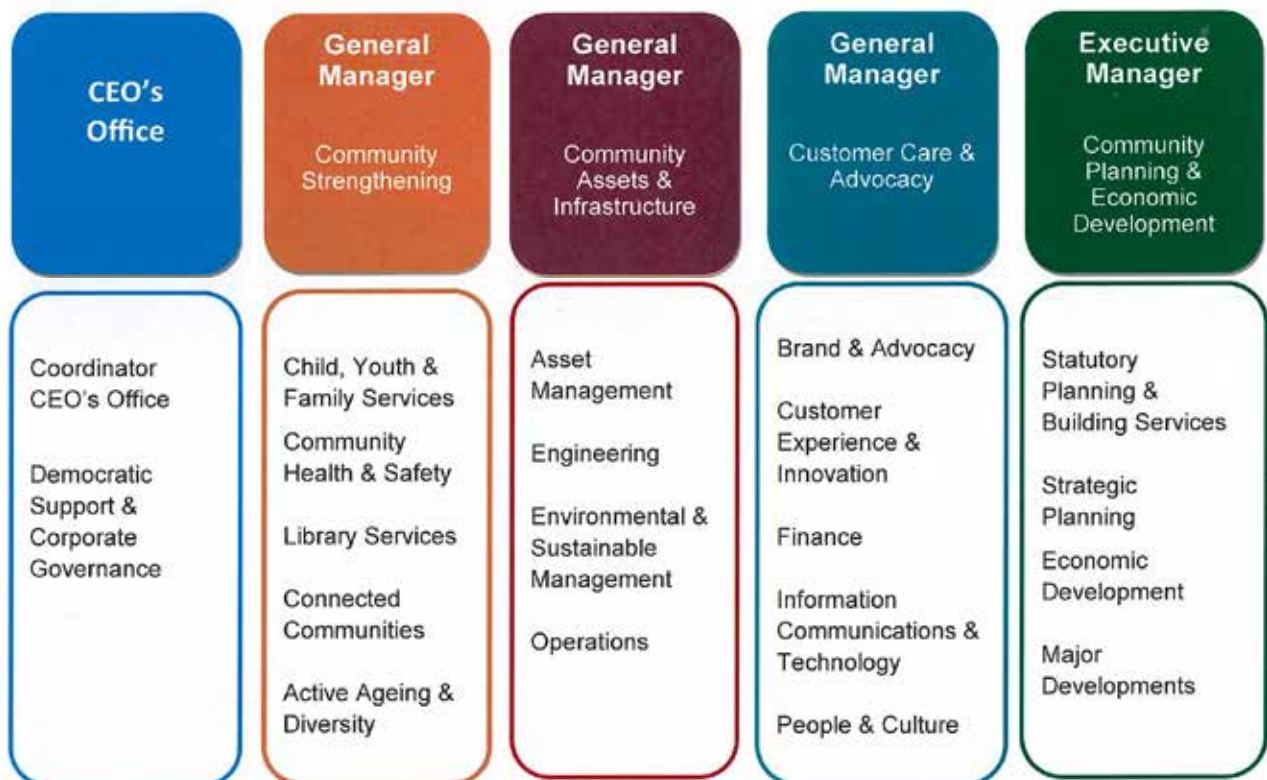
- ▶ Completed 80% of planning permit applications within 60 statutory days despite the continued COVID-19 challenges. This is well above the state average of 67%.
- ▶ Received and processed more than 739 Building Permit lodgements with an estimated building cost of \$168 million.
- ▶ Further refined and expanded Council's electronic application management system (Greenlight) to include VCAT result reporting, planning compliance module, and building notices and order.

- ▶ Moorabool is one of the fastest growing areas in Victoria, so there is an ongoing need to plan and manage the population growth and development within the Shire.
- ▶ Accommodating future growth (including infill development) in a balanced way that retains Moorabool's unique characteristics.
- ▶ Availability of fully serviced industrial land to respond to immediate investment and developer needs.
- ▶ Recognising the importance of protecting high quality agriculture land and land with conservation value, considering pressures such as lifestyle living opportunities sought within the Shire.
- ▶ Shortage of planning and building professionals across the industry adversely impacts the delivery of key planning projects in a timely manner.

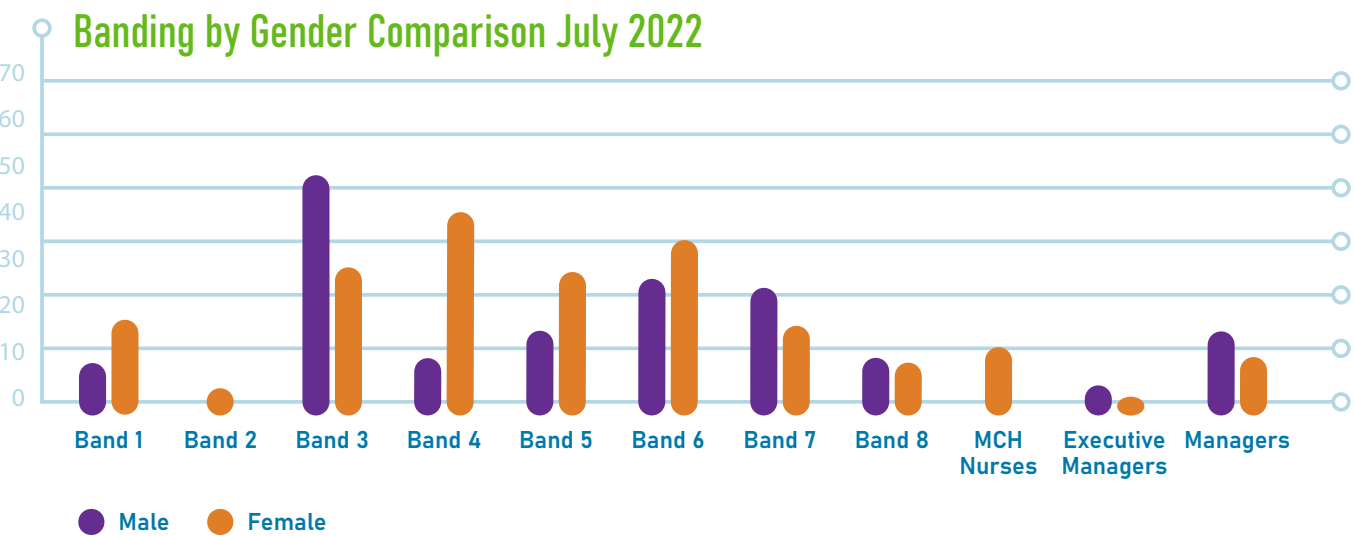
Challenges

ORGANISATIONAL STRUCTURE

Moorabool Shire Council is made up of four directorates, in addition to the CEO's office.



EMPLOYEE INFORMATION



Staff by Gender

Council’s workforce is made up of 54% female and 46% male staff. At the present time, Council reports no indeterminate, intersex or unspecified gender categories.

Executive level has 75% male representation, whilst female representation at manager level has increased to 38% in the past year.

As at 30 June, 100% of MCH Nurses are female - 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, and our statistics show a relatively equal balance of females and males.

Band 5 employees are mostly technically specialised with some form of tertiary studies and team leaders, with 65% female and 35% male.

Band 3 employees are mostly a mix of outdoor workers predominantly males, and community support workers predominantly 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 100% female pound keepers.

Band 1 employees are school crossing supervisors with 68% female and 32% male.

SERVICE AWARDS

5 Year Service Awards

Lesley Fell
Andrew Gaze
Fiona Hunter
Anton Jeandet
Matthew Libbis
Linda Mackenzie
Janet Mathes
Narelle O'Keefe
Nicole Potaris
Hayley Solomon
Melanie Tatenhove
Sarah Whitford

15 Year Service Awards

Daryl Cairns
Josephine Calvert
David Collis
Robert Fernandez
Lisa Kuklinsky
Gary McTigue

25 Year Service Awards

Manda McDermott

30 Year Service Awards

Nicole Mackenzie

10 Year Service Awards

Jacob Bandy
Suzanne Brooks
Steven Bullard
David Canavan
Sara Douglas
Sharon Duff
Dianne Elshaug
Robert Fillisch
Tracey Jacobs
Kirsten Jeandet
Sani Jehar
Victoria Mack
Danielle O'Brien
Rachele Peters
Annmaree Peterson
Peter Phillips
Michael Vallance
Rachele Peters

20 Year Service Awards

Corinne Jacobson
Joanne Speed
Jean Robinson

40 Year Service Awards

Melitta Magill

TRAINING

2020/2021

During the 2021/ 2022 financial year we continued to invest in staff professional development despite the challenges faced through the ongoing impact of the COVID-19 pandemic.

A broad range of initiatives were offered across the learning and development platform via virtual, e-learning and face-to-face training opportunities.

A recent review of the Learning and Development Framework lead to the development of an Employee Capability Framework which has enabled alignment of staff capabilities and competencies to Council's 2025 Strategy, the Council Plan, objectives and Council's values.

In 2021-2022 a leadership program was also implemented to develop the skills, knowledge and leadership capabilities of our leaders and emerging leaders. The program is focused on the practical application of core leadership capabilities from the perspective of self, leading people, leading excellence and leading change.

In line with the Learning and Development Framework we have delivered and will continue to deliver compliance, capability and professional development training. The ELMO Learning

Platform provides staff with an interactive learning platform, enabling a just-in-time approach to advance skills, personal development and compliance knowledge. The platform includes over 80 training modules to assist employees to develop and grow. It is complimentary to face-to-face and virtual training opportunities offered as part of Council's Develop @ Moorabool Program. Compliance training continues to be at the forefront of our framework, ensuring staff knowledge is established and maintained throughout the employment life cycle.

Occupational Health and Safety training and compliance is an important 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 2022-2023, we will continue to expand our focus on learning and development, leadership development and emerging leader initiatives, aligned to Council priorities and capabilities to ensure staff are best placed to meet community needs.





Our Performance

Summary of Outcomes of 2021-2025 Council Plan (Year 1)

STRATEGIC OBJECTIVE 1: HEALTHY, INCLUSIVE AND CONNECTED NEIGHBOURHOODS

Strategic Context	Strategic Action	Outcome
1.1 Improve the Health and Wellbeing of our Community	Review the Recreation and Leisure Strategy	In Progress (30%) Due to a number of conflicting priorities this action has been deferred to the 2022/23 financial year. A Request For Quote and project brief will be distributed, and a consultant will be appointed in the new financial year.
	Develop the Health and Wellbeing Plan 2021–2025	Completed
	Implement the Annual Actions of the Health and Wellbeing Plan	Completed
	Implement the Annual Actions of the Age Well Live Well Strategy	Completed
	Implement the Annual Actions of the Disability, Accessibility and Inclusion Plan	Completed
1.2 Improve Access and Opportunities for Integrated Transport	Complete Stage 1 Construction of the Aqualink Cycle Corridor Project in Bacchus Marsh	In Progress (85%) Construction has commenced on stage 1 and will continue over the coming months.
	Implement Priority Actions from the Road Safety Strategy	Completed
1.3 Facilitate Opportunities for the Community to Gather and Celebrate	Develop the Arts and Culture Strategy	Completed

Strategic Context	Strategic Action	Outcome
1.4 Develop a Vision and Provide Opportunities for Rural Communities	Develop a Township Improvement Plan for One Small Town Annually	Completed
	Implement a Township Improvement Plan in Accordance with the Annual Budget	Completed
	Complete Design for the Development of the Ballan Library and Community Hub	In Progress (35%) The initial concept designs have been completed. Council was successful in receiving a Growing Suburbs Fund Grant of \$3.5 million, and a Living Libraries Grant of \$1.5 million. An architect was appointed in May and designs are now being drafted. Alongside the design work, community engagement activities are underway.
1.5 Provide Access to Services to Improve Community Connection in the Shire	Commence Construction of the West Maddingley Early Years & Community Hub (WMEYCH)	In Progress (30%) The project is in the schematic design phase and will be issued for select tender in July/August 2022. Construction will commence in January 2023 and will be completed in late October 2023. This action has been deferred to the 2022/23 financial year when construction is scheduled to commence.
	Final Design of Stage 1 of Four Court Indoor Stadium (BMSP)	Completed
	Implement the Annual Actions of the Female Friendly Sport and Recreation Participation and Facilities Strategy	Completed
	Seek Funding for Indoor Aquatic Centre (Bacchus Marsh Sports Precinct: BMSP)	Completed
	Commence Construction of the Regional Bowls Facility	Deferred (50%) The project is currently in the detailed design stage. The construction of the project is subject to Council securing funding from the State Government. This action has been deferred to 22/23 financial year when construction is scheduled to commence (subject to successful grant)
	Seek Funding for Stage 3 BMRRR (Annually Until Successful)	Completed

Strategic Context	Strategic Action	Outcome
	Review the Community Development Strategy	In Progress (30%) Due to a number of conflicting priorities, this has been deferred to the 2022/23 financial year. It is also linked to the Community Grants Review which is about to commence.
	Deliver Community Leadership Program	Completed

STRATEGIC OBJECTIVE 2: LIVEABLE AND THRIVING ENVIRONMENTS

Strategic Context	Strategic Action	Outcome
2.1 Develop Planning Mechanisms to Enhance Liveability in the Shire	Develop a Development Contribution Policy	In Progress (30%) The policy is currently being scoped and has been discussed with the Development Contributions Project Control Group. An internal workshop was held to discuss the purpose of the Policy. The Development Contributions Project Control Group will be used to provide input to the Policy. Additionally, Council has representation on a Regional DCP Toolkit. Completion of policy is anticipated in early 2023.
	Review and Update the Draft Urban Design Guidelines for New Development, Including Sustainable Subdivision Principles	In progress (18%) A review of the Urban Design Guidelines has commenced, which includes the establishment of an internal working group. The review is to continue during the year with a revised document expected to be prepared during the 2022/23 year.
	Consult and complete Car Parking Strategy & Car Parking Policy	In Progress (75%) Following the completion of the Parking Study to survey parking needs, further work is being undertaken on the Draft Policy which establishes a framework for the supply and management of parking. An internal workshop was held with key officers in June 2022. A Councillor briefing is scheduled for September 2022. Following public exhibition and consultation of the draft documents, finalisation and adoption by Council is anticipated in 2023.

Strategic Context	Strategic Action	Outcome
	Commence Bacchus Marsh Town Centre Structure Plan	Completed
	Commence Bungaree and Wallace Structure Plans	Completed
	Commence Rural Land Use Strategy	Completed
	Review Infrastructure Standards for Urban Development	Completed
2.2 Beautify our Shire Including our Parks, Gardens, Streetscapes, Public and Open Spaces	Implement the Planting Program as per the Street Tree Strategy	Completed
	Develop the Gateways Strategy	In Progress (87%) The Gateway Strategy is currently under development. Internal engagement has been undertaken and a Councillor Briefing has been held to present progress of the Strategy. The Draft Strategy is being prepared and is currently progressing via an internal review. The Draft Strategy is scheduled for completion in 2022/23.
	Develop the Open Space Strategy	In Progress (81%) Open Space Strategy is currently under development. Internal engagement has been undertaken. A draft strategy and localities analysis has been provided. Technical reference group has reviewed and provided comment which has been passed on to the consultants to undertake further work on the draft documents. The Draft Strategy is being prepared and is currently progressing via an internal review. Draft Strategy is scheduled for completion in 2022/23.
	Develop the Bacchus Marsh Avenue of Honour Management Plan	Deferred (50%) A Draft Management Plan has been developed and a peer assessment of tree inspections has been completed. The finalisation of the Plan and community consultation will occur in the 2022/23 financial year. Delays are attributed to resource impacts and significant storm events.

Strategic Context	Strategic Action	Outcome
2.3 Enhance our Natural Environments	Develop the Sustainable Building Strategy	Deferred (47%) This Strategy will be incorporated into the Sustainable Environment Strategy which is proposed for 2023/24.
	Develop the Waste and Resource Recovery Strategy	Completed
	Develop the Integrated Water Management Strategy	Completed
2.4 Grow Local Employment and Business Investment	Advocate for Essential Servicing Infrastructure in the Parwan Employment Precinct	Completed
	Review Economic Development Strategy and Develop Action Plan	In Progress (75%) A consultant has been engaged to undertake the Study. Phase 1 consultation has been completed. The Background Research and Analysis is currently being undertaken. A Draft of the Strategy has been received and is being reviewed. Completion of the Strategy and adoption is anticipated in 2023.
	Develop an Investment Attraction Strategy	In Progress (20%) The Project Structure and Engagement Plan are being developed. The receipt of the Draft Economic Development Strategy in July is a key input to the development of the Investment Attraction Strategy that will enable commencement of the Strategy. This action will not be completed in the 2022/23 Financial Year.
2.5 Create a Viable Offering to Attract Visitors, Tourists and Investment	Develop a Visitor Strategy and Action Plan	In Progress (75%) A consultant has been engaged to undertake the Study. Phase 1 consultation has been completed. The Background Research and Analysis is currently being undertaken. A Draft of the Strategy has been received and is being reviewed. Completion of the Strategy and adoption is anticipated in 2023.

STRATEGIC OBJECTIVE 3: A COUNCIL THAT LISTENS AND ADAPTS TO THE NEEDS OF OUR EVOLVING COMMUNITIES

Strategic Context	Strategic Action	Outcome
3.1 Listen, Analyse and Understand Community Needs	Implement the Community Engagement Framework	Completed
	Develop the ICT Strategy	In Progress (10%) There will be a minor delay in completion of this action item due to workload and resource constraints from impact of COVID-19 in managing the operational workloads. Work has commenced in engaging external consultants to assist and facilitate workshops in development of Council's ICT Strategy. The strategy is expected to be completed by the end of November 2022.
3.2 Align Services to Meet the Needs of the Community	Review the Service Planning Framework	Completed
	Review the Rate Strategy to Inform the Revenue and Rating Plan for 2022-25 in Accordance with the New LGA	Completed
	Review the Asset Management Strategy	Completed
	Review the Asset Plans for Transport, Open Space, Building and Drainage	Completed
	Master Planning of Recreation Reserves	Completed
	Develop Support Mechanisms for Community Asset Committees	In Progress (80%) The Community Asset Committee Guideline document is awaiting confirmation of several statements from our new insurance provider. This has resulted in a slight delay and this action will be deferred to the 2022/23 financial year. It is now intended that it will be presented to Council in September 2022 for adoption.
	Review Community Infrastructure Framework	In Progress (30%) The review of this document has been put on hold due to a staff vacancy in the Connected Communities team. It is expected that this work will recommence in August 2022 when the recruitment for this position has been completed and the role backfilled.

Strategic Context	Strategic Action	Outcome
3.3 Focus Resources to Deliver on our Service Promise in a Sustainable Way	Develop Council's 10-year Financial Plan	Completed
	Develop a 4-year Workforce Plan that Promotes Gender Equality, Diversity and Inclusiveness	Completed
3.4 Measure Performance, Communicate our Results and Continue to Improve our Services Every Day	Improve Council's External Reporting for Better Transparency and Accountability	Completed
	Increase Accessibility for Community Participation in Online Council Meetings	Completed
3.5 Be Recognised for Demonstrating a Culture of Excellence, Creativity and Inclusiveness	Develop Professional Development Framework for Councillors	Completed
	Implement the Organisational Development Strategy	Completed
	Facilitate Council's Obligations Under the Gender Equality Act 2020	Completed
	Develop a Brand Strategy	Completed
	Design and Implement a Planned Advocacy Approach that Attracts Funding and Support for Council's Priority Projects	Completed



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

STRATEGIC OBJECTIVE 1: PROVIDING GOOD GOVERNANCE & LEADERSHIP

Strategic Context	Strategic Action	Outcome
1B Our People	Revise the Community Engagement Policy and Framework	Completed
1C Our Business and Systems	Develop an Enforcement Policy	In Progress (80%) A draft policy was developed following internal consultation and undertaking a Gender Impact Assessment. The draft policy was presented to Councillors at a briefing session. The Enforcement Policy was out for public comment in Jun 2022.

STRATEGIC OBJECTIVE 2: MINIMISING ENVIRONMENTAL IMPACT

Strategic Context	Strategic Action	Outcome
2A Built Environment	Incorporate Flood Mapping into the Planning Scheme (2017-2021) and prepare and exhibit Moorabool Planning Scheme Amendment C91 (2017-2021)	Completed
2B Natural Environment	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 provided to the consultants developing the Bacchus Marsh Integrated Water Management Strategy for inclusion in this document. Due to the scale of the Integrated Water Strategy, it was not incorporated. As a result, the Policy is still in draft form and expected to be completed late 2022.

STRATEGIC OBJECTIVE 3: STIMULATING ECONOMIC DEVELOPMENT

Strategic Context	Strategic Action	Outcome
3A Land Use Planning	Incorporate Strategic Documents into the Planning Scheme: - West Moorabool Heritage Study	In Progress (55%) The heritage citations have been completed and amendment documentation is being drafted. A briefing note is currently being prepared prior to taking the amendment to Council to seek authorisation.
	Include the recommendations from the Planning Scheme Review Report into the Planning Scheme	Completed

STRATEGIC OBJECTIVE 4: IMPROVING SOCIAL OUTCOME

Strategic Context	Strategic Action	Outcome
4A Health and Wellbeing	Adopt a Revised Municipal Early Years Plan and Youth Strategy	In Progress (10%) This action was funded in the 2021-2022 budget and will be a multi-year action with the bulk of the work be completed in mid-2022 when the current Municipal Early Years Plan expires.
	Implement the Reserve Management Framework (2017-2021)	Completed
	Facilitate and Support Existing and Emerging Arts and Cultural Development Groups and Activities Across the Municipality (2017-2021)	Completed
	Undertake a Master Plan Including Concept and Cost Plan for a Youth Space at Rotary Park, Including the Andy Arnold Facility	In progress (90%) This is a multi-year project that has been delayed due to COVID-19 lockdowns and restrictions. A Draft Master Plan has been agreed on by the Project Control Group. Four18 Architects has prepared a recorded video presentation detailing each element of the proposed Master Plan. This is being used through the current community consultation.

PERFORMANCE

Council's performance for the 2021-22 year has been reported against strategic objectives to demonstrate how Council is performing in achieving the 2021- 2025 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.





4



Governance, Management
and other information

GOVERNANCE

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

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

- ▶ 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 2021-22-year Council held the following meetings:

- ▶ 11 Ordinary Council Meetings
- ▶ 7 Special Council Meetings

The table below depicts each Councillor as present or as an apology for each meeting in the 2021-22 year.



ORDINARY MEETINGS OF COUNCIL - COUNCILLOR ATTENDANCE 2021-22

	Cr David Edwards	Cr Tonia Dudzik	Cr Tom Sullivan	Cr Moira Berry	Cr Paul Tatchell	Cr Rod Ward	Cr Ally Munari
7-Jul-21	1	1	1	1	1	1	1
4-Aug-21	1	1	1	1	1	1	1
1-Sep-21	1	1	1	1	1	1	1
6-Oct-21	1	1	1	1	1	1	1
3-Nov-21	1	1	1	1	1	1	1
1-Dec-21	1	1	1	1	1	1	1
2-Feb-22	1	1	1	1	1	1	1
2-Mar-22	1	1	1	1	1	1	1
6-Apr-22	1	1	1	1	1	1	1
4-May-22	1	1	1	1	1	1	1
1-Jun-22	1	1	1	1	1	1	1
Number of Meetings	11	11	11	11	11	11	11

SPECIAL MEETINGS OF COUNCIL - COUNCILLOR ATTENDANCE 2022 - 22

	Cr David Edwards	Cr Tonia Dudzik	Cr Tom Sullivan	Cr Moira Berry	Cr Paul Tatchell	Cr Rod Ward	Cr Ally Munari	
27-Oct-21	1	1	1	1	1	1	1	
22-Dec-21	1	1	1	1	1	1	1	
27-Jan-22	1	1	0*	1	1	1	1	
11-May-22	0*	1	1	1	0*	1	1	
15-Jun-22	1	1	1	0*	1	1	1	
22-Jun-22	1	1	1	1	1	1	1	
Number of Meetings	5	6	5	5	5	6	6	TOTAL
Total # of Council meetings attended	16	17	16	16	16	17	17	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 special committees consisting of:

- ▶ At least two 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.

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 2022)
- ▶ 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 July to December 2021 the Councillor annual allowance for a category two (2) Council (as defined by the LG Act 1989) was fixed at \$30,024 per annum and the allowance for the Mayor was \$96,470. For the period January to June 2022 the Councillor annual allowance for a category (2) Council (as defined by the LG Act 2020) was fixed at \$33,026 per annum and the allowance for the Mayor was \$106,117.

CONFLICT OF INTEREST

Councillors are elected by the residents and ratepayers to act in the best interests of the community. This is a position of trust that requires Councillors to act in the public interest. When a Council delegates its powers to a Council officer or a committee, the committee or officer also needs to act in the public interest.

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it. Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all Council and Committee meetings.

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflict of interest. During 2021-22, 18 conflicts of interest were declared at meetings of Council.

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 expenses including reimbursement of expenses for each Councillor and member of a Council Committee paid by the Council for the 2021-22 year are set out in the following table:

Councillors	Travel \$	Car Mileage \$	Child Care \$	Info & Communications \$	Training \$	Total \$
Cr Edwards	-	-	-	454	-	454
Cr Sullivan	-	-	-	627	-	627
Cr Dudzik	-	-	-	603	-	603
Cr Tatchell	-	-	-	832	-	832
Cr Ward	-	-	-	595	-	595
Cr Berry	-	-	-	628	-	628
Cr Munari	-	-	-	616	-	616
	-	-	-	4,354	-	4,354

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

2021-22 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. A tender was conducted in March – June 2022 to review the insurance policies across Moorabool's insurance portfolio. A new insurer was appointed to start 1 July 2022.



AUDIT AND RISK COMMITTEE

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

The Committee consists of 3 independent members, Ms. Linda MacRae (Chair), Mr. Michael Said (term completed on 30 September 2021), Mr Peter Smith (appointed on 4 November 2021) 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 2021-22 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 and Risk 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 and on the Council's website.

In 2021-22, Council administered 29 Freedom of Information requests with two requests to be administered in the next financial year 2022/23:

Requests granted in full	2
Requests granted in part, subject to specific exemptions	11
Requests denied in full, subject to specific exemptions.	1
Requests being processed as of June 30, 2022	2
Other: (where requests were withdrawn or no documents found under the FOI Act or documents provided outside of the FOI Act)	13
Total	29

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 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 ACCESS AND INCLUSION PLAN

Council has a Disability Access and Inclusion Plan and has implemented actions including:

- ▶ The review and update of dining guides and mobility maps.
- ▶ Use of universal access standards in design of new buildings.
- ▶ Delivery of inclusive and accessible programs and services through youth services and libraries.
- ▶ An audit to ensure library services provide a mix of accessible format material.

INFRASTRUCTURE AND DEVELOPMENT CONTRIBUTIONS

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

For the 2021/22 year, Moorabool Shire Council had no infrastructure and development contributions collected under an infrastructure or development contributions plan.

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 reportable financial year.

DOMESTIC ANIMAL MANAGEMENT PLAN

Council is currently in the process of adopting a new Domestic Animal Management Plan. Actions from the 2018-2021 Plan were implemented throughout the life of the plan.

FOOD ACT MINISTERIAL DIRECTION

In accordance with Section 7E of the Food Act 1984, Council can declare that no ministerial directions were received by Council during the reportable 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 Local Government Act 2020 requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations.


Council's Governance and Management Checklist results are set out in the section on the next page.

The following items have been highlighted as important components of the management framework.



2021/2022 GOVERNANCE AND MANAGEMENT CHECKLIST

Requirement		Assessment	Date implemented/ Effective date
Community Engagement Policy (Policy outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with Section 55 of the Act	YES	24/02/2021
Community Engagement Guidelines (Guidelines to assist staff to determine when and how to engage with the community)	Current Guidelines in operation	YES	24/02/2021
Financial Plan (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	31/10/2021
Asset Plan (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	05/05/2021
Revenue and Rating Plan (Plan setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with Section 93 of the Act	YES	07/07/2021
Annual Budget (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	22/06/2022



Requirement		Assessment	Date implemented/ Effective date
Risk Policy (Policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current Policy in operation	YES	21/01/2019
Fraud Policy (Policy outlining Council's commitment and approach to minimising the risk of fraud)	Current Policy in operation	YES	30/10/2019
Municipal Emergency Management Plan (Plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Prepared and maintained in accordance with Section 20 of the Emergency Management Act 1986	YES	June 2021
Procurement Policy (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	12/10/2021
Business Continuity Plan (Plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current Plan in operation	YES	24/10/2017
Disaster Recovery Plan (Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current Plan in operation	YES	11/11/2019
Risk Management Framework (Framework outlining Council's approach to managing risks to the Council's operations)	Current Framework in operation	YES	15/06/2021
Audit and Risk Committee (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
Internal Audit (Independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal Auditor engaged	YES	24/11/2020
Performance Reporting Framework (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
Council Plan Reporting (Report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Current Report	YES	22/06/2021
Financial Reporting (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 01/12/2021 2nd Quarter 03/03/2022 3rd Quarter 01/06/2022
Risk Reporting (Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented	YES	11/08/2021 04/11/2021
Performance Reporting (Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the 1989 Act)	Reports prepared and presented	YES	01/09/2021 02/02/2022

Requirement	Assessment	Date implemented/ Effective date
Annual Report (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	06/10/2021
Councillor Code of Conduct (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
Delegations (A document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with Section 11(7) of the Act and a register kept in accordance with Sections 11(8) and 47(7) of the Act YES	01/02/2022
Meeting procedures (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: 5 October 2022



Cr Tom Sullivan
Mayor

Dated: 5 October 2022





Performance Statement

2021-22 Performance Statement

Independent Auditor’s Report

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 2021/22 is 36,773 and is forecast to double in the next 20 years.

Sustainable Capacity Indicators - for the year ended 30 June 2022

LGV Ref	Indicator / measure and [formula]	Results 2019	Results 2020	Results 2021	Results 2022	Comments
	Population					
C1	Expenses per head of municipal population [Total expenses / Municipal population]	\$1,439.25	\$1,563.47	\$1,680.35	\$1,831.52	
C2	Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$15,065.11	\$15,257.41	\$15,300.85	\$15,641.48	
C3	Population density per length of road [Municipal population / Kilometres of local roads]	23.28	24.34	24.84	25.03	
	Own-source revenue					
C4	Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,230.74	\$1,240.94	\$1,222.14	\$1,285.16	
	Recurrent grants					
C5	Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$301.76	\$328.11	\$315.81	\$377.29	Early payment of 2022-23 Financial Assistance Grants has resulted in an increase to funding per head of population in 2021-22.
	Disadvantage					
C6	Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	7.00	7.00	7.00	7.00	
	Workforce turnover					
C7	Percentage of staff turnover	10.2%	12.4%	15.8%	33.3%	In 2021-22 Council made the decisions to cease providing Aged Care Services, the exit from this service and subsequent redundancies has impacted this metric.

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.

2021-22 Performance Statement

Service Performance Indicators – for the year ended 30 June 2022

LGV Ref	Service Indicator / measure and [formula]	Results 2019	Results 2020	Results 2021	Results 2022	Comments
Aquatic Facilities						
AF6	Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	0.30	0.20	0.18	0.27	Increased visitations over the past summer due to improved weather conditions and less Covid restrictions on the previous year.
Animal Management						
AM7	Health and safety Animal management prosecutions [Number of successful animal management prosecutions]	New in 2020	0.00%	50.00%	100%	We successfully prosecuted all animal prosecutions.
Food Safety						
FS4	Health and safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up/Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100	100.00%	100.00%	100.00%	83.33%	All major non compliances were followed up however as some major compliances were at the end of the financial year and as such were followed up in the 2022/3 year and not shown in this report.
Governance						
G5	Satisfaction Satisfaction with council decisions	49.00	47.00	49.00	47.00	

LGV Ref	Service Indicator / measure and [formula]	Results 2019	Results 2020	Results 2021	Results 2022	Comments
	<i>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</i>					
	Libraries					
LB4	Participation 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	9.64%	8.35%	7.37%	6.56%	Use has come back to a reasonably consistent level, even though there was some disruption still.
	Maternal and Child Health (MCH)					
MC4	Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year)/Number of children enrolled in the MCH service] x 100	76.17%	74.14%	71.43%	67.18%	
MC5	Participation Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year)/Number of Aboriginal children enrolled in the MCH service] x 100	90.24%	75.00%	63.10%	67.03%	
	Roads					
R5	Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	48.00	42.00	45.00	40.0	Council continues to focus on the improvement of its local road network through the implementation of proactive maintenance practices within its existing resources and the delivery of capital works. The local road network has also been impacted by a number of significant rain events over the past financial year.
	Statutory Planning					
SP4	Decision making	33.33%	50.00%	90.91%	57.14%	Due to the delays in the VCAT hearing, council has experienced developers going to VCAT early

LGV Ref	Service Indicator / measure and [formula]	Results 2019	Results 2020	Results 2021	Results 2022	Comments
	Council planning decisions upheld at VCAT <i>[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100</i>					to secure a date and this has impacted the 'failure to determine rate of cases' which are reflected in these numbers.
	Waste Collection					
WC5	Waste diversion 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>	38.49%	38.38%	39.88%	41.25%	

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.

2021-22 Performance Statement

Financial Performance Indicators – for the year ended 30 June 2022

LGV Ref	Dimension/indicator/measure	Results 2019	Results 2020	Results 2021	Results 2022	Forecasts				Material Variations and Comments
						2023	2024	2025	2026	
	Efficiency									
E2	Expenditure level Expenses per property assessment [Total expenses / Number of property assessments]	\$2,876.48	\$3,105.22	\$3,341.49	\$3,676.84	\$3,164.77	\$3,262.16	\$3,308.97	\$3,374.04	
E4	Revenue level Average rate per property assessment [General rates and Municipal charges / Number of property assessments]	New in 2020	\$1,763.45	\$1,785.26	\$1,822.81	\$1,895.46	\$1,900.10	\$1,939.36	\$1,992.09	
	Liquidity									
L1	Working capital Current assets compared to current liabilities [Current assets / Current liabilities] x100	226.49%	277.07%	135.84%	126.31%	158.82%	175.31%	147.90%	162.10%	
L2	Unrestricted cash Unrestricted cash compared to current liabilities	91.13%	27.51%	13.20%	-100.12%	113.47%	116.02%	102.45%	105.05%	Council has deferred approved borrowings to align with completion of the projects funded by the borrowings. Once these borrowings are taken council's cash levels will

2021-22 Performance Statement

Financial Performance Indicators – for the year ended 30 June 2022

LGV Ref	Dimension/indicator/measure	Results 2019	Results 2020	Results 2021	Results 2022	Forecasts				Material Variations and Comments
						2023	2024	2025	2026	
	Efficiency									
E2	Expenditure level Expenses per property assessment [Total expenses / Number of property assessments]	\$2,876.48	\$3,105.22	\$3,341.49	\$3,676.84	\$3,164.77	\$3,262.16	\$3,308.97	\$3,374.04	
E4	Revenue level Average rate per property assessment [General rates and Municipal charges / Number of property assessments]	New in 2020	\$1,763.45	\$1,785.26	\$1,822.81	\$1,895.46	\$1,900.10	\$1,939.36	\$1,992.09	
	Liquidity									
L1	Working capital Current assets compared to current liabilities [Current assets / Current liabilities] x100	226.49%	277.07%	135.84%	126.31%	158.82%	175.31%	147.90%	162.10%	
L2	Unrestricted cash Unrestricted cash compared to current liabilities	91.13%	27.51%	13.20%	-100.12%	113.47%	116.02%	102.45%	105.05%	Council has deferred approved borrowings to align with completion of the projects funded by the borrowings. Once these borrowings are taken council's cash levels will

LGV Ref	Dimension/indicator/measure	Results 2019	Results 2020	Results 2021	Results 2022	Forecasts				Material Variations and Comments
						2023	2024	2025	2026	
	<i>[Unrestricted cash / Current liabilities] x100</i>									return to normal levels. Additionally, Council has \$29M in term deposits which are not included in this calculation.
	Obligations									
O2	Loans and borrowings Loans and borrowings compared to rates <i>[Interest bearing loans and borrowings / Rate revenue] x100</i>	32.59%	50.90%	44.88%	29.36%	58.56%	50.95%	43.93%	34.72%	Repayment of an interest only loan and deferral of planned new borrowings has reduced council's overall borrowings.
O3	Loans and borrowings repayments compared to rates <i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>	4.99%	4.46%	4.66%	14.19%	2.79%	5.05%	4.78%	13.71%	The uplift in 2021-22 is caused by the repayment of an interest only loan. In previous years Council had set money aside to repay this amount when due.
O4	Indebtedness Non-current liabilities compared to own source revenue <i>[Non-current liabilities / Own source revenue] x100</i>	25.72%	43.06%	29.99%	26.26%	50.16%	43.23%	28.74%	28.74%	
O5	Asset renewal and upgrade Asset renewal and upgrade compared to depreciation <i>[Asset renewal and asset upgrade expense / Asset depreciation] x100</i>	New in 2020	173.84%	128.61%	104.31%	217.19%	132.10%	110.30%	107.82%	Prior year capital programs had been bolstered by external grant funding. Council is still maintaining assets at an adequate level.

								Forecasts					
LGV Ref	Dimension/indicator/measure	Results 2019	Results 2020	Results 2021	Results 2022	2023	2024	2025	2026	Material Variations and Comments			
	Operating position												
OP1	Adjusted underlying result Adjusted underlying surplus (or deficit) <i>[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x 100</i>	7.96%	0.92%	-2.84%	-7.04%	0.12%	0.13%	0.01%	0.47%	Council completed the Parwan City Gate Gas Project in 2021/22. As the assets created by this project are not owned by Council the expenditures have led to an increase Council's underlying deficit for the year. Council's long-term financial projections forecast a return to underlying surpluses.			
	Stability												
S1	Rates concentration Rates compared to adjusted underlying revenue <i>[Rate revenue / Adjusted underlying revenue] x100</i>	63.91%	66.13%	65.49%	64.36%	73.54%	73.32%	73.75%	73.90%				
S2	Rates effort Rates compared to property values <i>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</i>	0.47%	0.42%	0.40%	0.38%	0.39%	0.39%	0.40%	0.41%				

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 2020* and Local Government (Planning and Reporting) Regulations 2020.

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 2020 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 16 June 2021 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.

2021-22 Performance Statement

Certification of the performance statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.



Steven Ivelja CPA

Principal Accounting Officer

Dated: 5 October 2022

In our opinion, the accompanying performance statement of the Moorabool Shire Council for the year ended 30 June 2022 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

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 2020 to certify this performance statement in its final form.



Cr. Tonia Dudzik

Councillor

Dated: 5 October 2022



Cr. Moira Berry

Councillor

Dated: 5 October 2022



Derek Madden

Chief Executive Officer


Dated: 5 October 2022



Financial Statements

MOORABOOL SHIRE COUNCIL ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2022



Moorabool Shire Council

2021/2022 Financial Report

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Certification of the Financial Statements 2021/22

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, Australian Accounting Standards and other mandatory professional reporting requirements.



Steven Ivelja CPA
Principal Accounting Officer

Dated: 07 September 2022
Ballan

In our opinion the accompanying financial statements present fairly the financial transactions of Moorabool Shire Council for the year ended 30 June 2022 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 2020* to certify the financial statements in their final form.



Moira Berry
Councillor

Dated: 07 September 2022
Ballan



Tonia Dudzik
Councillor

Dated: 07 September 2022
Ballan



Derek Madden
Chief Executive Officer

Dated: 07 September 2022
Ballan

Independent Auditor's Report

To the Councillors of Moorabool Shire Council

Opinion	<p>I have audited the financial report of Moorabool Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2022• comprehensive income statement for the year then ended• statement of changes in equity for the year then ended• statement of cash flows for the year then ended• statement of capital works for the year then ended• notes to the financial statements, including significant accounting policies• certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the <i>Local Government (Planning and Reporting) Regulations 2020</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</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.



Travis Derricott

as delegate for the Auditor-General of Victoria

MELBOURNE

28 September 2022

Comprehensive Income Statement For the Year Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
Rates and charges	3.1	40,497	38,539
Statutory fees and fines	3.2	1,034	1,017
User fees	3.3	2,978	2,555
Grants - operating	3.4(a)	14,384	13,551
Grants - capital	3.4(b)	10,334	6,640
Contributions - monetary	3.5	3,484	1,050
Contributions - non-monetary	3.5	3,568	4,167
Net (loss)/Income on disposal of property, infrastructure, plant and equipment and investment properties	3.6	(3,266)	(1,803)
Other income	3.7	2,750	1,903
Total Income		75,764	67,618
Expenses			
Employee costs	4.1	(26,077)	(26,500)
Materials and services	4.2	(24,193)	(19,638)
Depreciation and amortisation	4.3	(12,447)	(11,147)
Amortisation - right of use assets	4.4	(224)	(224)
Bad and doubtful debts	4.5	(83)	(42)
Borrowing costs	4.6	(345)	(479)
Finance costs - leases	4.7	(29)	(40)
Other expenses	4.8	(687)	(642)
Total Expenses		(64,085)	(58,712)
Surplus for the year		11,678	8,906
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	6.1	35,285	33,442
Total other comprehensive result		35,285	33,442
Total comprehensive result		46,963	42,349

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

Balance Sheet As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1(a)	8,802	15,880
Other financial assets	5.1(b)	29,000	21,000
Trade and other receivables	5.1(c)	9,538	7,346
Inventories	5.2	11	15
Other assets	5.2	1,463	744
Total current assets		48,814	44,985
Non-current assets			
Trade and other receivables	5.1(c)	98	84
Property, infrastructure, plant and equipment	6.1	682,412	634,324
Right-of-use assets	5.8	448	672
Total non-current assets		682,958	635,080
Total assets		731,772	680,065
Liabilities			
Current liabilities			
Trade and other payables	5.3(a)	6,028	4,286
Trust funds and deposits	5.3(b)	4,205	1,488
Unearned income/revenue	5.3(c)	22,167	16,017
Provisions	5.4(a)	5,401	5,695
Interest-bearing loans and borrowings	5.5	610	5,406
Lease liabilities	5.8	235	223
Total current liabilities		38,646	33,115
Non-current liabilities			
Provisions	5.4(a)	887	831
Interest-bearing loans and borrowings	5.5	11,279	11,889
Lease liabilities	5.8	246	481
Total non-current liabilities		12,412	13,201
Total liabilities		51,058	46,316
Net assets		680,714	633,749
Equity			
Accumulated surplus		222,870	207,460
Reserves	9.1	457,844	426,289
Total Equity		680,714	633,749

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

Statement of Cash Flows For the Year Ended 30 June 2022

		2022 Inflows/ (Outflows) \$'000	2021 Inflows/ (Outflows) \$'000
Note			
Cash flows from operating activities			
		39,625	38,250
		1,034	1,017
		2,567	1,584
		15,659	14,227
		16,484	21,981
		3,484	1,050
		472	333
		3,280	845
		2,553	1,760
		1,136	2,025
		(26,314)	(25,471)
		(26,860)	(20,933)
		(563)	(563)
		(687)	(642)
	9.2	31,870	35,463
Cash flows from investing activities			
	6.1	(25,245)	(22,788)
		297	228
		(8,000)	(7,000)
		(32,948)	(29,559)
Cash flows from financing activities			
		(342)	(479)
		(5,406)	(1,318)
		(29)	(40)
		(223)	(213)
		(6,000)	(2,050)
		(7,078)	3,853
		15,880	12,027
	5.1	8,802	15,880
	5.6		
	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 2022

2022	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		633,749	207,460	411,692	14,597
Surplus/(deficit) for the year		11,678	11,678	-	-
Net asset revaluation increment/(decrement)	6.1	35,285	-	35,285	-
Transfers to other reserves	9.1	-	(964)	-	964
Transfers from other reserves	9.1	-	4,695	-	(4,695)
Balance at end of the financial year		680,714	222,870	446,977	10,866

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)	6.1	33,442	-	33,442	-
Transfers to other reserves	9.1	-	(1,337)	-	1,337
Transfers from other reserves	9.1	-	1,044	-	(1,044)
Balance at end of the financial year		633,749	207,460	411,692	14,597

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

Statement of Capital Works For the Year Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Property			
Land		526	-
Total land		526	-
Buildings		7,250	1,868
Total property		7,776	1,868
Plant and equipment			
Plant, machinery and equipment		1,088	1,741
Computers and telecommunications		613	809
Library books		115	100
Total plant and equipment		1,816	2,650
Infrastructure			
Roads		6,470	9,217
Bridges		1,033	493
Footpaths and cycleways		2,049	512
Drainage		386	131
Recreational, leisure and community facilities		5,400	7,293
Parks, open space and streetscapes		189	168
Other infrastructure		126	454
Total infrastructure		15,653	18,269
Total capital works expenditure		25,245	22,788
Represented by:			
New asset expenditure		12,260	8,451
Asset renewal expenditure		10,411	11,635
Asset upgrade expenditure		2,574	2,701
Total capital works expenditure		25,245	22,788

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

Note 1 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 the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 2020, and the Local Government (Planning and Reporting) Regulations 2020.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

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.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

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.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

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)

Significant accounting policies (cont.)

- 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

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

During 2021-22 the COVID-19 pandemic continued to impact on Council's operations. Council has noted the following significant impacts on its financial operations:

- Additional revenue – Council has received \$147,403 of additional grant funding/income in response to COVID-19 outbreak. This has been offset by additional costs relating to these funds.
- Additional costs – Various other Council operations were impacted by the outbreak of COVID-19. This has resulted in an overall increase in expenses by \$340,453. 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 2 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 2020* 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 30 June 2021. 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 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

	Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000	Variance %	Ref
2.1.1 Income and Expenditure					
Income					
Rates and charges	40,439	40,497	58	0%	
Statutory fees and fines	1,312	1,034	(278)	(21%)	1
User fees	3,171	2,978	(193)	(6%)	
Grants - operating	10,714	14,384	3,670	34%	2
Grants - capital	15,872	10,334	(5,538)	(35%)	3
Contributions - monetary	5,946	3,484	(2,462)	(41%)	4
Contributions - non monetary	7,500	3,568	(3,932)	(52%)	5
Income/(Loss) on disposal of property, infrastructure, plant and equip.	(1,560)	(3,266)	(1,706)	109%	6
Interest received	441	472	31	7%	
Other income	1,129	2,278	1,149	102%	7
Total income	84,964	75,764	(9,200)	(11%)	
Expenses					
Employee costs	(25,450)	(26,077)	(627)	2%	
Materials and services	(18,179)	(24,193)	(6,014)	33%	8
Depreciation	(12,094)	(12,447)	(353)	3%	
Amortisation - Right of use assets	(224)	(224)	-	0%	
Bad and doubtful debts	-	(83)	(83)	0%	9
Borrowing costs	(401)	(345)	56	(14%)	
Finance costs - Leases	(29)	(29)	-	0%	
Other expenses	(541)	(687)	(146)	27%	
Total expenses	(56,918)	(64,085)	(7,167)	13%	
Surplus/(deficit) for the year	28,046	11,678	(16,368)	(58%)	

(Explanation of material variations on next page)

Note 2 Performance against budget (cont.)

(i) Explanation of material variations

Ref	Item	Explanation
1	Statutory fees and fines	Actual was under budget by \$278k mainly due to a reduction in Statutory Planning Fees and Parking Infringements.
2	Grants - operating	Greater than budget by \$3,670k primarily due to early payment of Financial Assistance Grants (\$2,060k) and Storm Event Recovery (\$1,009k).
3	Grants - capital	Less than budget by \$5,538k due a number of capital projects (and associated income) being carried forward into 2022/23 for completion.
4	Contributions - monetary	The actual is \$2,462k 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.
5	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 2022/23.
6	Loss on disposal of property, infrastructure, plant and equip.	This unfavourable variance is caused by the written down value of disposals and replacement of infrastructure assets being greater than what was originally estimated in the budget.
7	Other income	The favourable variance relates to increases in various sources of income. This includes; Reimbursements for Storm Recovery and Reimbursements for Legal Fees. Most of these items were not budgeted for and are non-recurrent in nature.
8	Materials and Services	This unfavourable variance primarily relates to the completion of non-capital projects originally budgeted as capital expenditure. Other variance include expenditures related to storm recovery activities.
9	Bad and doubtful debts	Council does not budget for bad and doubtful debts

Note 2 Performance against budget (cont.)

2.1.2 Capital Works	Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	3,235	526	(2,709)	(84%)	1
Buildings	27,625	7,250	(20,375)	(74%)	2
Total property	30,860	7,776	(23,084)	(75%)	
Plant and equipment					
Plant, machinery and equipment	2,546	1,088	(1,458)	(57%)	3
Computers and telecommunications	1,035	613	(422)	(41%)	4
Library books	111	115	4	4%	
Total plant and equipment	3,693	1,816	(1,877)	(51%)	
Infrastructure					
Roads	8,697	6,470	(2,227)	(26%)	5
Bridges	762	1,033	271	36%	6
Footpaths and cycleways	809	2,049	1,240	153%	7
Drainage	787	386	(401)	100%	8
Recreational, leisure and community facilities	16,109	5,400	(10,709)	(66%)	9
Parks, open space and streetscapes	1,459	189	(1,270)	(87%)	10
Other infrastructure	590	126	(464)	(79%)	11
Total infrastructure	29,213	15,653	(13,560)	(46%)	
Total capital works expenditure	63,766	25,245	(38,521)	(60%)	
Represented by:					
New asset expenditure	36,832	12,260	(24,572)	(67%)	
Asset renewal expenditure	15,878	10,411	(5,467)	(34%)	
Asset upgrade expenditure	11,056	2,574	(8,482)	(77%)	
Total capital works expenditure	63,766	25,245	(38,521)	(60%)	

(Explanation of material variations on next page)

Note 2 Performance against budget (cont.)**(i) Explanation of material variations**

Ref	Item	Explanation
1	Land	This item has been deferred to the 2022/23 financial year.
2	Buildings	Capital expenditure on buildings was \$20,375k less than budget due to some major projects being incomplete at year end, these will be carried over to the 2022/23 financial year. Projects carried forward include; Bacchus Marsh Indoor Recreation Facility, Ballan Depot Relocation and West Maddingley Early Years Facility.
3	Plant, machinery and equipment	Capital expenditure has been deferred to 2022/23 due to an inability to source new vehicles and items of plant.
4	Computers and telecommunications	Capital expenditure has been deferred to the 2022/23 financial year.
5	Roads	Actual spend was less than budget due to projects being incomplete and carried over to 2022/23.
6	Bridges	Actual expenditure was greater than budget by \$271k due to the completion of projects which were carried from the 2021/22 budget including Ballan-Egerton Road (Bridge over Moorabool River).
7	Footpaths and cycleways	Expenditure was greater than budget by \$1,240k due to works conducted on the Aqualink project that have been carried forward from the 2020/21 Budget.
8	Drainage	Actual expenditure was less than budget by \$401k as a number of projects have been carried forward to 2021/22 financial year for completion.
9	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 and the Bacchus Marsh Bowls Club Pavillion and Bowling Green.
10	Parks, open space and streetscapes	Under budget at year end due to some projects being incomplete and carried over to 2022/23. This includes upgrades at Peppertree Park.
11	Other infrastructure	Actual spend was less than budget due to projects being incomplete and carried over to 2022/23.

Note 2.2 Analysis of Council results by program

2.2.1 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 2.2 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

2.2.2 Summary of income, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
CEO's Office	-	1,028	(1,028)	-	11,737
Community Strengthening	5,585	11,630	(6,045)	9,979	132,800
Customer Care & Advocacy	43,777	11,262	32,515	-	128,599
Community Assets & Infrastructure	22,547	33,341	(10,796)	9,176	380,713
Community Planning & Economic Development	3,668	5,076	(1,408)	2,021	57,958
People & Culture	186	1,749	(1,563)	3,542	19,966
	75,763	64,085	11,675	24,718	731,772

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
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	341,050
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
	69,422	60,515	8,906	20,191	680,065

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

2022
\$'000

2021
\$'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 2021/2022 was \$10,384 million (2020/2021: \$9,355 million).

General Rates	33,094	31,989
Waste / Garbage Charges	5,946	5,525
Supplementary rates and rate adjustments	296	342
Revenue in lieu of rates	1,161	683
Total rates and charges	40,497	38,539

The date of general revaluation of land for 2021/2022 rating purposes within the municipal district was 01 January 2021 and the valuation was first applied in the rating year commencing 01 July 2021.

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	304	284
Town planning fees	616	602
Land information certificates	49	47
Permits	59	84
Freedom of Information	6	1
Total statutory fees and fines	1,034	1,017

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.

2022
\$'000

2021
\$'000

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

3.3 User fees

Aged and health services	578	639
Leisure centre and recreation	224	193
Child care/children's programs	18	9
Registrations and other permits	789	857
Building services	767	324
Waste management services	392	339
Other fees and charges	210	194
Total user fees	2,978	2,555

User fees by timing of revenue recognition

User fees recognised at a point in time.	2,978	2,555
Total user fees	2,978	2,555

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	14,405	9,970
State funded grants	7,437	8,575
Others	2,876	1,646
Total grants received	24,718	20,191

(a) Operating Grants

Recurrent - Commonwealth Government

Financial Assistance Grant	9,123	6,884
Commonwealth Home Support Program	1,847	1,759

Recurrent - State Government

Aged care	222	218
School crossing supervisors	93	91
Libraries	286	277
Maternal and child health	827	724
Other	195	140
Total recurrent operating grants	12,593	10,092

2022
\$'000

2021
\$'000

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

Non-recurrent - State Government

Emergency management	193	146
Strategic planning and tourism	14	241
Families and youth	59	88
Environment and health	37	144
Community development	7	162
Disability access	41	45
Working for Victoria	-	2,502
Other	1,440	132

Total non-recurrent operating grants

1,791 **3,459**

Total operating grants

14,384 **13,551**

(b) Capital Grants

Recurrent - Commonwealth Government

Roads to recovery	1,282	1,282
Total recurrent capital grants	1,282	1,282

Non-recurrent - Commonwealth Government

Local roads	2,152	45
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Non-recurrent - State Government

Community and recreational facilities	3,415	2,628
Local roads	609	1,039

Non-recurrent - Other sources

Sundry capital grants	2,876	1,646
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Total non-recurrent capital grants

9,052 **5,358**

Total capital grants

10,334 **6,640**

	2022	2021
	\$'000	\$'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	471	511
Received during the financial year and remain unspent at balance	1,400	123
Received in prior years and spent during the financial year	(596)	(163)
Balance at year end	1,275	471

Capital

Balance at start of year	15,341	-
Received during the financial year and remain unspent at balance	12,179	15,341
Received in prior years and spent during the financial year	(6,628)	-
Balance at year end	20,892	15,341

(d) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 Revenue from Contracts with Customers. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies AASB 1058 Income for Not-for-Profit Entities.

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

2022
\$'000

2021
\$'000

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

Income recognised under AASB 1058 *Income of Not-for-Profit Entities*

General purpose	9,123	6,884
Specific purpose grants to acquire non-financial assets	10,334	6,640
Other specific purpose grants	3,900	6,069

Revenue recognised under AASB 15 *Revenue from Contracts with Customers*

Specific purpose grants	1,361	598
	<u>24,718</u>	<u>20,191</u>

3.5 Contributions

Monetary	3,484	1,050
Non-monetary	3,568	4,167
Total contributions	<u>7,053</u>	<u>5,217</u>

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

Land	1,243	1,206
Buildings	7	-
Infrastructure	2,318	2,961
Total non-monetary contributions	<u>3,568</u>	<u>4,167</u>

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

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

Proceeds of sale	297	228
Written down value of assets disposed	(3,564)	(2,032)
Total net loss on disposal of property, infrastructure, plant and equipment	<u>(3,266)</u>	<u>(1,803)</u>

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

2022
\$'000

2021
\$'000

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

3.7 Other income

Interest	472	333
Reimbursements, rebates and recoveries	476	484
Other rent	150	156
Royalties	87	80
Peri-Urban contributions	-	60
Insurance claims	-	33
Sales	75	85
Other	1,490	672
Total other income	2,750	1,903

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	22,427	22,833
WorkCover	585	791
Casual staff	738	739
Superannuation	2,323	2,135
Fringe benefits tax	4	3
Total employee costs	26,077	26,500

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	44	41
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2022
\$'000

2021
\$'000

Note 4 The cost of delivering services (cont.)

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,142	2,090
Employer contributions to other funds	1,135	
	<u>2,277</u>	<u>2,090</u>
Employer contributions payable at reporting date	28	25

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

4.2 Materials and services

Materials and services	4,929	3,020
Contract payments	11,402	9,043
Building maintenance	514	462
General maintenance	883	873
Utilities	641	503
Office administration	575	721
Information technology	1,425	1,472
Insurance	939	795
Consultants	1,468	1,443
Agency staff	990	690
Community grants and advances	427	617
Total materials and services	<u>24,193</u>	<u>19,638</u>

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

4.3 Depreciation

Property	2,008	816
Plant and equipment	1,510	1,461
Infrastructure	8,929	8,870
Total depreciation and amortisation	<u>12,447</u>	<u>11,147</u>

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	<u>224</u>	<u>224</u>

4.5 Bad and doubtful debts

Parking fine debtors	7	1
Other debtors	76	41
Total bad and doubtful debts	<u>83</u>	<u>42</u>

	2022	2021
	\$'000	\$'000

Note 4 The cost of delivering services (cont.)

Movement in provisions for doubtful debts

Balance at the beginning of the year	122	93
New provisions recognised during the year	114	108
Amounts already provided for and written off as uncollectible	(82)	(80)
Balance at end of year	154	122

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	345	479
Total borrowing costs	345	479

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	29	40
Total borrowing costs	29	40

4.8 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	50	45
Auditors' remuneration - Internal Audit	40	39
Auditors' remuneration - Other	7	1
Councillors' allowances	286	250
Operating lease rentals	40	42
Bank fees	56	61
Other	208	203
Total other expenses	687	642

2022
\$'000

2021
\$'000

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	2	3
Cash at bank	8,800	15,877
Total cash and cash equivalents	8,802	15,880

(b) Other financial assets

Term deposits - current	29,000	21,000
Total other financial assets	29,000	21,000
Total financial assets	37,802	36,880

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)	4,205	1,488
- Statutory reserves (Note 9.1)	3,063	2,453
Total restricted funds	7,268	3,940
Total unrestricted cash, cash equivalents and term deposits	30,534	32,939

Intended allocations

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

- Recreation facilities reserve	1,531	931
- Cash held to fund carried forward capital works and projects	21,123	19,201
Total funds subject to intended allocations	22,654	20,132

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 original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

	2022 \$'000	2021 \$'000
Note 5 Our financial position (Cont.)		
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	5,607	4,752
Special rate assessment	28	27
Infringement debtors	640	535
Provision for doubtful debts - infringements	(28)	(53)
Net GST receivable	823	371
<i>Non-statutory receivables</i>		
Other debtors	2,594	1,783
Provision for doubtful debts - other debtors	(126)	(69)
Total current trade and other receivables	9,538	7,346
Non-current		
<i>Statutory receivables</i>		
Special rate assessment	98	84
Total non-current trade and other receivables	98	84
Total trade and other receivables	9,636	7,430

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)	769	701
Past due by up to 30 days	296	155
Past due between 31 and 60 days	879	188
Past due between 61 and 90 days	247	35
Past due by more than 90 days	160	705
Total trade and other receivables	2,351	1,783

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$169,624 (2021: \$108,180) were impaired. The amount of the provision raised against these debtors was \$31,614 (2021: \$28,549). 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	243	108
Total trade and other receivables	243	108

2022
\$'000

2021
\$'000

Note 5 Our financial position (cont.)

5.2 Non-financial assets

(a) Inventories

Inventories held for distribution	11	15
Total inventories	11	15

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	606	514
Accrued income	857	230
Total other assets	1,463	744

5.3 Payables, trust funds and deposits and unearned

(a) Trade and other payables

Non-statutory payables		
Trade payables	3,042	724
Accrued expenses	2,986	3,562
Total trade and other payables	6,028	4,286

(b) Trust funds and deposits

Refundable building deposits	3,461	1,123
Refundable contract deposits	12	12
Refundable civic facilities deposits	93	14
Retention amounts	474	164
Fire services levy	13	23
Other refundable deposits	152	151
Total trust funds and deposits	4,205	1,488

(c) Unearned income

Grants received in advance - operating	1,275	676
Grants received in advance - capital	20,892	15,341
Total unearned income	22,167	16,017

Note 5 Our financial position (cont.)

Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers in respect of grants. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

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
2022			
Balance at beginning of the financial year	260	6,266	6,528
Additional provisions	13	2,088	2,101
Amounts used		(2,339)	(2,339)
Balance at the end of the financial year	273	6,015	6,289
2021			
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)
Balance at the end of the financial year	260	6,266	6,528
		2022	2021
(a) Employee provisions		\$'000	\$'000
Current provisions expected to be wholly settled within 12 months			
Annual leave		1,266	1,309
Long service leave		450	380
Other leave		247	275
		1,963	1,964

	2022 \$'000	2021 \$'000
Note 5 Our financial position (cont.)		
Current provisions expected to be wholly settled after 12 months		
Annual leave	588	608
Long service leave	2,851	3,123
	<u>3,439</u>	<u>3,731</u>
Total current employee provisions	5,401	5,695
Non-current		
Long service leave	614	571
Total non-current employee provisions	614	571
Aggregate carrying amount of employee provisions:		
Current	5,401	5,695
Non-current	614	571
Total aggregate carrying amount of employee provisions:	6,015	6,266

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

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

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. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. 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 and measured at present value.

Key assumptions:

- discount rate	3.69%	1.66%
- inflation rate	3.85%	2.95%

	2022	2021
	\$'000	\$'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	273	260
	273	260

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	273	260

5.5 Interest-bearing loans and borrowings**Current**

Other borrowings - secured	610	5,406
	610	5,406

Non-current

Treasury Corporation of Victoria borrowings - secured	6,803	6,644
Other borrowings - secured	4,476	5,245
	11,279	11,889
	11,889	17,295

Total interest-bearing loans and borrowings**(a) The maturity profile for Council's borrowings is:**

Not later than one year	610	5,406
Later than one year and not later than five years	7,104	7,714
Later than five years	4,175	4,175
	11,889	17,295

2022
\$'000

2021
\$'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 2022.

Bank overdraft	750	750
Credit card facilities	200	200
Total facilities	950	950
Used facilities	34	26
Unused facilities	916	924

**Moorabool Shire Council
2021/2022 Financial Report**

**Notes to the Financial Report
For the Year Ended 30 June 2022**

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.

(a) Commitments for expenditure

2022	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Waste collection	4,857	4,910	1,233	-	11,000
Septic program	87	-	-	-	87
Maintenance services	1,484	1,053	73	-	2,611
Financial and organisational services	1,179	711	55	-	1,945
Total	7,607	6,674	1,361	-	15,642
Capital					
Building	1,032	-	-	-	1,032
Roads	2,922	-	-	-	2,922
Recreational, leisure and community	31,033	-	-	-	31,033
Plant and Equipment	486	-	-	-	486
Bridges	66	-	-	-	66
Total	35,539	-	-	-	35,539
Total	43,146	6,674	1,361	-	51,181

Note 5 Our financial position (cont.)

5.7 Commitments (Continued)

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
Operating					
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
Total	7,537	5,072	4,262	4,253	21,123
Capital					
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
Total	12,031	-	-	-	12,031
Total	19,568	5,072	4,262	4,253	33,154

Note 5 Our financial position (cont.)

(b) 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.

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

	2022	2021
	\$'000	\$'000
Not later than one year	175	171
Later than one year and not later than five years	588	590
Later than five years	791	791
	1,554	1,552

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

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

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

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

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

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

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

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

Note 5 Our financial position (cont.)

Right-of-Use Assets	Property \$'000	Total \$'000
Balance at 1 July 2021	672	672
Amortisation charge	(224)	(224)
Balance at 30 June 2022	448	448
Lease Liabilities	2022	2021
Maturity analysis - contractual undiscounted cash flows	\$'000	\$'000
Less than one year	235	253
One to five years	271	505
Total undiscounted lease liabilities as at 30 June:	506	758
Adjustment for Interest	25	54
Total discounted lease liabilities as at 30 June:	481	704
Lease liabilities included in the Balance Sheet at 30 June:		
Current	235	223
Non-current	246	481
Total lease liabilities	481	704

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

	Carrying amount 30 June 2021	Acquisitions	Contributions	Revaluation	Depreciation	Disposal	Transfers	Carrying amount 30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	83,293	526	1,243	22,163	-	-	-	107,224
Buildings	47,574	480	7	-	(2,009)	(5)	504	46,551
Plant and Equipment	7,689	1,305	-	-	(1,510)	(204)	-	7,280
Infrastructure	482,740	7,208	2,318	13,124	(8,929)	(418)	4,304	500,347
Work in progress	13,029	15,726	-	-	-	(2,937)	(4,808)	21,010
Total	634,324	25,245	3,568	35,287	(12,448)	(3,564)	-	682,412

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	2,577	6,770	(1,347)	-	8,000
Plant and Equipment	1,248	512	-	-	1,760
Infrastructure	9,203	8,444	(3,461)	(2,937)	11,249
Total	13,028	15,726	(4,808)	(2,937)	21,009

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Note 6 Assets we manage (Cont.)

(a) Property

	Land - specialised \$'000	Land - non specialised \$'000	Total Land \$'000	Buildings - specialised \$'000	Buildings - non specialised \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 2021	6,094	77,199	83,293	55,500	17,998	73,498	2,577	159,368
Accumulated depreciation at 1 July 2021	-	-	-	(19,956)	(5,968)	(25,924)	-	(25,924)
	6,094	77,199	83,293	35,544	12,030	47,574	2,577	133,444
Movements in fair value								
Acquisition of assets at fair value	-	526	526	480	-	480	6,770	7,776
Contributed assets	169	1,074	1,243	7	-	7	-	1,250
Revaluation increments/decrements	872	21,291	22,163	-	-	-	-	22,163
Fair value of assets disposed	-	-	-	(11)	-	(11)	-	(11)
Transfers	-	-	-	504	-	504	(1,347)	(843)
	1,041	22,891	23,932	980	-	980	5,423	30,335
Movements in accumulated depreciation								
Depreciation and amortisation	-	-	-	(1,492)	(517)	(2,009)	-	(2,009)
Revaluation increments/decrements	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	6	-	6	-	6
	-	-	-	(1,486)	(517)	(2,003)	-	(2,003)
At fair value 30 June 2022	7,135	100,090	107,225	56,480	17,998	74,478	8,000	189,703
Accumulated depreciation at 30 June 2022	-	-	-	(21,442)	(6,485)	(27,927)	-	(27,927)
Carrying amount	7,135	100,090	107,225	35,038	11,513	46,551	8,000	161,776

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 2021	10,937	1,062	583	1,248	13,830
Accumulated depreciation at 1 July 2021	(4,116)	(579)	(198)	-	(4,893)
	6,821	483	385	1,248	8,937
Movements in fair value					
Acquisition of assets at fair value	1,088	101	115	512	1,816
Contributed assets	-	-	-	-	-
Revaluation increments/decrements	-	-	-	-	-
Fair value of assets disposed	(514)	-	(79)	-	(593)
	574	101	36	512	1,223
Movements in accumulated depreciation					
Depreciation and amortisation	(1,205)	(243)	(62)	-	(1,510)
Accumulated depreciation of disposals	318	-	71	-	389
Revaluation increments/decrements	-	-	-	-	-
	(887)	(243)	9	-	(1,121)
At fair value 30 June 2022	11,511	1,163	619	1,760	15,053
Accumulated depreciation at 30 June 2022	(5,003)	(822)	(189)	-	(6,014)
Carrying amount	6,508	341	430	1,760	9,039

**Moorabool Shire Council
2021/2022 Financial Report**

**Notes to the Financial Report
For the Year Ended 30 June 2022**

Note 6 Assets we manage (Cont.)

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and Community	Parks open spaces and streetscapes	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2021	405,327	39,476	25,685	104,576	2,902	17,588	3,612	9,203	608,369
Accumulated depreciation at 1 July 2021	(68,925)	(7,824)	(10,642)	(24,100)	(1,408)	(2,755)	(772)	-	(116,426)
	336,402	31,652	15,043	80,476	1,494	14,833	2,840	9,203	491,943
Movements in fair value									
Acquisition of assets at fair value	3,347	746	1,543	420	-	1,136	16	8,444	15,652
Contributed assets	1,170	-	218	912	-	18	-	-	2,318
Revaluation increments/decrements	-	5,973	-	10,198	-	-	648	-	16,819
Fair value of assets disposed	(246)	(209)	(39)	(13)	(26)	(107)	-	(2,937)	(3,577)
Transfers	3,142	319	379	-	-	342	122	(3,461)	843
	7,413	6,829	2,101	11,517	(26)	1,389	786	2,046	32,055
Movements in accumulated depreciation									
Depreciation and amortisation	(5,867)	(548)	(563)	(1,051)	(65)	(670)	(165)	-	(8,929)
Revaluation increments/decrements	-	(1,227)	-	(2,421)	-	-	(47)	-	(3,695)
Accumulated depreciation of disposals	39	89	21	5	26	42	-	-	222
	(5,828)	(1,686)	(542)	(3,467)	(39)	(628)	(212)	-	(12,402)
At fair value 30 June 2022	412,740	46,305	27,786	116,093	2,876	18,977	4,398	11,249	640,424
Accumulated depreciation at 30 June 2022	(74,753)	(9,510)	(11,184)	(27,567)	(1,447)	(3,383)	(984)	-	(128,828)
Carrying amount	337,987	36,795	16,602	88,526	1,429	15,594	3,414	11,249	511,596

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.

	Depreciation Period	Threshold Limit \$'000
<i>Asset recognition thresholds and depreciation</i>		
Property		
Land	-	5
Land improvements	-	5
Buildings		
Buildings	50-80 years	5
Plant and Equipment		
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
Infrastructure		
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.

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

Repairs and maintenance

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

Valuation of land and buildings

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

Note 6 Assets we manage (Cont.)

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

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2022 are as follows:

	Level 1	Level 2	Level 3	Valuation Date
Land	-	100,090	-	30/06/2022
Specialised land	-	-	7,135	30/06/2022
Buildings	-	11,513	35,038	30/06/2022
Total	-	111,603	42,173	

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.

The valuation is at fair value based on current 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 2022 are as follows:

	Level 1	Level 2	Level 3	Valuation Date
Roads	-	-	337,987	30/06/2021
Bridges	-	-	36,795	30/06/2022
Footpaths and cycleways	-	-	16,602	30/06/2021
Drainage	-	-	88,526	30/06/2022
Recreational, leisure and community facilities	-	-	1,429	30/06/2021
Parks, open space and streetscapes	-	-	15,594	30/06/2021
Other infrastructure	-	-	3,414	30/06/2022
Total	-	-	500,347	

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 current 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 current 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.

	2022	2021
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	7,135	6,094
Total specialised land	7,135	6,094

Note 7 People and relationships

7.1 Council and Key Management Personnel	2022 No.	2021 No.
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(a) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Moorabool Shire Council. The Councillors, Chief Executive Officer and General Managers are deemed KMP. Details of KMP at any time during the year are:

Councillors Councillor Paul Tatchell
Councillor Tonia Dudzik
Councillor David Edwards
Councillor Tom Sullivan (Mayor)
Councillor Rodney Ward
Councillor Ally Munari
Councillor Moira Berry

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
Steve Ivelja - Chief Financial Officer
Henry Bezuidenhout - Executive Manager Community Planning and Economic Development
Celeste Gregory - Executive Manager Democratic Support and Corporate Governance
Phillip Howard - Executive Manager Governance & Corporate Compliance
Joshua Warner - Executive Manager People and Culture

Total Number of Councillors	7	10
Total of Chief Executive Officer and other Key Management Personnel	9	7
Total Number of Key Management Personnel	16	17

(b) Remuneration of Key Management Personnel

	2022 \$'000	2021 \$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,694	1,235
Long-term benefits (Long Service Leave accruals in the current reporting period)	(9)	28
Post employment benefits	141	94
Termination benefits	-	-
Total	1,826	1,357

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:

	2022	2021
Income Range:	No.	No.
\$1 - \$9,999	-	3
\$10,000 - \$19,999	-	4
\$20,000 - \$29,999	-	3
\$30,000 - \$39,999	7	-
\$40,000 - \$49,999	-	1
\$60,000 - \$69,999	-	1
\$90,000 - \$99,999	1	-
\$110,000 - \$119,999	1	-
\$130,000 - \$139,999	1	-
\$160,000 - \$169,999	1	-
\$180,000 - \$189,999	1	1
\$190,000 - \$199,999	2	-
\$200,000 - \$209,999	1	3
\$250,000 - \$259,999	-	1
\$300,000 - \$309,999	1	-
	16	17

(c) Senior Officer Remuneration

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

- has management responsibilities and reports directly to the Chief Executive; or
- whose total annual remuneration exceeds \$151,000 (2021 - \$151,000)

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

	2022	2021
Income Range:	No.	No.
\$151,000 - \$159,999	7	1
\$160,000 - \$169,999	1	-
	8	1

	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	1,258	157

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:

	2022	2021
Responsible Person / Related Party	\$'000	\$'000
Helen Tatchell - The Moorabool News (Ballan News Pty Ltd)		
- Payment for Moorabool News subscription and advertising *	81	69

* 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.

(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

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council. Infrastructure assets from new subdivisions (constructed by developers) expected to be accounted for by Council in 2022/2023 total \$7.500 million (actual 2021/2022 \$3.569 million).

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

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

The following are potential contingencies to be considered by council.

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 \$28,457 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2022. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2023 are \$47,000.

(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 2022 reporting period. Council assesses the impact of these new standards. As at 30 June 2022 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2023 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 and TCV 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 2020*. 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 +2.0% and -2.0% 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

2022

Property

Land	54,227	21,290	75,517
Land under roads	1,541	872	2,413
Buildings	18,890	-	18,890
	<u>74,657</u>	<u>22,162</u>	<u>96,820</u>

Infrastructure

Roads	265,407	-	265,407
Bridges	18,063	4,746	22,809
Drainage	43,865	9,513	53,378
Recreation, leisure and community facilities	7,963	-	7,963
Other infrastructure	-	601	601
Kerb & channel	1,737	(1,737)	-
	<u>337,035</u>	<u>13,123</u>	<u>350,158</u>

Total Asset revaluation reserves

411,692 35,285 446,977

2021

Property

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

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

Note 9 Other matters (Cont.)

(b) Other reserves

2022

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
Car park reserve	11	10	-	21
Recreation facilities	931	600	-	1,531
Storm water management	73	-	-	73
Capital works contributions reserve	14	-	-	14
Developer contribution reserve	1,425	-	-	1,425
Industrial estate	631	-	-	631
Closed landfill	923	100	-	1,023
Defined benefits	550	83	-	633
Community seed funding	346	83	-	429
LGFV loan repayment reserve	9,171	-	(4,695)	4,476
Maddingley brown coal reserve	219	87	-	306
Wind farm dilapidation deeds reserve	304	-	-	304
Total statutory and other reserves	14,598	963	(4,695)	10,866

2021

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	0	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
Total statutory and other reserves	14,304	1,337	(1,044)	14,597

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)

	2022 \$'000	2021 \$'000
Surplus/(deficit) for the year	11,678	8,906
Depreciation/amortisation	12,671	11,371
Loss on disposal of property, infrastructure, plant and equipment	3,266	1,803
Contributions - non-monetary assets	(3,568)	(4,167)
Finance costs-leases	29	40
Interest expense - borrowing cost	345	479
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(2,211)	(965)
(Increase)/decrease in prepayments	(92)	(149)
(Increase)/decrease in accrued income	(627)	1,454
Increase/(decrease) in trade and other payables	4,459	15,650
(Decrease)/increase in unearned income /revenue	6,150	-
(Increase)/decrease in inventories	5	13
Increase/(decrease) in provisions	(237)	1,028
Net cash provided by/(used in) operating activities	31,870	35,463

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 2022, this was 10.0% as required under Superannuation Guarantee legislation (2021: 9.5%)).

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.

As at 30 June 2021, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category.

The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 109.8%. The financial assumptions used to calculate the VBI were:

Net investment returns 4.75% pa

Salary information 2.75% pa

Price inflation (CPI) 2.25% pa.

As at 30 June 2022, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2022.

Vision Super has advised that the VBI at 30 June 2022 was 102.2%. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). The financial assumptions used to calculate this VBI were:

Net investment returns 5.5% pa

Salary information 2.75% pa to 30 June 2023, and
3.5% pa thereafter

Price Inflation (CPI) 3.0% pa

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2021 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.

Note 9 Other matters (Cont.)**Employer contributions****Regular contributions**

On the basis of the results of the 2021 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2022, this rate was 10.0% of members' salaries (9.5% in 2020/21). This rate is expected to increase in line with any increases in the SG contribution rate and was 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.

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.

The 2021 interim 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 is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2021 and the last 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:

	2021 (Triennial)	2020 (Interim)
	\$m	\$m
A VBI surplus	214.7	100.0
A total service liability surplus	270.3	200.0
A discounted accrued benefits surplus	285.2	217.8

Note 9 Other matters (Cont.)

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2021. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2021. 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 2021. Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

The 2022 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2022 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2022. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021).

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2022 are detailed below:

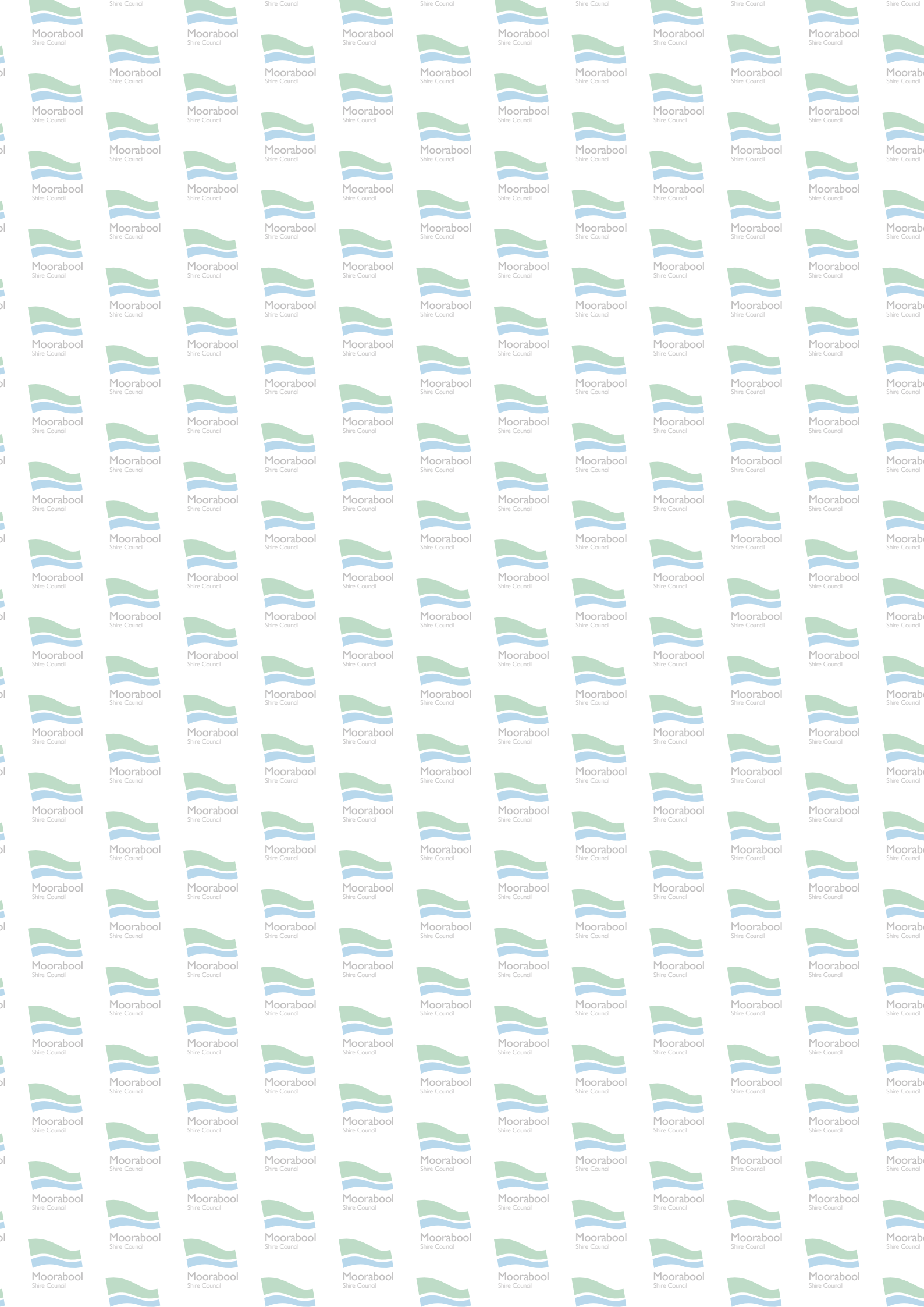
Scheme	Type of Scheme	Rate	2022 \$,000	2021 \$,000
Vision super	Defined benefit	10.0% (2021:9.5%)	44	41
Vision super	Accumulation fund	10.0% (2021:9.5%)	1,142	2,090

There were \$28,457 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2022. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2023 are \$47,000.

Note 10 Change in accounting policy

There have been no changes to accounting policies in the 2021-22 year.

There are no pending accounting standards that are likely to have a material impact on council.





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