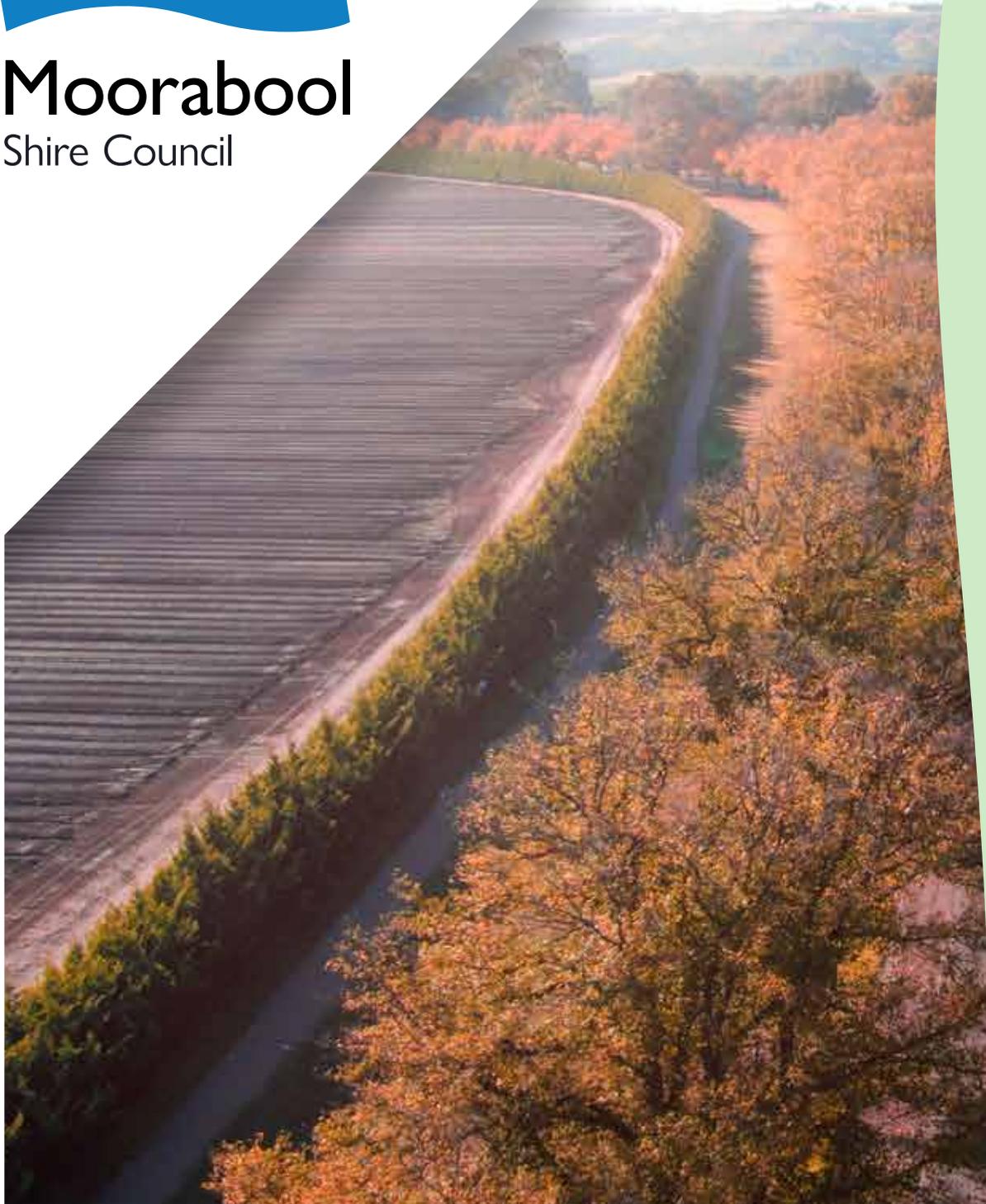
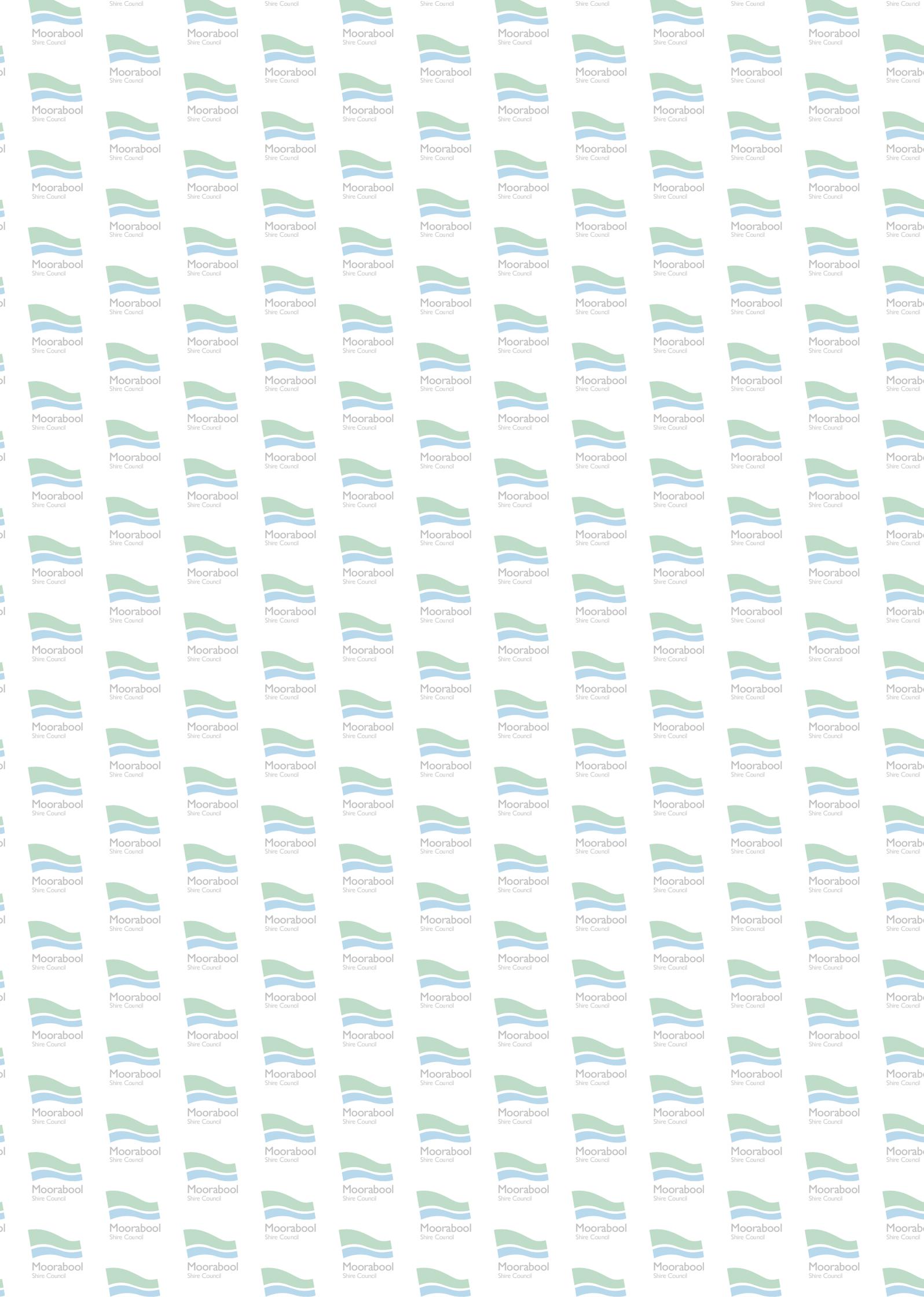


Moorabool
Shire Council



ANNUAL REPORT
2022/23



WELCOME

Moorabool Shire Council's 2022-23 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

This Annual Report aligns with the Victorian Government's reporting requirements.

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.

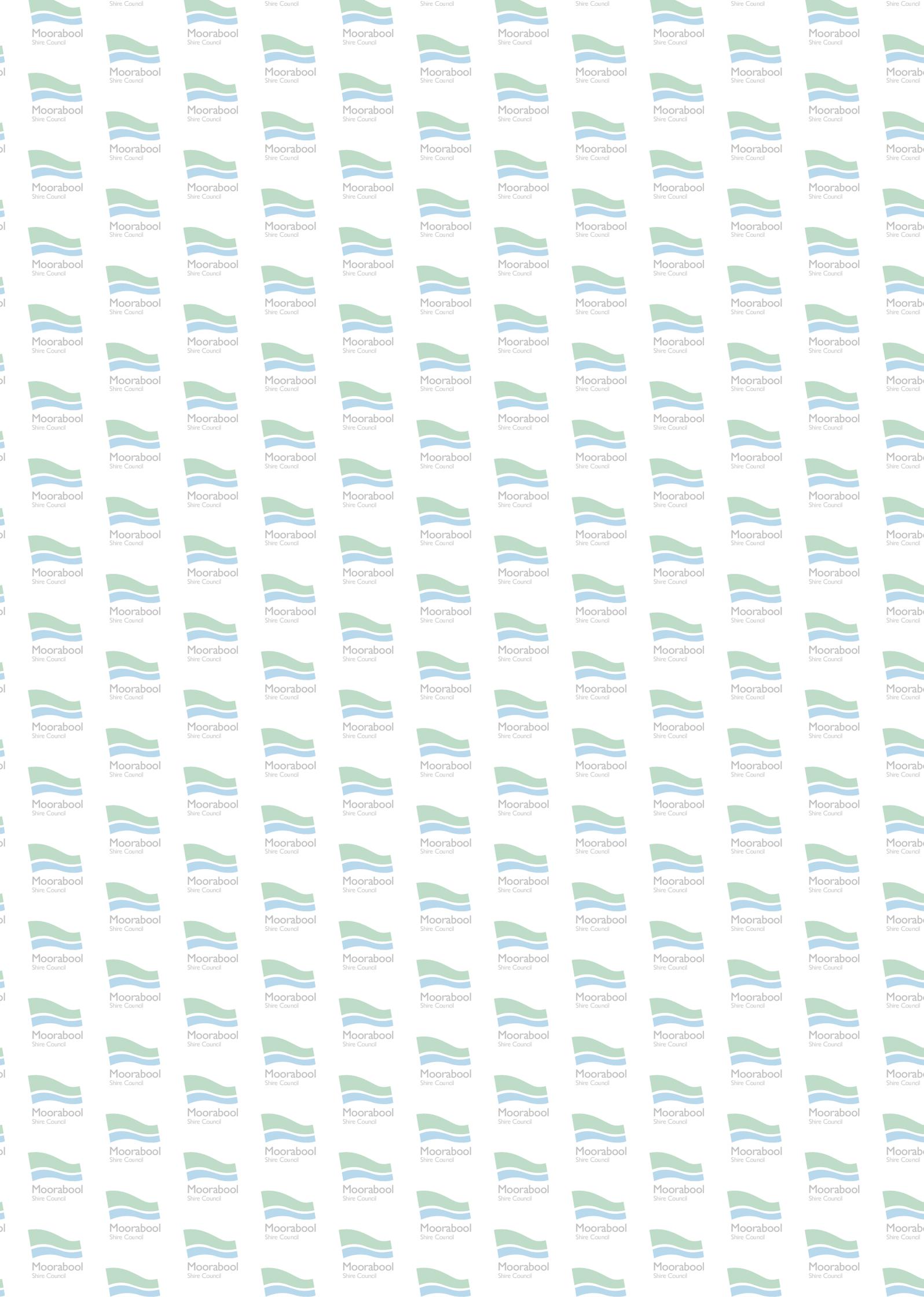


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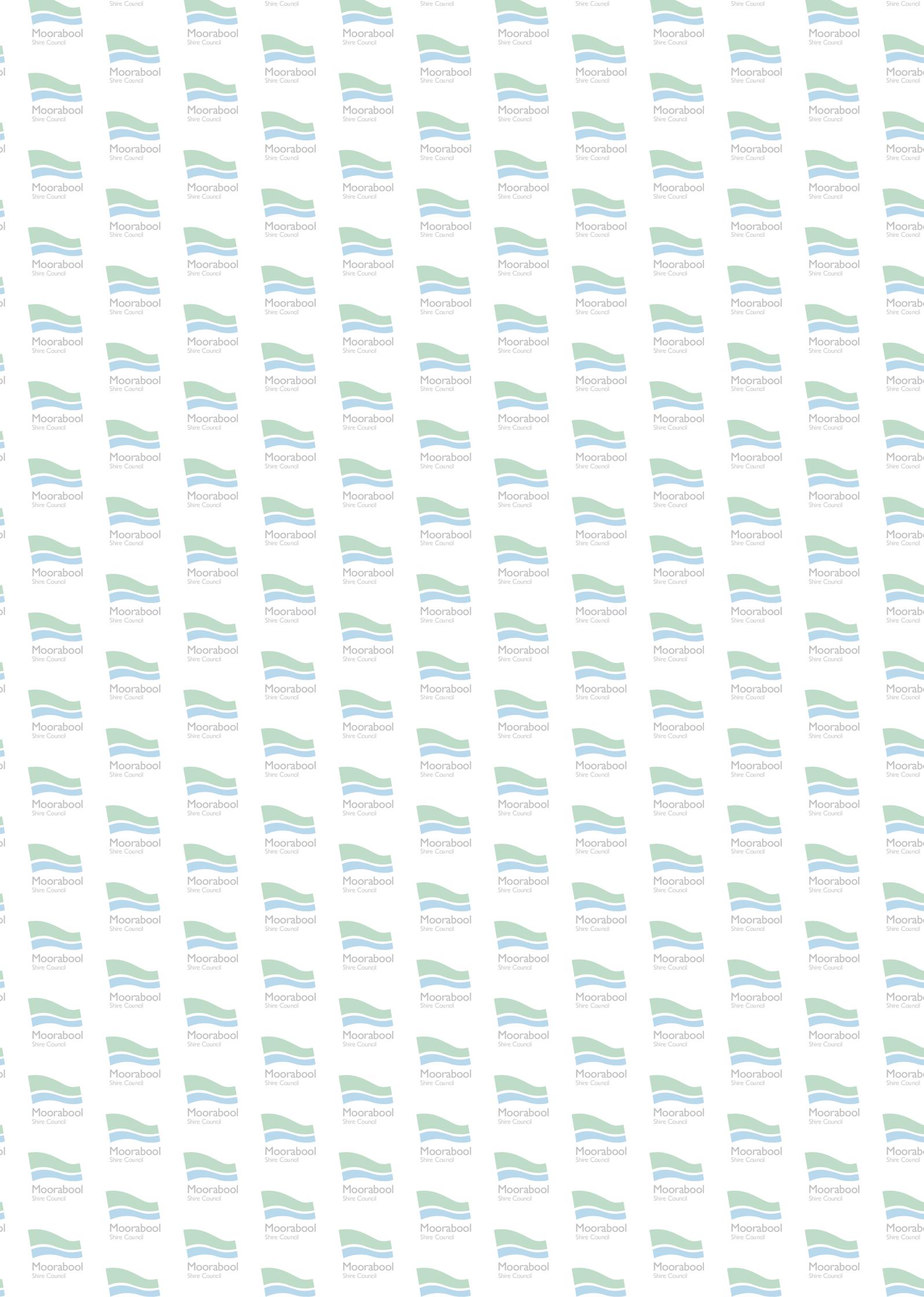
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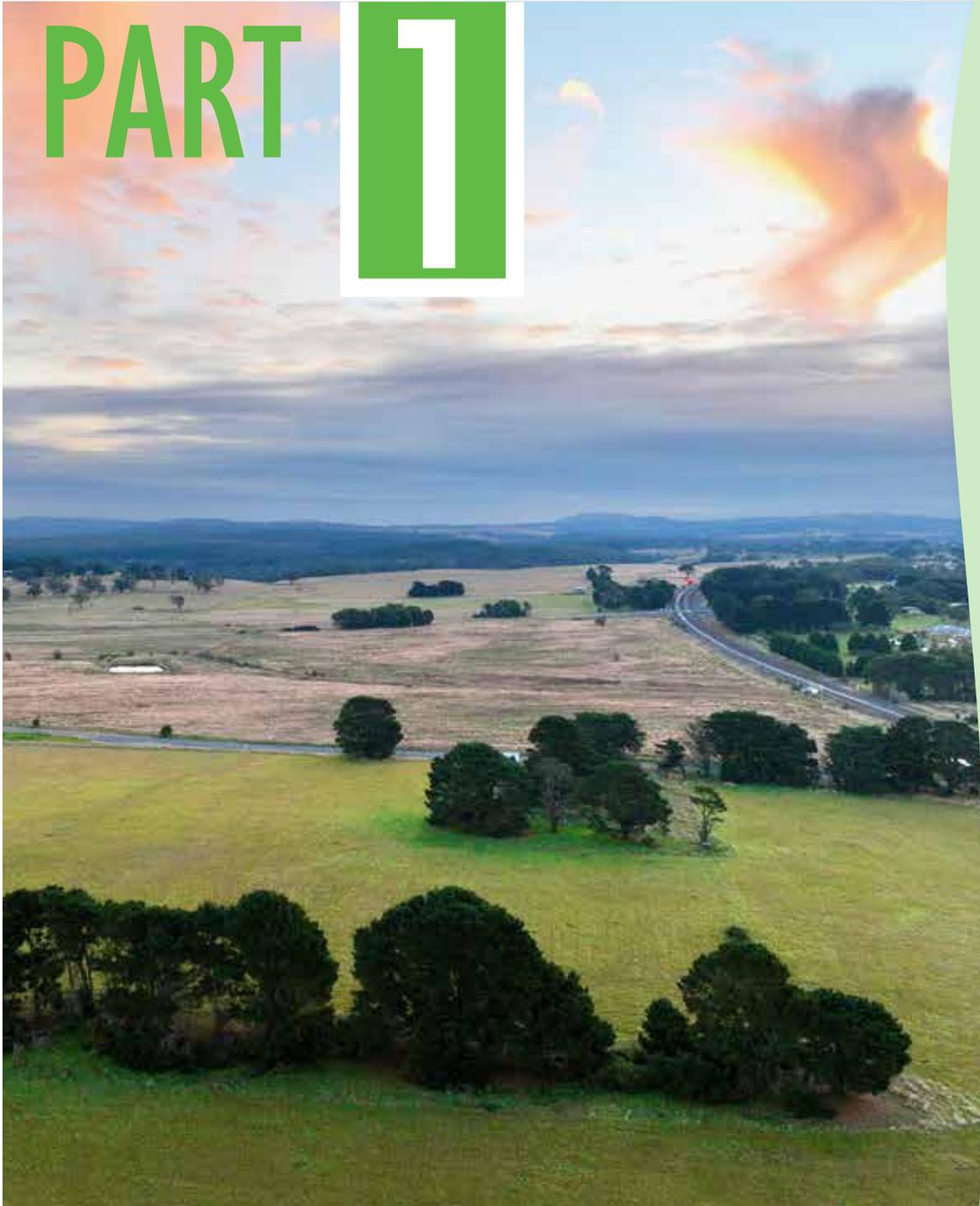
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PART

1



INTRODUCTION

ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Traditional Owners of the land on which Moorabool Shire sits, the Wadawurrung, Wurundjeri Woi Wurrung and the Dja Dja Wurrung peoples.

On behalf of the municipality, Council pays respect to their Elders past, present and future.

Council commits to celebrating our region's rich First Nations history, the diversity of its people and their important ongoing connections to Country.



A MESSAGE FROM THE MAYOR AND CEO

We are pleased to present our 2022/23 Annual Report.

It has been the year of construction in our shire, delivering on many projects that had been funded in previous year's as well as this year's budget, and thanks to external funding particularly from the Victorian Government. Amongst the projects under construction in 2022/23 are the indoor stadium at Moorabool Aquatic and Recreation Centre in Bacchus Marsh, pavilions at Darley Park and Ballan Recreation Reserve, new stages of Bacchus Marsh Racecourse and Recreation Reserve and oval upgrades throughout the shire.

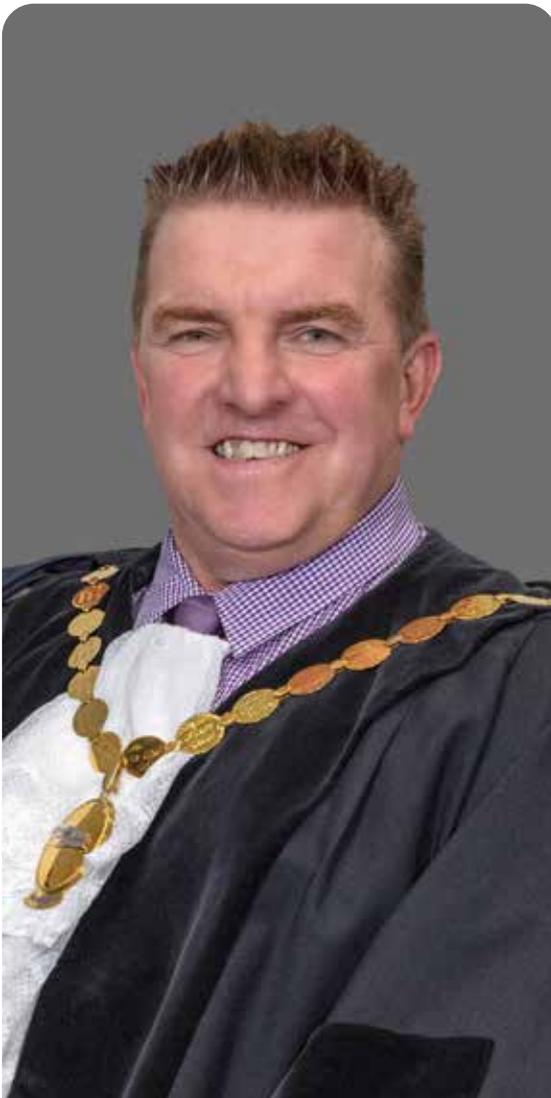
There have been several hold-ups along the way with some of the projects, due in large part to weather and availability of trades, but we look forward to the community being able to use these facilities very soon.

We also undertook a big road fixing blitz after storm and rain damage to many roads in our extensive local roads network. In November 2022, Council approved a \$600,000 increase to the annual road maintenance budget, which has resulted in road improvements across the entire shire.

You can read all the highlights of our busy year starting on page 18.

We hope you find our 2022/23 Annual Report an informative read.

Cr Rod Ward, Mayor and Derek Madden, CEO



COUNCILLORS

EAST MOORABOOL WARD



Cr Rod Ward

MAYOR

WOODLANDS WARD



Cr Ally Munari

DEPUTY MAYOR

WEST MOORABOOL WARD



Cr Tom Sullivan

EAST MOORABOOL WARD



Cr Moira Berry

Moorabool Shire

is divided into four Council wards.

East Moorabool is represented by four Councillors; Central, Woodlands and West Moorabool are each represented by one Councillor.

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

Councillors attend Ordinary Meetings of Council on the first Wednesday of every month except January and make decisions on the items listed in the Council meeting agenda. Where required, they also attend Special Meetings of Council.

Information and contact details for our Councillors can be found on our website.

CENTRAL WARD



Cr Paul Tatchell

EAST MOORABOOL WARD



Cr Tonia Dudzik

EAST MOORABOOL WARD



Cr David Edwards

COMMUNITY PROFILE

ABOUT US

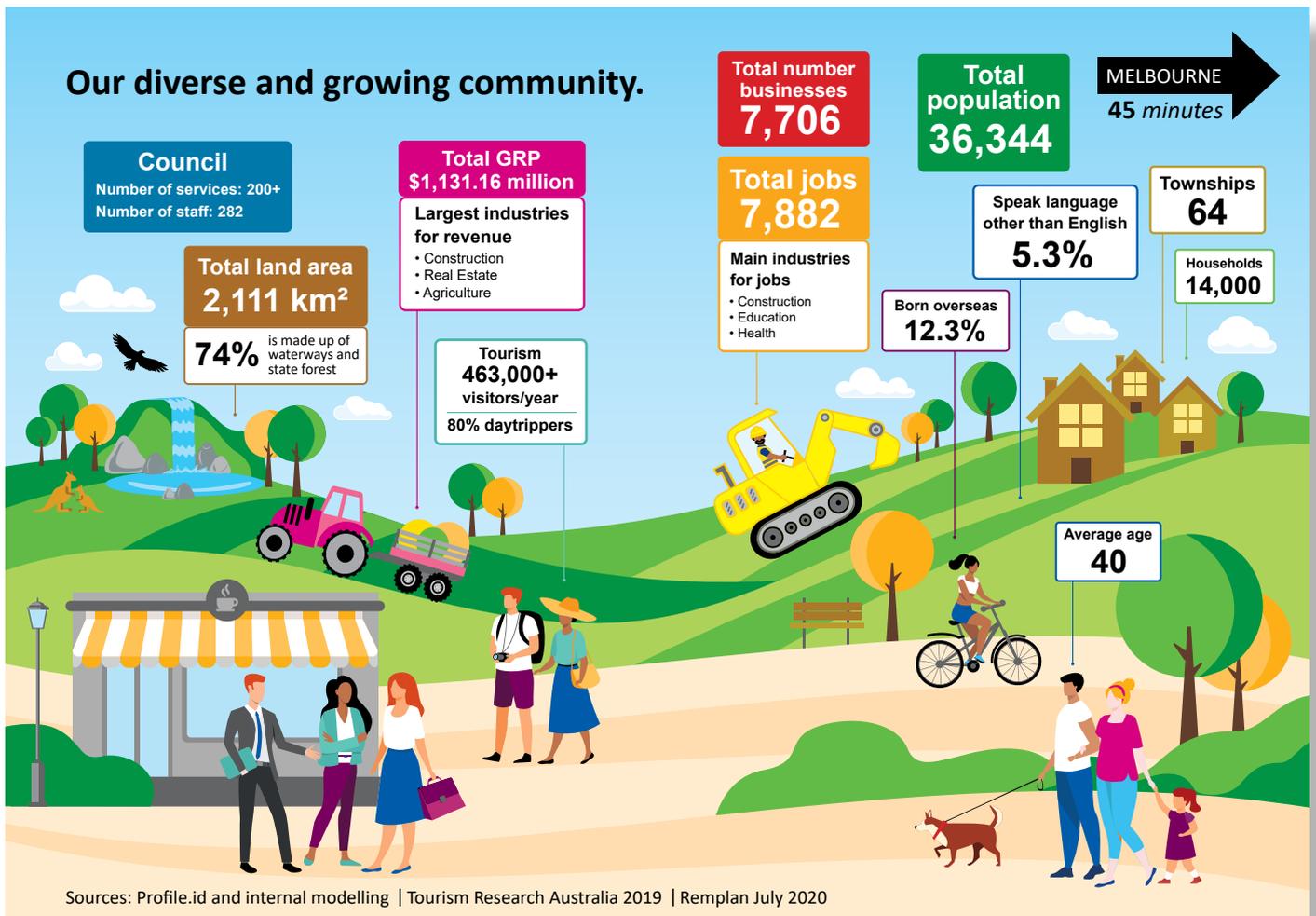
Moorabool Shire is an increasingly popular choice for those seeking rural tranquillity with a mix of urban lifestyle.

The current population of 36,344 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 positioned along the major road and rail transport corridors between Melbourne and Adelaide. Its eastern boundary is located just 40km west of Melbourne's CBD and extends westwards to the City of Ballarat municipal boundary. The shire straddles Victoria's Western Highway and has excellent transport access to Melbourne, Ballarat and Geelong. Bacchus Marsh is equidistant to Melbourne and Avalon airports and close to the sea ports of Geelong and Melbourne.



BUSINESS, TOURISM AND INVESTMENT

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

Whilst sustaining our unique regional/rural lifestyle, we leverage our enviable ease of access to Melbourne, Ballarat and Geelong, and their ports and airports.

Economic development plays a pivotal role in connecting local people to jobs and identifying infrastructure priorities for future investment. 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 businesses, 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 Visitor Economy Strategy in the 2022/23 year will deliver a pathway to further success and growth in the tourism, visitor and economy space in Moorabool Shire.



GRANT SUMMARY

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



SUCCESSFUL GRANTS

●	<p>Aqualink Activity Nodes</p> <p>For the development of Nodes 1, 2 and 3 along the Aqualink Trail.</p>	\$671,470
●	<p>Bacchus Marsh Racecourse & Recreation Reserve Community Pavilion</p> <p>For the development of a community pavilion to service soccer, cricket and AFL ovals.</p>	\$3,229,928
●	<p>Dunnstown Recreation Reserve Pavilion Upgrade</p> <p>For the expansion of the existing Dunnstown pavilion and upgrading of the existing umpire and player change rooms.</p>	\$300,000
●	<p>Bacchus Marsh Racecourse & Recreation Reserve Female Friendly Change Facilities</p> <p>For the female friendly change facilities and supporting amenities at the reserve.</p>	\$1,000,000
●	<p>Bacchus Marsh Racecourse & Recreation Reserve Cricket Training Nets</p> <p>For a six lane cricket training net facility.</p>	\$300,000
●	<p>All Abilities Adventure Playground - Bacchus Marsh Racecourse & Recreation Reserve</p> <p>To build an all-abilities adventure playground at the Bacchus Marsh Racecourse and Recreation Reserve.</p>	\$1,200,000
●	<p>16 Days of Activism - Community Quilt Project</p> <p>To run four half-day workshops for women and non-binary people to contribute to a quilt.</p>	\$1,500
●	<p>Safer Bacchus Marsh Construction Project - Stage 2</p> <p>To assist in improving vehicle, pedestrian and cyclist safety.</p>	\$64,000
●	<p>Water Quality Analysis of Onsite Domestic Wastewater Management Systems</p> <p>To undertake samples of around 300 OWMS and subsequent follow ups as required to assess effectiveness of servicing.</p>	\$20,000
●	<p>Bus Shelter Installation - Steiglitz Street, Ballan</p> <p>To supply and install a school bus shelter at the existing stop/concrete pad adjacent to 79 Steiglitz Street, Ballan.</p>	\$19,546
●	<p>Young and Local Music Mentorship Program</p> <p>To deliver a mentorship program and youth-led event as part of Moorabool's Live and Local Micro-Festival Program.</p>	\$30,000
●	<p>Increasing Culturally and Linguistically Diverse (CALD) Communities Participation in Kindergarten and other Early Childhood Services</p> <p>To support Council in 2023 and 2024 to ensure that CALD children and families receive targeted support to register, enrol and attend kindergarten, access other early childhood supports and transition successfully to school.</p>	\$60,000
●	<p>Alcohol Harm Prevention through Policy and Education</p> <p>To develop a policy to prevent alcohol sponsorship and consumption within junior sports and at Council venues.</p>	\$40,000
●	<p>Children's Week 2021</p> <p>To host a virtual event including guest speaker, music and movement performances and story time.</p>	\$700
●	<p>Youth Engagement Support - MSC Empower Youth</p> <p>For a program to provide targeted, place-focused early intervention support to vulnerable young people at risk of disengagement and in areas of high socio-economic disadvantage across Victoria.</p>	\$117,742

SUCCESSFUL GRANTS

●	Digital Literacy for Seniors Program To support public libraries to run programs and training to support older Victorians.	\$16,457
●	Implementation of Community Recovery Officers To fund community recovery officers to help with the impact of the 2022 floods.	\$64,000
●	Youth Fest 2023 To plan and deliver a youth led activity in September 2023.	\$2,000
●	MSC - Promoting the Recycling System To create a waste and resource recovery education plan as per an action within Council's adopted Waste and Resource Recovery Strategy 2030.	\$30,000
●	Bacchus Marsh Racecourse & Recreation Reserve - Cricket Training Nets For a six lane cricket training net facility.	\$30,000
●	Changing Places – Bacchus Marsh Racecourse & Recreation Reserve Pavilion For a Changing Places toilet, which is larger than standard accessible toilets.	\$180,000
●	Kindergarten Infrastructure and Services Plan (KISP) Support Grant To support local planning prior to, during and updating the KISP.	\$82,000
●	Workforce Planning Grant - Three Year Old Kindergarten To support the development a five year workforce plan to support the supply of the workforce required to deliver both Pre-Prep and the continued scale up of three year old kindergarten between 2024 and 2029.	\$40,000
●	Young Street Kindergarten Redevelopment To undertake planning of the Young Street Kindergarten facility. The planning aims to redevelop the site to accommodate an additional two kindergarten rooms, a MCH office, consulting space and community space.	\$150,000
●	Community Recovery Hubs Program To establish a series of "pop up" Community Recovery Hubs in flood-impacted communities.	\$15,000

CARRIED OVER GRANTS FROM LAST FINANCIAL YEAR

●	Celebrating the Bacchus Marsh Irrigation District To produce four interpretative signs; an educational video and a photographic exhibition.	\$15,000
●	Pet Desexing Program To provide free or low cost desexing program for cat owners for vulnerable and/or disadvantaged persons within the shire.	\$50,000
●	Bacchus Marsh Stadium Indoor Seating For one of two seating options at the new indoor stadium: 900 retractable fixed seats or 300 rolling seats.	Option 1 - \$578,240 or Option 2 - \$339,350



PART 2



OUR COUNCIL

YEAR IN REVIEW

2022/23

There have been significant achievements across our four directorates this past year, as well as some challenging times, but we have still delivered great outcomes for our communities across the shire.

Highlights

- ▶ Many projects completed or commenced, including the indoor stadium at Moorabool Aquatic and Recreation Centre, skate parks at Ballan and Gordon, West Maddingley Early Years and Community Hub and Darley Park Pavilion.
- ▶ Flood recovery funding spent to improve quality of roads and to aid impacted communities.
- ▶ Designs for Ballan Library and Community Hub completed.
- ▶ Adoption of many strategies and plans throughout our four directorates.

Challenges

- ▶ Floods and storm events.
- ▶ Delays on construction of major projects.
- ▶ Resourcing throughout the organisation.
- ▶ Securing commitments from the Federal Government for projects including an indoor pool at Moorabool Aquatic and Recreation Centre.

We have shared more detailed information on the highlights and challenges in each directorate throughout the 2022/23 financial year in the coming pages.

In the year ahead, we will be focussing on delivering key projects that have been started in 2022/23, including starting kindergarten programs in the brand new West Maddingley Early Years and Community Hub, welcoming user groups to the indoor stadium and Darley Park, commencing the Ballan Library and Community Hub build and launching our new cloud-based Datascape software.



COMMUNITY ASSETS AND INFRASTRUCTURE

Highlights

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

- ▶ 6.6kms of sealed roads reconstructed or asphalted
- ▶ 24.7kms of sealed roads resealed
- ▶ 7.3kms of gravel roads re-sheeted
- ▶ 10.8kms of road shoulders re-sheeted
- ▶ 2.8km of new footpaths
- ▶ 2.8kms of footpaths renewed

Major projects

- ▶ Bald Hill Stage 2 – Telford Park, Darley
 - Stage 2A – Construction of thirty-one new car parking bays, two wombat pedestrian crossings and improved pedestrian access between Darley Civic & Community Hub, the oval and the Telford Park All Abilities Trail.
 - Stage 2B – Construction of 1850m of footpath and lookout. Landscaping and art installations are scheduled to be completed in July 2023.

- ▶ Open Space Improvements
 - Harry Vallance Drive, Maddingley
 - Jonathan Drive, Darley (Stage 1)
 - Grantleigh Drive, Darley
- ▶ Yendon Egerton Road, Yendon
 - Reconstruction and widening of approx. 2600m of road, including upgrade of the Duggans Lane intersection.
- ▶ Steiglitz Street, Ballan
 - Reconstruction of Steiglitz Street, between Fisken Street and Cowie Street, including upgrade of Steiglitz Street/Fisken Street intersection.
- ▶ Main Street and Stanley Street, Gordon
 - Implementation of part of Stage 3 streetscape upgrades.
 - Extension of the underground drainage and kerb and channel network to Stanley Street.
 - Construction and sealing of the parking bays on Main Street.
 - Construction of a new footpath on Main Street, from Lyndhurst Street to Stanley Street, and on Stanley Street, from Main Street to Dicker Street.



Steiglitz St,
Ballan

Development Infrastructure

- ▶ Verified compliance of \$20 million of new infrastructure (roads, footpaths, parks/ reserves) of which most is handed to Council from completed subdivision developments (with some stages still on maintenance with the developer).
- ▶ Gifted assets included stages from Stonehill, Underbank, Queensbrook, Holts Lane and various smaller infill developments.
- ▶ Processed more than 550 planning certificates - an increase of more than 25% on previous financial years.
- ▶ Reviewed more than 500 designs - an increase of 40% on the 2021/2022 financial year.

Assets

- ▶ Delivered priority actions from the Road Safety Strategy Year 2.
- ▶ Produced a ten-year Capital Improvement Plan.
- ▶ Implemented a web-based building key register.
- ▶ Received:
 - 552 legal point of discharge requests.
 - 74 crossover permit requests.
 - 79 works within road reserve permit requests.
 - 30 building over easement permit requests.
 - 263 asset protection permit requests.
 - 351 national heavy vehicle regulator permit requests.
 - 125 memorandum of authorisations requests.
- ▶ Achieved 100% proactive inspection compliance for local roads and footpaths as per adopted Council Road Management Plan.
- ▶ Implemented online permit applications for asset protection permits.
- ▶ Implemented integration of the asset management system, GIS and maintenance management system.
- ▶ Implemented integration of the customer request service system and maintenance management system.
- ▶ Managed the contract for the annual tree inspections and data collection.
- ▶ Completed Level 3 playground inspection audit.
- ▶ Implemented the internal asset handover process.
- ▶ Conducted 491 essential safety measure inspections.

- ▶ Undertook a review of asset classes and sub-classes.
- ▶ Transitioned water assets into asset management system.
- ▶ Implemented a business partnering process for the development of capital works projects.

Operations

- ▶ Over 6,200 local road and path defects rectified (including potholes, edge defects, path or kerb displacement, signage, vegetation and others).
- ▶ 7.3kms of gravel roads and 10.8kms shoulders graded as part of the annual maintenance grading program.
- ▶ 18km of gravel roads and shoulders resheeted as part of the Capital Improvement Program.
- ▶ More than 400 trees planted as part of the annual tree planting program in Darley, Bacchus Marsh, Maddingley, Gordon and Bungaree.
- ▶ Over 360km of roadsides slashed across the rural areas of the shire as part of the annual roadside slashing program.
- ▶ Over \$2 million of damages on Council's roads, paths and trees rectified under the Natural Disaster Financial Assistance Program, in response to a significant storm event in October 2022, resulting in:
 - 135km of gravel roads and shoulders treated
 - 5km paths treated.



In 2022/23, the Major Projects Service Unit was established and undertook the following:

- ▶ Progressed construction of:
 - Aqualink Cycling and Walking Corridor
 - Ballan Community Pavilion
 - Ballan Depot
 - Darley Park Community Pavilion
 - Moorabool Aquatic and Recreation Centre – Stage One
 - Bacchus Marsh Racecourse and Recreation Reserve – Stage Two
 - Skate parks in Ballan and Gordon
 - West Maddingley Early Years Hub.
- ▶ Commenced design of:
 - Bacchus Marsh Bowls Centre
 - Ballan Library & Community Hub
 - Navigators Community Centre
 - Darley Park Playground
 - Mill Park Splash Park
 - Dunnstown Recreation Reserve – Community Pavilion
 - Bacchus Marsh Racecourse and Recreation Reserve – Community Pavilion
 - Bacchus Marsh Racecourse and Recreation Reserve – Regional Play Space.

Environment and Waste Service

- ▶ Continued June 2021 Storm Recovery including the Disaster Relief Australia (volunteer clean-up program on private properties) and community led recovery projects including:
 - Recovery through the Arts, 1st Year and 2nd year events
 - Incorporation of two community emergency planning committees in Korweinguboora and Blackwood
 - Mental health first aid training courses
 - Physical first aid course and refurbishment projects for buildings used as community hubs in the storm area.
- ▶ October 2022 flood recovery.
- ▶ Victorian Fire Risk Register Review for the Moorabool Shire area.
- ▶ Endorsement of the Lerderderg Gorge and Werribee Gorge Search and Rescue Plan.
- ▶ Construction underway of Stage 2 at Bald Hill (Telford Park All-Abilities Sculpture Trail).
- ▶ Stage 3 of Bald Hill Summit All-Abilities Sculpture Trail plans approved and tendering currently underway.
- ▶ Successful completion of Stonehill Stage 24 Park, Underbank Stages 9 and 19 Parks and Holts Lane Lot A Park.
- ▶ Procuring and appointing a new kerbside collection contractor.
- ▶ Introduction of hard waste entitlement service at transfer stations.
- ▶ Introduction of free green waste month at transfer stations.
- ▶ Introduction of half price mattress month at transfer stations.
- ▶ Completion of 47 reserve management plans for Council owned bushland reserves.
- ▶ Installation of electric vehicle infrastructure across Council sites.



Challenges

- ▶ Increased materials costs, contractor availability and supply chain delays.
- ▶ Extreme weather events in October 2022 which brought sustained high rainfall and flooding across the shire.
- ▶ An increase in development activity across the shire.
- ▶ Public scrutiny of new subdivision developments in relation to site environment management.
- ▶ Recruiting skilled staff, especially for short term gap placements.
- ▶ Increased permit numbers and investigations.



COMMUNITY STRENGTHENING

Highlights

Child, Youth and Family Services

- ▶ The Victorian Government's Best Start Best Life reform providing free kindergarten for 3-year-old and 4-year-old children has resulted in a steady increase in kindergarten applications. We processed and allocated more than 400 kindergarten applications after round one offers closed. We anticipate receiving over 100 more applications throughout the 2023 calendar year. We welcome the additional kindergarten places on offer at our new West Maddingley Early Years and Community Hub due to open early 2024.
- ▶ Our youth team collaborated with local young people to run a number of FReeZa events across the year. A skate competition in Bacchus Marsh attracted more than 70 young people and parents. The Youth Art Awards night, attended by more than 60 participants, featured an impressive collection of 22 entries.

The team has also offered free weekly guitar lessons, pop up events, supported the FReeZa band and saw more than 150 young people attend pool parties in Ballan and Bacchus Marsh.

- ▶ Maternal and Child Health continues to experience a high number of births in the shire. More than 40% of these were born to first time parents. The MCH service supports these parents through the provision of new parents' groups and dad's groups to assist with the parenting journey.
- ▶ Early Years held a children's pop-up event in Greendale during the Easter school holidays. This interactive session was well attended by families from around the shire and provided many activities for children to experience. It also enabled them to engage with the MCH, Library, Youth and Diversity teams.



Community Activation Service

Arts and Economic Development

- ▶ Hide and Seek Music Festival won the 2022 National Award for Local Government Creativity and Culture category.
- ▶ Completion of the Mineral Springs public art and video commission at Spargo Creek and Ballan Mineral Springs.
- ▶ Progression of the Economic Development and Visitor Economy Strategies to public exhibition.
- ▶ Signatory member of Victoria's first Visitor Economy Partnership, Tourism Midwest Victoria.
- ▶ Delivery of the third Women in Business luncheon.
- ▶ Securing \$30,000 from Creative Victoria's Music Works program for the Young and Local Program.

Sport and Active Recreation

- ▶ Endorsement of Mason's Lane Master Plan 2023-2033.
- ▶ \$19.6 million of funding received for Bacchus Marsh Racecourse and Recreation Reserve Multisport Pavilion and Change Rooms, Bacchus Marsh Racecourse and Recreation Reserve Cricket Training Nets, Dunnstown Pavilion Upgrade, Moorabool Aquatic and Recreation Centre and All Abilities Adventure Playground, Changing Places Facility and Bacchus Marsh Regional Bowls Facility.
- ▶ Completion of Stage 1 Bacchus Marsh Racecourse and Recreation Reserve works, including all equestrian facilities and a pavilion.
- ▶ Record attendances at Bacchus Marsh and Ballan outdoor pools during the 2022/23 pool season, with the inclusion of teenage pool parties, movie nights and family fun days.
- ▶ Delivery of sport and recreation forums to local sports clubs to provide education and advice on various topics in community sport.

Community Development Service

Libraries

- ▶ Concept plans for the new Ballan Library and Community Hub were endorsed by Council in February. The Ballan and District Hospital Committee Board provided a \$250,000 contribution towards the project, to support first nations artwork, computers and technology, a teen space and quiet study rooms.
- ▶ Council received a Victorian Government grant to run a Digital Literacy for Seniors Program. The opportunity for members of our community to book one-on-one help sessions with a staff member has proven hugely popular, allowing them to seek help with specific devices and support. This has included 71 individual sessions and four group sessions – covering topics such as scams, online security and managing digital photos.
- ▶ The Peter Carey Short Story Awards and the Young Writers Award were hugely successful, with 438 entries for the Peter Carey Short Story Awards and 688 entries for the Young Writers Award. An award ceremony recognised our talented winners, with 88 people in attendance.
- ▶ Harry Potter month in July 2022 was an incredibly well received program, celebrating the magic that is Harry Potter. Word spread around town about the amazing display created by our staff, attracting people who had never visited the library before. Across the month, 295 people attended across ten events, with parents having as much fun as their young ones.

Health Promotion and Gender Equality

- ▶ From the Health and Wellbeing Plan, 59 of the 62 year one actions were completed, and year two actions are on track.
- ▶ Secured \$40,000 in VicHealth grant funding to support the implementation of Alcohol Harm Reduction actions.
- ▶ Family violence and mental health services have been promoted and resources updated to assist internal staff and agencies to support referral pathways.
- ▶ Gender Impact Assessment templates and supporting materials were developed and implemented.

Community Development and Engagement

- ▶ Council facilitated the third year of its Community Leadership Program. Eleven people complete the program in 2022.
- ▶ Council directly delivered 21 community engagement processes across the Shire and Council's digital Have Your Say site (digital engagement portal) recorded 85,655 page views from 36,004 unique visitors.
- ▶ Council's Community Grants Program awarded \$166,970 to non-profit groups to deliver 27 community projects across the Shire.
- ▶ In implementing the Age Well Live Well Strategy, eight community events were delivered as part of the 2022 Victorian Seniors Festival. Grant funding was secured to deliver two Wiser Driver Courses and one Motorised Mobility Device (MMD) community education session.
- ▶ Council has facilitated a user agreement with the new aged care provider to utilise the Andy Arnold Centre for delivery of social support programs.
- ▶ Disability Access and Inclusion Plan actions have included the delivery of a disability awareness training module for all Council staff and facilitating a series of events to celebrate International Day of People with Disability in December 2022. Council has actively considered all abilities in the planning of new facilities, including the design of a new all abilities playspace in Maddingley.

Child, Youth and Family Services

- ▶ We have a continued need to seek out and encourage agencies and support services to deliver critical support services to families and youth in Moorabool Shire.
- ▶ Employee recruitment has been a challenge, but we feel pleased with the strong team we are building.

Community Activation Service

Arts and Economic Development

- ▶ Staffing and resourcing challenges for the newly created Arts and Economic Development team in the first half of the year.

Sport and Active Recreation

- ▶ Delivery of community sport and recreation projects in unprecedented market conditions. Several projects have experienced significant delays and stakeholder management has been required.

Community Development Service

- ▶ Following the exit from aged and disability service delivery on 30 June 2023, Council worked closely with the new providers, Silverchain and Mecwacare, to ensure a smooth transition for clients. Council also appointed an Aged and Disability Liaison Officer who has supported almost 700 seniors across the year to navigate service systems.



CUSTOMER CARE AND ADVOCACY

Highlights

Brand and Advocacy

- ▶ Delivered on our advocacy plan and action plan to attract funding and support for Council's priority projects, as highlighted in our regularly updated advocacy prospectus Helping Moorabool Thrive.
- ▶ Implemented the Brand Strategy 2022-2025 including rolling out an updated logo and associated visual identity.
- ▶ Increased following and engagement across all corporate social media channels (Facebook, Twitter, Instagram, LinkedIn).
- ▶ Supported our community with informed and timely communications, particularly on the delivery of major infrastructure projects.

People and Culture

- ▶ Facilitated the culture survey and developed a corresponding culture survey action plan to support our people's engagement and wellbeing at work.
- ▶ Developed key strategic documents including Attract and Retain @ Moorabool; and Health, Safety and Wellbeing @ Moorabool.
- ▶ Launched the 'Recruitment Revolution' to help attract and retain great candidates.

Finance

- ▶ Focused on upgrading our corporate systems to support our staff to work more efficiently and improve overall data security.
- ▶ Successfully completed a major upgrade of Council's core finance system (Technology One) to a cloud-based SAAS (Software as a Service) model.
- ▶ Successfully implemented phase 1 of the new budgeting and reporting system (Calumo) as part of the 2023/24 budget process.
- ▶ Successfully completed the 2021/22 financial statements and facilitated the 2023/24 Budget process in line with organisational and external statutory timeframes.



Customer Experience and Innovation

- ▶ Implemented more online self-service options to enable customers to make a payment, report an issue, and submit an application via Council's website.
- ▶ Supported the implementation of a new Customer Relationship Management (CRM) system to enhance the customer experience and improve operational performance.
- ▶ Integrated the new CRM with a number of corporate systems to improve operational efficiency.
- ▶ Refurbished the customer service centre at Ballan to provide an improved customer experience.
- ▶ Developed customer satisfaction surveys to provide insights to inform continuous improvement across Council services.

ICT

- ▶ Focused on upgrading Council's IT systems to support our staff to work more efficiently and improve overall data security.
- ▶ Supported People and Culture and Finance teams to implement T1 Software as a Service (SaaS).
- ▶ Supported Waste and Customer Service teams to introduce a new waste contractor with an externally integrated system.
- ▶ Established the ICT Steering Committee.
- ▶ Conducted the first annual ICT customer satisfaction survey.
- ▶ Improved ICT security with implementation of a security operations centre.

- ▶ Customer Care and Advocacy is on a transformation journey to improve our customer experience, our culture and our brand and prepare the organisation for significant population growth.
- ▶ The directorate has been focussed on attracting, training and retaining key talents to support our transformation work. In particular, the directorate has been busy implementing a new Customer Relationship Management System and preparing for the implementation of a new rates module.



COMMUNITY PLANNING AND DEVELOPMENT

Highlights

Growth and Development

- ▶ Completion of the Development Contributions Framework that will assist in delivering the required community infrastructure needed throughout new developments and growing populations.
- ▶ Approval of the C101 Browns Lane Planning Scheme Amendment that relocates a Heritage Overlay to protect the correct property.
- ▶ Progression of Planning Scheme Amendment C104 (the Anomalies Amendment) to seek permission to commence the Amendment and commence public exhibition from the Minister for Planning.
- ▶ Approval of the Planning Policy Translation to simplify the Planning Scheme in accordance with Victorian Government requirements.
- ▶ Implementation of the newly approved Heritage Advisory Committee Terms of Reference and appointed new Committee members through an expression of interest process.
- ▶ The adoption of the Car Parking Strategy 2023 and Parking Provision and Management Policy by Council following a third round of community consultation that included drop-in sessions and 130 online surveys completed.
- ▶ Conducted initial community consultation on the Bacchus Marsh Town Centre Structure Plan, that included drop-in sessions and 100 online surveys completed.
- ▶ Conducted initial community consultation on the Bungaree and Wallace Structure Plan where over 100 people attended the drop-in sessions and 63 online surveys were completed.



Statutory Planning and Regulatory Services

The Service Unit has been proactive with the introduction of additional Greenlight modules, ensuring greater online efficiencies for Council and more importantly an improved online experience for the customer.

These include online lodgements for:

- ▶ Building lodgements.
- ▶ Registrations of pools and spas.
- ▶ Applications for a report and consent.
- ▶ Place of Public Entertainment (POPE) module (currently in development).

Planning Services

- ▶ 342 planning applications determined.
- ▶ 78.36% of planning applications determined within 60 statutory days.
- ▶ 75% of VCAT cases (affirmed 3 from 4 decisions).
- ▶ 512 new lots created.
- ▶ 54 Section 173 Agreements registered.

Building Services

- ▶ 56 building notices and orders issued.
- ▶ 119 report and consents issued.
- ▶ 6 Place of Public Entertainment (POPE) certificates issued.
- ▶ 260 pools and spas registered.
- ▶ 791 building permits lodged with Council.
- ▶ Cost of building works \$225,000,000 (as shown on building permits).

Environmental Health Services

- ▶ 316 food safety inspections.
- ▶ 289 food businesses registered.
- ▶ 98 public health and wellbeing businesses registered (hair, beauty, accommodation etc).
- ▶ 125 septic permit to install approved.
- ▶ 1,094 vaccinations administered.
- ▶ Progressed work on the actions within the Domestic Wastewater Management Plan.

Community Safety Services

- ▶ 16 school crossing sites safely supervised throughout the shire annually.
- ▶ 8,243 cats and dogs registered.
- ▶ 139 animals rehomed through the shire pound.
- ▶ Finalisation and adoption of the Enforcement Policy (March 2023).
- ▶ Implementation of the 2022/23 actions from the Domestic Animal Management Plan.
- ▶ Implemented a refund scheme for domestic animal registration where the animal is defined as an assistance animal under the Disability Discrimination Act 1992.



Special Projects

Advocacy

- ▶ Partnered with Moorabool Central Highlands Power Alliance to co-host a dinner in support of 90 local landowners impacted by the proposed Western Renewables Link.
- ▶ Adoption of updated High Voltage Transmission Line Setback Policy to reflect the Australian Energy Infrastructure Commissioner's latest recommendations.
- ▶ Advocacy to state and federal governments for community engagement and assessment process reform for major renewable energy projects.
- ▶ Ongoing preparation for the upcoming Environment Effects Statement (EES) submission for Western Renewables Link, the main approvals process for the project.

Infrastructure upgrades

- ▶ Oversaw delivery of \$279,000 in grant funds for drainage repairs and upgrades to Bacchus Marsh Aerodrome.
- ▶ Partnered with NBN to apply for a \$2.2M grant application for technology upgrades to improve internet connectivity and consistency.
- ▶ Digital Plan underway to determine and prioritise connectivity requirements and future funding advocacy.

Growth and Development

- ▶ Changing policy direction from Victorian Government in relation to growth area planning.
- ▶ Delays to timeframes for VPA led growth precincts due to external factors e.g. Eastern Link Road.

Statutory Planning and Regulatory Services

- ▶ Impact of industry shortages in professions such as planning, building and environmental health.
- ▶ Market conditions impacting how development is sequenced, resulting in reduced planning application numbers and an increase in post permit applications.
- ▶ Increase in unowned and semi-owned animals resulting in an increase in animals in the pound.
- ▶ Improving the health of the swimming pool and spa register to ensure the safety of properties with swimming pools and/or spas.

Special Projects

- ▶ Regulatory assessment processes for proposed high voltage transmission infrastructure where non-economic impact is not considered at the beginning of the project.



ORGANISATIONAL STRUCTURE



ACCESS AND INCLUSION

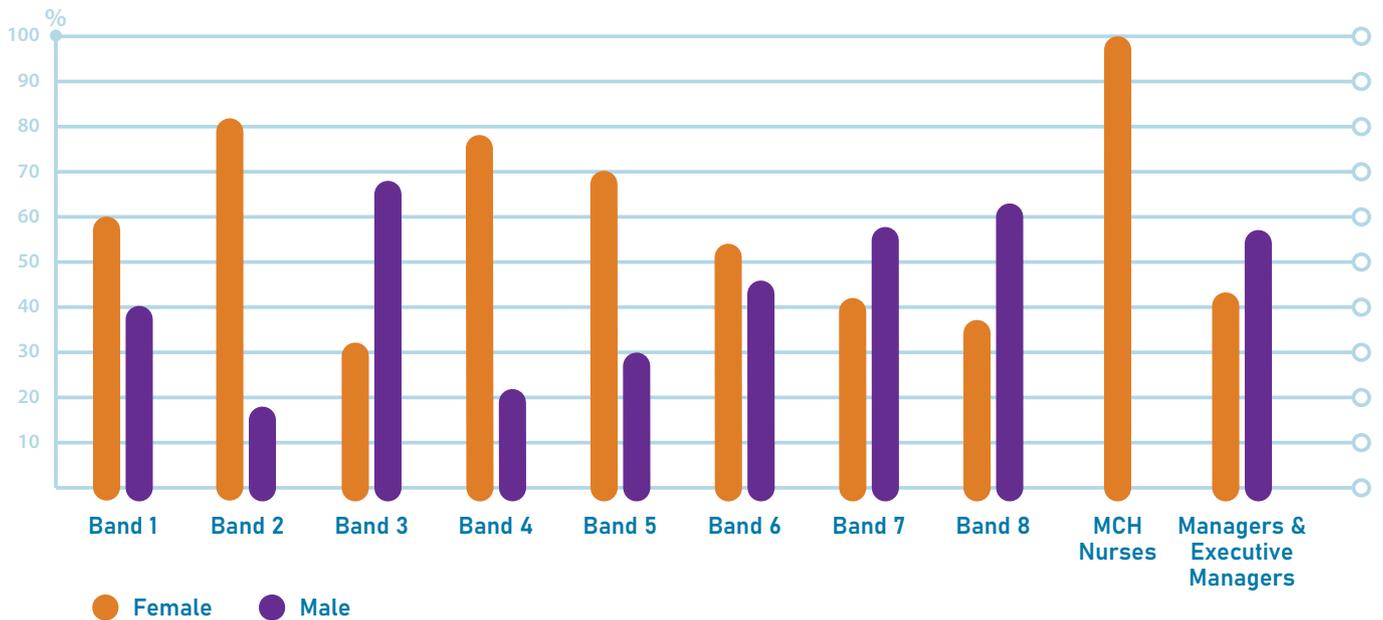
Council respects the rights of equal access for everyone and values the diverse communities who live, visit and work in the shire. Our municipality plays host to people young and old, those living with a disability, people with diverse gender identities, LGBTIQ communities, people with

diverse political perspectives and those who have experienced advantage or disadvantage. It is this diversity that strengthens our community and shapes the services, facilities and public spaces we provide every day.



EMPLOYEE INFORMATION

Banding by Gender Comparison July 2023



Staff by Gender

Since last year, Moorabool Shire Council’s workforce has seen a slight increase in female occupants, now at 55% female and 45% male staff. At the present time, Moorabool Shire Council reports no indeterminate, intersex or unspecified gender categories.

Female representation at executive level has increased from 38% to 43%, with male representation decreasing from 75% to 57%.

Maternal Child Health remains an all-female workforce, which highlights 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. Band 6 and 7 statistics shows a relatively equal balance of females and males, with Band 8 having a slightly higher male representation of 63% male, 37% female.

Band 5 employees are mostly technically specialised with some form of tertiary studies and team leaders, with 70% female and 30% male.

Band 4 has the highest female representation compared to all other bands, sitting at 78%, and is predominantly occupied by administrative based roles. The majority of the 22% male occupancy are from our outdoor operations team.

Band 3 contains a ratio of 68% male and 32% female. The male workforce predominantly consists of permanent outdoor workers, with a small ratio of mixed genders across other roles such as library and leisure centre staff (including seasonal pool staff).

Band 2 employees are pound keepers with 82% female and 18% male.

Band 1 employees are school crossing supervisors with 60% female and 40% male.

TRAINING 2022/2023

During the 2022/ 2023 financial year, Council invested significantly in evolving our existing learning and development programs.

We have a focus on continuous improvement through our training and our staff performance programs and procedures.

Aligned to Council's Capability Framework, a broad range of initiatives were offered across the learning and development platform via virtual, e-learning, and face-to-face training opportunities, both in-house and offsite via our external partnerships. These opportunities were included as part of Council's Develop @ Moorabool program, providing opportunities for staff to broaden their skills, knowledge and expertise.

In addition, Council's Learning Management System, ELMO, provides staff with an interactive learning platform, enabling a just-in-time approach to advance skills, personal knowledge and provide compliance knowledge. The platform includes over 80 learning modules, which continues to expand, to support employees learning journey, and compliment face-to-face and virtual training offered as part of the Develop @ Moorabool program.

Staff are also supported to undertake training and education specific to their role and/or industry via the provision of Council's department specific training framework and Study Assistance Policy.

Compliance training continues to be at the forefront of our framework, ensuring staff knowledge is established and maintained throughout their employment. In 2022/2023, in addition to previously established compliance training, staff completed mandatory compliance training in the areas of Workplace Behaviour, Discrimination Awareness and Child Safety.

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.

In 2022/2023 Year 1 of the newly developed leadership program was facilitated 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. Year 2 – 4 will be delivered in subsequent years.

During 2023/2024 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.



PART 3



OUR PERFORMANCE

PERFORMANCE

Council's performance for the 2022-23 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.



MYRNIONG AVENUE OF HONOUR

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 (60%) Due to several conflicting priorities in the Sport & Active Recreation team this action was deferred to commence in early 2023. A consultant has been appointed and the project has commenced. A briefing is currently being prepared for Councillors to provide an update on the scope of the strategy, engagement plan and updated program.
	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

Strategic Context	Strategic Action	Outcome
1.2 Improve Access and Opportunities for Integrated Transport	Complete stage 1 construction of the Aqualink Cycle Corridor Project in Bacchus Marsh	In Progress (90%) Construction of shared pathway and road crossings are complete, and fencing has been completed to residential properties, and is now open for public use. A contract for landscaping and signage has been awarded and is scheduled for completion by September 2023.
	Develop a set of guiding principles to facilitate placemaking	In Progress (5%) Initial scoping of project has commenced but is currently on hold until the Economic Development and Visitor Economy Strategies have been completed and adopted.
	Construct Stage 2 of the Aqualink Cycle Corridor Project in Bacchus Marsh	In Progress (65%) Project was awarded to Fulton Hogan in December 2022. Construction commenced in January 2023 and is scheduled for completion in July 2023.
	Integrated Transport Plan for Growth Areas (Ballan)	In Progress (75%) The final report on the transport and traffic impacts of projected growth in Ballan has been received. The data from this report will form the basis of the Ballan Integrated Transport Strategy that will be developed over the next 3 to 4 months for endorsement by Council following stakeholder feedback. Following this consultation, a graphic designer will be engaged to develop the report from a technical document into a more usable document.
	Implement the annual actions from the Road Safety Strategy	Completed
	Develop a Bike and Hike Strategy	Completed
	1.3 Facilitate Opportunities for the Community to Gather and Celebrate	Implement the annual actions of the Arts and Culture Strategy

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	In Progress (80%) Community consultation for the Blackwood Township Improvement Plan was completed in early 2022 and the plan is undergoing further refinement to reflect the community feedback and opportunities on site. Civil elements will be finalised with consultation with Council's heritage advisor and the community. Construction works are proposed for 2023/2024. A Township Improvement Plan for Lal Lal is proposed, and the process will commence in the 23/24 year. Plans are anticipated to be completed around September 2023 with community consultation to be undertaken late 2023. Delivery of the project budgeted to occur in the second half of 2023/2024.
	Township Improvement plans implemented in accordance with the annual budget	In Progress (90%) Greendale Township Improvement works are now complete. Concept plans for Blackwood have been finalised. The Plans are due to be presented to Council for endorsement in August 2023. Construction works are proposed to commence in 2023/2024.
	Complete design for the development of the Ballan Library and Community Hub	Completed
	Complete design and commence construction for Ballan Library and Community Hub	In Progress (75%) The design has progressed to tender documentation. The design provides space for each of the services that Council require and addresses the feedback from the community consultation. The project is on track to be issued for construction tender in September 2023. Construction will commence in early 2024.

Strategic Context	Strategic Action	Outcome
1.5 Provide Access to Services to Improve Community Connection in the Shire	Commence construction of the West Maddingley Early Years & Community Hub (WMEYCH)	Completed
	Construct Moorabool Aquatic and Recreation Centre (MARC) Stage 1 - Bacchus Marsh Indoor Sports Stadium	In Progress (80%) The project has been in construction since March 2022, and the provisional delay period of 20 days for inclement weather and delays by service authorities has been exceeded. The date for practical completion is now August 2023.
	Implement the annual actions of the Female Friendly Sport and Recreation Participation and Facilities Strategy	Completed
	Complete the construction of the WMEYCH	In Progress (20%) Construction commenced in late January 2023 and is scheduled for completion in December 2023. The kindergarten service will commence in January 2024.
	Commence construction of the Regional Bowls Facility	In Progress (75%) Council have recently obtained a contribution from the Victorian Government for the construction of this project. We are awaiting execution of a funding agreement before the project can be tendered.
	Complete construction of the Regional Bowls Facility (external funding dependent)	Not Started
	Construct Stage 2 of the Bacchus Marsh Racecourse and Recreation Reserve (BMRRR)	In Progress (75%) The entry road, hard courts and the car park will be completed by July 2023, the ovals will be available for use in early 2024 and the play space is expected to be completed in December 2023.
	Seek Funding for Stage 3 BMRRR (Annually Until Successful)	Completed
	Review the Community Development Strategy	Completed
	Deliver Community Leadership Program	Completed

STRATEGIC OBJECTIVE 2: LIVEABLE AND THRIVING ENVIRONMENTS

Strategic Context	Strategic Action	Outcome
2.1 Develop Planning Mechanisms to Enhance Livability in the Shire	Develop a Development Contribution Policy	Completed
	Review and update the Draft Urban Design Guidelines for New Development, including sustainable subdivision principles	In Progress (80%) A review of the Urban Design Guidelines has commenced. A draft manual has been completed and an internal working group has been set up to work through the elements and the website. This has been put on hold until new Coordinator of Urban Landscape design is appointed in 2023/2024.
	Consult and complete Car Parking Strategy & Car Parking Policy	Completed
	Consult and complete Bacchus Marsh Town Centre Structure Plan	In Progress (50%) Community consultation was undertaken in February/March 2023. Council officers are working through feedback to inform a vision and opportunities paper. The result of the community consultation was presented to Councillors in a vision workshop on 31 May 2023. The vision has been refined based on the Councillor workshop and the drafting of the structure plan has commenced.
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 Gateway Strategy	In Progress (80%) Following public exhibition in October 2022, feedback was analysed and revisions have been made to the draft Gateway Strategy. A Councillor Briefing was undertaken in June 2023. An additional period of public exhibition will be conducted in early 2023/2024.

Strategic Context	Strategic Action	Outcome
	Develop the Open Space Strategy	In Progress (80%) The Open Space Strategy is currently under development. Internal engagement has been undertaken. A draft strategy and localities analysis has been provided. The technical reference group has reviewed and provided feedback with the strategy to be updated. Further refinement of the strategy will continue into the 23/24FY.
	Develop the Bacchus Marsh Avenue of Honour Management Plan	In Progress (75%) A draft management strategy and preservation plan has been developed and the peer assessment was completed. The draft will be presented to Councillors at a briefing in July 2023, and then presented at the Ordinary Meeting of Council in August 2023, seeking in principle endorsement to commence community engagement. Following the engagement, a final draft is scheduled to be presented to the Council in late 2023 for formal adoption.
2.3 Enhance our Natural Environments	Commence the development of the Sustainable Environment Strategy	Completed
	Develop the Sustainable Building Strategy	Completed
	Implement the Waste and Resource Recovery Strategy	Completed

Strategic Context	Strategic Action	Outcome
2.4 Grow Local Employment and Business Investment	Review Economic Development Strategy and develop an action plan	In Progress (95%) A draft strategy has been developed and was open for public submissions through a public exhibition process from May - June 2023. It is anticipated that the final Strategy and Action Plan will be adopted by Council in August 2023.
	Implement the annual action of the Economic Development Strategy	Not Started
	Develop an Investment Attraction Strategy	In Progress (50%) The project is on hold until the Economic Development Strategy has been completed.
2.5 Create a Viable Offering to Attract Visitors, Tourists and Investment	Develop a Visitor Strategy and Action Plan	In Progress (95%) A draft strategy has been developed and was open for public submissions through a public exhibition process from May - June 2023. It is anticipated that the final Strategy and Action Plan will be adopted in August 2023.
	Implement the Visitor Economy Action Plan	Not Started

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	Develop the ICT Strategy	In Progress (80%) Resourcing issues have led to delivery delays for this project. The ICT Strategy is expected to be presented to the Executive Leadership Team in August 2023.
	Review the Customer Experience Strategy	In Progress (25%) A review of the customer experience strategy has commenced. The review has been delayed due to the impact of staff vacancies in the Customer Experience team and is now scheduled to be completed by end of September 2023.
3.2 Align Services to Meet the Needs of the Community	Implement the Service Planning Framework per the adopted services	In Progress (90%) Council have recently recruited a Service Improvement Business Partner who will be responsible for overseeing the implementation of the 4 year roadmap. It is anticipated that that a review of the framework and templates will take place between July - September 2023 at which point service planning activity will commence for Year 1 in accordance with the 4 Year roadmap.
	Master Planning of Recreation Reserves	Completed
	Develop Support Mechanisms for Community Asset Committees	Completed
	Review Community Infrastructure Framework	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
	Implement the actions of the Brand Strategy	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	Completed

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's water assets	In Progress (90%) Due to staffing issues this will be carried forward to 2023/2024. A draft policy has been completed and is now being reviewed by an internal working group prior to taking to Councillors for approval.

STRATEGIC OBJECTIVE 3: STIMULATING ECONOMIC DEVELOPMENT

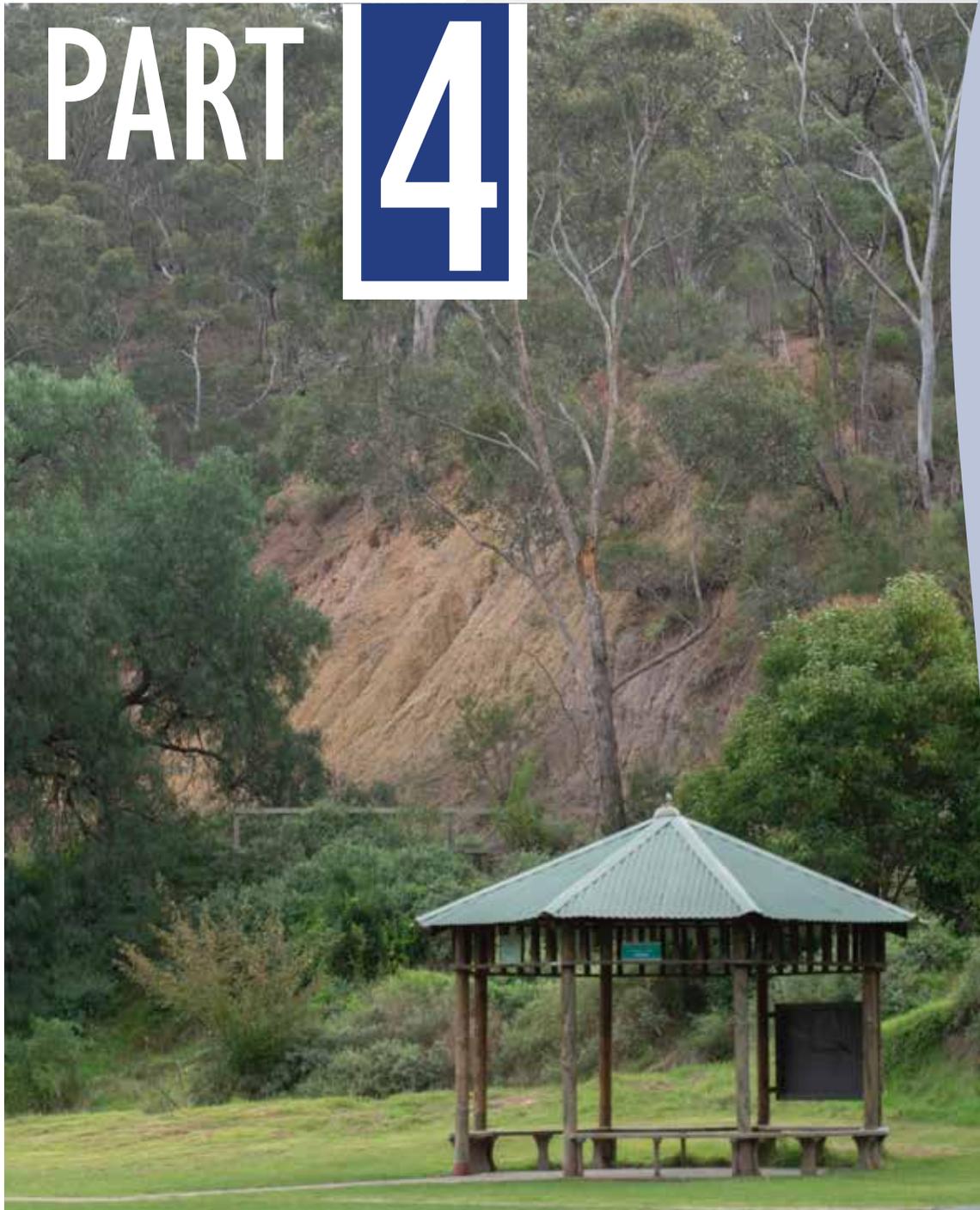
Strategic Context	Strategic Action	Outcome
3A Land Use Planning	Incorporate Strategic Documents into the Planning Scheme: - West Moorabool Heritage Study	In Progress (59%) The heritage citations have been completed and amendment documentation is being drafted. A briefing note is being prepared prior to taking the amendment to Council to seek authorisation of the planning scheme amendment. The briefing went to Exec in June 2023 and further Councillor Briefing will follow in July & August 2023.
	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%) A request for quotation specification has been developed in preparation for a procurement process to seek a suitable consultant to develop a combined early years and youth strategy. This strategy will be delivered in 2023/2024.
	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	Completed

PART

4



**GOVERNANCE,
MANAGEMENT AND
OTHER INFORMATION**

GOVERNANCE

Residents and ratepayers elect Councillors to advocate for the community's needs and aspirations. Council's authority is exercised as a whole rather than through individual Councillors. Moorabool Shire Council consists of seven Councillors who are democratically elected by the constituents of Moorabool Shire in accordance with the Local Government Act 2020 (the Act). The role of Council is to provide leadership for the good governance of the Moorabool Shire that includes:

- ▶ Acting as a representative government by taking into account the diverse needs of the local community in decision making;
- ▶ Providing leadership by establishing strategic objectives and monitoring their achievement;
- ▶ Maintaining the viability of Council by ensuring that resources are managed in a responsible and accountable manner;
- ▶ Advocating the interests of the local community to other communities and governments;
- ▶ Acting as a responsible partner in government by taking into account the needs of other communities; and
- ▶ Fostering community cohesion and encouraging active participation in civic life.

The Chief Executive Officer is responsible for:

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



MEETINGS OF COUNCIL

Council conducts open public meetings on the first Wednesday of every month except January and makes decisions on the items listed in the Council Meeting Agenda. Members of the community are welcome to attend these meetings and observe from the gallery 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 2022-2023 year Council held the following meetings:

- ▶ 11 Ordinary Council Meetings
- ▶ 5 Special Council Meetings

The table below depicts each Councillor as present or as an apology for each meeting in the 2022-2023 year.

ORDINARY MEETINGS OF COUNCIL - COUNCILLOR ATTENDANCE 2022-2023

	Cr David Edwards	Cr Tonia Dudzik	Cr Tom Sullivan	Cr Moira Berry	Cr Paul Tatchell	Cr Rod Ward	Cr Ally Munari
6-Jul-22	1	1	1	1	1	1	1
3-Aug-22	1	1	1	1	1	1	1
7-Sep-22	1	1	1	1	1	0	1
5-Oct-22	1	1	1	1	1	1	0
2-Nov-22	1	1	1	1	1	1	1
7-Dec-22	1	1	1	1	0	1	1
1-Feb-23	1	1	1	1	1	1	1
1-Mar-23	1	1	1	1	1	1	1
5-Apr-23	1	1	1	1	1	1	1
3-May-23	1	0	1	1	1	0	1
7-Jun-23	1	1	1	1	1	1	1
Number of Meetings	11	10	11	11	10	9	10

SPECIAL MEETINGS OF COUNCIL - COUNCILLOR ATTENDANCE 2022-2023

	Cr David Edwards	Cr Tonia Dudzik	Cr Tom Sullivan	Cr Moira Berry	Cr Paul Tatchell	Cr Rod Ward	Cr Ally Munari
26-Oct-22	1	1	1	1	1	1	0
30-Nov-22	1	1	1	1	1	1	1
21-Dec-22	0	1	1	1	0	1	1
10-May-23	0	1	1	1	0	1	1
17-May-23	1	1	1	1	1	1	1
Number of Meetings	3	5	5	5	3	5	4



DELEGATED COMMITTEES

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

- ▶ At least 2 Councillors
- ▶ And may include any other persons

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

By instrument of delegation, Council may delegate to the members of a delegated committee such functions, duties or powers of the Council that it deems appropriate, utilising provisions of the Local Government Act 2020.

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
- ▶ Elaine 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
- ▶ Bacchus Marsh District Trails Advisory Committee
- ▶ Bacchus Marsh Racecourse & Recreation Reserve Advisory Committee
- ▶ Disability Access and Inclusion 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
- ▶ Public Arts and Collections Advisory Committee

COUNCILLOR CODE OF CONDUCT

Moorabool Shire Councillors are bound by a Councillor's 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 and Deputy Mayor are also entitled to receive a higher allowance.

The Victorian Government sets the upper and lower limits for all allowances paid to Councillors and Mayors. Councils are divided into three categories based on the income and population of each Council. In this instance Moorabool Shire Council is recognised as a category two Council.

For the period ending 30 June 2023, the Councillor annual allowance for a category two Council (as defined by the Local Government Act 2020) was fixed at \$31,353 per annum. The allowance for the Mayor was \$100,637 per annum and the Deputy Mayor \$50,319 per annum. The Councillor and Mayoral allowance is inclusive of the equivalent of the superannuation guarantee contribution (SGC) (currently 10.5%).

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's Governance Rules which were adopted in August 2020, contain a process for 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 2022-23, 11 conflicts of interest were declared.

COUNCILLOR EXPENSES

In accordance with Section 41 of the Local Government Act 2020, Council is required to reimburse a Councillor for expenses incurred whilst performing his or her duties as a Councillor.

Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors.

The details of the expenses, including reimbursement of expenses for each Councillor and member of a Council Committee paid by the Council for the 2022-23 year are set out in the following table.

Councillors	CM \$	TR \$	CC \$	IC \$	MS \$	CT \$	Total \$
Cr Edwards	-	-	-	356	-	-	356
Cr Sullivan	1,125	-	-	518	-	-	1,644
Cr Dudzik	-	-	-	519	82	-	601
Cr Tatchell	-	-	-	694	-	-	694
Cr Ward	6,432	20	-	260	-	771	7,482
Cr Berry	-	-	-	519	82	1,359	1,960
Cr Munari	-	-	-	518	-	678	1,196
	7,557	20	-	3,384	164	2,758	13,933

Legend: CM Car Mileage, TR Travel, CC Child Care, IC Information and Communication expenses, MS Membership, CT Conferences and Training expenses.

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

2022-23 saw an overall increase in the cost of all insurance policies. Council's insurance portfolio is maintained to ensure that corporate risk exposures are minimised.



AUDIT AND RISK COMMITTEE

The Audit and Risk Committee's (the committee) role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management fostering an ethical environment. The committee consists of 3 independent members, Ms Linda MacRae (chair), Mr Michael Said and Mr Simon Dalli, as well as two Councillors. Any new independent members being appointed due to a vacancy occurring on the committee will be appointed for a three-year term. Independent members may be appointed for more than one three-year term. The chair is elected from among the independent members.

The Committee meets five times a year and is governed by the Audit and Risk Committee Charter, which was adopted by Council in August 2020. The Internal Auditor, Chief Executive Officer, General Managers and the Chief Financial Officer attend the Audit and Risk Committee meetings. Other management representatives attend as required to present reports.

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

INTERNAL AUDIT

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

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

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

EXTERNAL AUDIT

Council is externally audited by the Victorian Auditor-General. For the 2022-23 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative.

The external auditors attend in February or May each year to present the audit plan to the Audit and Risk Committee and in September each year to present the independent audit report.

The external audit management letter and responses are also provided to the Audit Committee.

FREEDOM OF INFORMATION

In accordance with section 7 (4AA)(a) and 7(4AA) (b) of the Freedom of Information Act 1982, Council is required to publish certain statements in their annual report or separately such as on its website, concerning its functions and information availability. 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 Moorabool Shire Council website.

In 2022-2023, Council received 25 Freedom of Information requests with 3 valid requests to be carried over and administered in the next financial year 2023/24. There are a number of requests which were received that have not yet reached validity:

Requests granted in full	4
Requests granted in part, subject to specific exemptions	10
Requests denied in full, subject to specific exemptions.	2
Requests being processed as of June 30, 2023	3
Other: (where requests were withdrawn or no documents found under the FOI Act or documents provided outside of the FOI Act)	6
Total	25

PUBLIC INTEREST DISCLOSURES

(formerly known as Protected Disclosures or Whistleblowers)

Moorabool Shire Council is a public body subject to the Public Interest Disclosures Act 2012 (“Act”). The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies, including Moorabool Shire Council, its staff, employees and Councillors.

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

As required under the Act, Moorabool Shire Council has established procedures to facilitate and encourage the making of disclosures under the Act and how Council handles any such disclosures received (“Public Interest Disclosure Procedures”). These procedures are available on Council’s website at www.moorabool.vic.gov.au 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 an adopted Disability Access and Inclusion Plan 2021-2024 and is working through implementing actions of the 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.

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 2022/23 year, Moorabool Shire Council had no infrastructure and development contributions collected under an infrastructure or development contributions plan.

DOMESTIC ANIMAL MANAGEMENT PLAN

The Domestic Animal Management Plan 2021-2025 has been adopted. This four-year plan builds on our previously adopted Domestic Animal Management Plan and provides the framework for Council's animal management services and programs.

Council continues to work through the actions contained within 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 below. The following items have been highlighted as important components of the management framework.



2022/2023 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	19/10/2022
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	07/06/2023
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	05/10/2022

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	17/05/2023
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	4th Quarter 07/09/2022 1st Quarter 07/12/2022 2nd Quarter 01/03/2023 3rd Quarter 07/06/2023
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	21/01/2019
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	05/10/2022

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 26/10/2022
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 05/04/2023
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 05/04/2023

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



Derek Madden
Chief Executive Officer

Dated: 6 October 2023



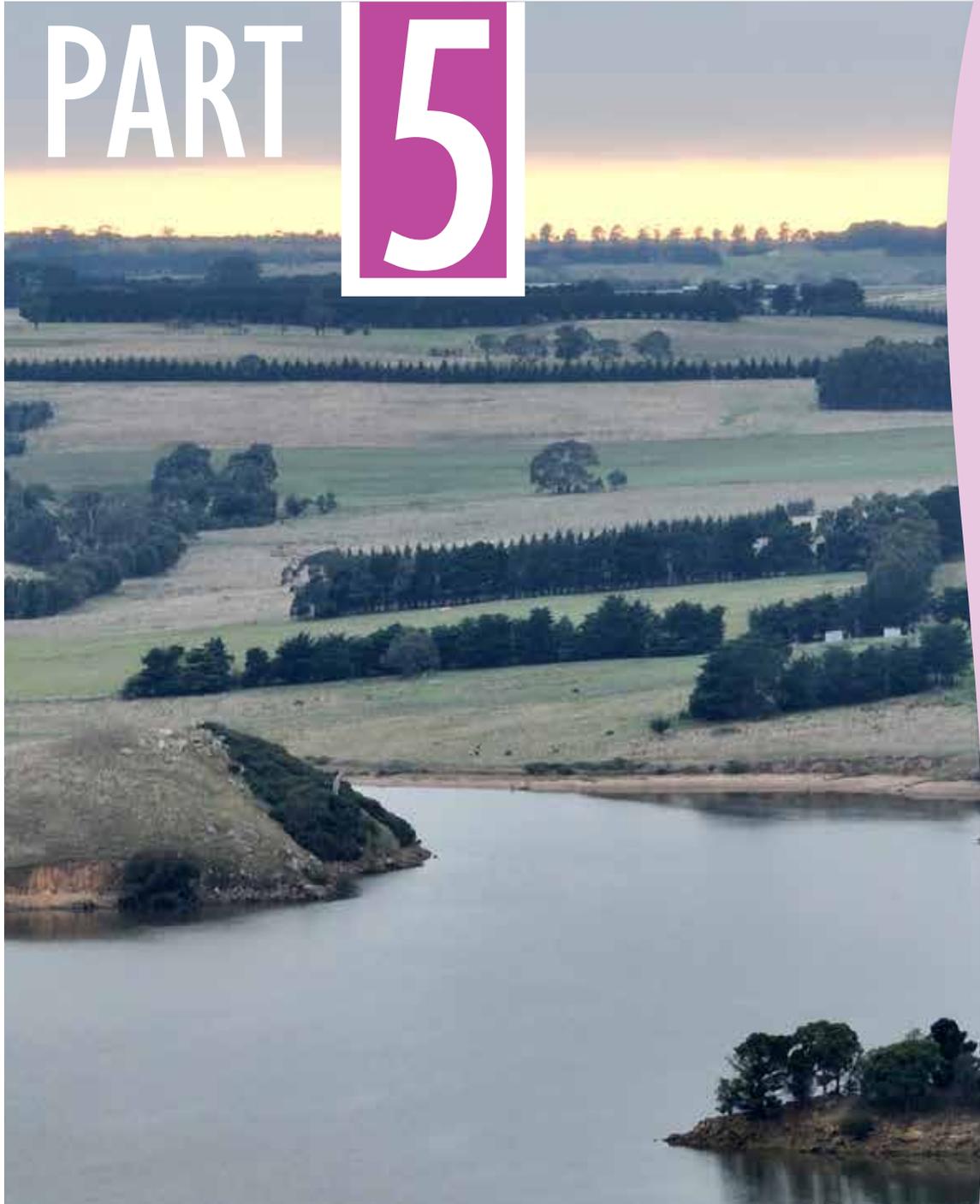
Cr Rod Ward
Mayor

Dated: 6 October 2023



PART

5



PERFORMANCE STATEMENT

Performance Statement – for the year ended 30 June 2023

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 2022/23 is 37,895 and is forecast to double in the next 20 years.

Sustainable Capacity Indicators - for the year ended 30 June 2023

LGV Ref	Indicator / measure and [formula]	Results 2020	Results 2021	Results 2022	Results 2023	Comments
	Population					
C1	Expenses per head of municipal population [Total expenses / Municipal population]	\$1,563.47	\$1,680.35	\$1,831.57	\$1,657.76	
C2	Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$15,257.41	\$15,300.90	\$15,641.58	\$17,738.94	The increase relates to a significant amount of capital works, contributed assets, and asset revaluations during the 2022/23 financial year. Council's total value of property, infrastructure, plant and equipment increased by \$100m in 2022/23.
C3	Population density per length of road [Municipal population / Kilometres of local roads]	24.34	24.84	25.03	25.68	
	Own-source revenue					
C4	Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,240.94	\$1,222.14	\$1,285.16	\$1,361.56	
	Recurrent grants					
C5	Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$328.11	\$315.81	\$377.29	\$347.67	
	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	12.4%	15.8%	33.3%	22.2%	The decrease relates to the previous year containing a large number of redundancies, as Council exited the Aged and Disability service.

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.

2022-23 Performance Statement

Service Performance Indicators – for the year ended 30 June 2023

LGV Ref	Service Indicator / measure and [formula]	Results 2020	Results 2021	Results 2022	Results 2023	Comments
Aquatic Facilities						
AF6	Utilisation Utilisation of aquatic facilities <i>[Number of visits to aquatic facilities / Municipal population]</i>	0.20	0.18	0.27	0.29	
Animal Management						
AM7	Health and safety Animal management prosecutions <i>[Number of successful animal management prosecutions]</i>	0%	50%	100%	0%	Council has not taken any cases to court in the 22/23 financial year.
Food Safety						
FS4	Health and safety Critical and major non-compliance outcome notifications <i>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100</i>	100.00%	100.00%	83.33%	53.85%	A lot of the major non-compliances that were found during inspections occurred during the months of May and June 2023, the follows ups for these were not due until the new financial year and have therefore not been counted in this reporting period. Follow ups for remaining non-compliances will be conducted in the next financial year.
Governance						
G5	Satisfaction Satisfaction with council decisions	47	49	47	50	

LGV Ref	Service Indicator / measure and [formula]	Results 2020	Results 2021	Results 2022	Results 2023	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	8.35%	7.37%	6.56%	6.30%	
	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	74.14%	71.43%	67.18%	50.00%	We would attribute the variance to increased sick leave and minimal availability of relievers. As a service improvement initiative we have also adopted 45min appointment times to ensure Maternal and Child Health Nurse's have more time to service our clients, this resulted in the loss of 1 appointment a day in each centre.
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	75.00%	63.10%	67.03%	64.71%	
	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]	42	45	40	33	The increase in numbers is more than likely due to the Storm Events that occurred in FY 22/23 which caused a significant amount of damage to Councils Roads and other assets.
	Statutory Planning					
SP4	Decision making	50.00%	90.91%	57.14%	66.67%	Council planning decisions upheld at VCAT were up this FY as there were less determined, therefore this has had a greater impact on the %.

LGV Ref	Service Indicator / measure and [formula]	Results 2020	Results 2021	Results 2022	Results 2023	Comments
	Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100					
	Waste Collection					
WC5	Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100	38.38%	39.88%	41.25%	39.67%	

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.

2022-23 Performance Statement

Financial Performance Indicators – for the year ended 30 June 2023

LGV Ref	Dimension/indicator/measure	Results 2020	Results 2021	Results 2022	Results 2023	Forecasts				Material Variations and Comments	
						2024	2025	2026	2027		
	Efficiency										
E2	Expenditure level Expenses per property assessment [Total expenses / Number of property assessments]	\$3,105.22	\$3,341.49	\$3,676.84	\$3,436.97	\$3,341.26	\$3,459.45	\$3,446.46	\$3,443.14		
E4	Revenue level Average rate per property assessment [General rates and Municipal charges / Number of property assessments]	\$1,763.45	\$1,785.26	\$1,822.81	\$1,902.73	\$1,964.96	\$2,016.73	\$2,082.75	\$2,136.50		
	Liquidity										
L1	Working capital Current assets compared to current liabilities [Current assets / Current liabilities] x100	277.07%	135.84%	126.31%	102.05%	174.23%	132.52%	152.85%	155.98%		The decrease is due to the new borrowings being taken up (\$14m), being classified as a current liability. The borrowings have been taken up on a temporary basis and will be locked in when interest rates are more competitive. When this is done, the total amount will be split between current and non-current.

LGV Ref	Dimension/indicator/measure	Results 2020	Results 2021	Results 2022	Results 2023	Forecasts				Material Variations and Comments
						2024	2025	2026	2027	
L2	Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	27.51%	13.20%	-100.12%	-35.64%	106.89%	86.54%	100.43%	103.98%	Unrestricted cash has improved mainly due to Council taking up \$14m in borrowings in 2022/23. Included in this amount are borrowings deferred from previous financial years. There is also a decrease in the net amount of capital carry overs compared to 2021/22.
	Obligations									
O2	Loans and borrowings Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	50.90%	44.88%	29.36%	58.72%	65.86%	66.17%	58.55%	48.52%	The increase relates to new borrowings of \$14m being taken up in the 2022/23 financial year. This includes deferred borrowings from previous financial years.
O3	Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	4.46%	4.66%	14.19%	2.09%	5.95%	7.29%	16.59%	7.98%	The decrease is due to the repayment of a significant (interest only) loan in the previous financial year.
O4	Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	43.06%	29.99%	26.26%	22.05%	54.82%	46.35%	47.46%	38.94%	There has been a reduction in non-current liabilities compared to last financial year. Decreases relate to provisions, interest-bearing liabilities, and lease liabilities.

LGV Ref	Dimension/indicator/measure	Results 2020	Results 2021	Results 2022	Results 2023	Forecasts					Material Variations and Comments
						2024	2025	2026	2027		
O5	Asset renewal and upgrade Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	173.84%	128.61%	104.31%	156.06%	128.40%	132.66%	88.77%	69.76%		In 2022/23 there was a large amount of works done on renewal/upgrade projects that were carried over from the previous financial year.
	Operating position										
OP1	Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x 100	0.92%	-2.84%	-7.04%	6.03%	-0.25%	-1.85%	0.17%	1.10%		Increased mainly due to Council receiving 100% of the 2023/24 Grants Commission allocation in June 2023.
	Stability										
S1	Rates concentration Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	66.13%	65.49%	64.36%	64.40%	73.42%	73.49%	73.91%	74.55%		
S2	Rates effort Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.42%	0.40%	0.38%	0.33%	0.30%	0.30%	0.31%	0.32%		Property values in the Shire have increased significantly over the previous couple of financial years. There has also been higher levels of growth in property numbers.

Financial Performance Indicators – Definitions

"Adjusted underlying revenue" means total income other than:

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

"Adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

"Asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

"Current assets" has the same meaning as in the AAS

"Current liabilities" has the same meaning as in the AAS

"Non-current assets" means all assets other than current assets

"Non-current liabilities" means all liabilities other than current liabilities

"Non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

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

"Population" means the resident population estimated by council

"Rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"Recurrent grant" means a grant other than a non-recurrent grant

"Residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"Restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

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

Other Information – for the year ended 30 June 2023

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 22 June 2022 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.

2022-23 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: 4 October 2023

In our opinion, the accompanying performance statement of the (council name) for the year ended 30 June 2023 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
6 October 2023



Cr. Moira Berry
Councillor
6 October 2023



Derek Madden
Chief Executive Officer
6 October 2023



Independent Auditor's Report

To the Councillors of Moorabool Shire Council

Opinion I have audited the accompanying performance statement of Moorabool Shire Council (the council) which comprises the:

- description of municipality for the year ended 30 June 2023
- sustainable capacity indicators for the year ended 30 June 2023
- service performance indicators for the year ended 30 June 2023
- financial performance indicators for the year ended 30 June 2023
- other information and
- certification of the performance statement.

In my opinion, the performance statement of Moorabool Shire Council in respect of the year ended 30 June 2023 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the *Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020*.

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

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Councillors' responsibilities for the performance statement The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020* and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.

**Auditor's
responsibilities
for the audit of
the performance
statement**

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

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

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

MELBOURNE
18 October 2023



Travis Derricott
as delegate for the Auditor-General of Victoria

PART

6



FINANCIAL STATEMENTS

**MOORABOOL SHIRE COUNCIL
ANNUAL FINANCIAL REPORT**

For the Year Ended 30 June 2023

Moorabool Shire Council

2022/2023 Financial Report

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Certification of the Financial Statements 2022/23

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: 04 October 2023
Ballan

In our opinion the accompanying financial statements present fairly the financial transactions of Moorabool Shire Council for the year ended 30 June 2023 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: 06 October 2023
Ballan



Tonia Dudzik
Councillor

Dated: 06 October 2023
Ballan



Derek Madden
Chief Executive Officer

Dated: 06 October 2023
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 2023 • 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.
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In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020* and applicable Australian Accounting Standards.

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

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

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

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

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



Travis Derricott

as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income / Revenue			
Rates and charges	3.1	43,052	40,497
Statutory fees and fines	3.2	941	1,034
User fees	3.3	2,659	2,978
Grants - operating	3.4(a)	13,973	14,384
Grants - capital	3.4(b)	18,154	10,334
Contributions - monetary	3.5	8,269	3,484
Contributions - non-monetary	3.5	9,877	3,568
Other income	3.7	4,944	2,750
Total income / revenue		101,869	79,030
Expenses			
Employee costs	4.1	(23,769)	(26,078)
Materials and services	4.2	(23,341)	(24,193)
Depreciation	4.3	(12,900)	(12,447)
Amortisation - right of use assets	4.4	(448)	(224)
Bad and doubtful debts - allowance for impairment losses	4.5	(171)	(83)
Borrowing costs	4.6	(288)	(345)
Finance costs - leases	4.7	(18)	(29)
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	(1,219)	(3,266)
Other expenses	4.8	(667)	(687)
Total expenses		(62,821)	(67,351)
Surplus for the year		39,048	11,678
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.1	52,745	35,285
Total other comprehensive result		52,745	35,285
Total comprehensive result		91,793	46,963

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

Balance Sheet As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	26,158	8,802
Trade and other receivables	5.1	10,074	9,538
Other financial assets	5.1	16,000	29,000
Inventories	5.2	68	11
Prepayments	5.2	736	606
Other assets	5.2	2,039	857
Total current assets		55,075	48,814
Non-current assets			
Trade and other receivables	5.1(c)	102	98
Property, infrastructure, plant and equipment	6.1	782,674	682,412
Right-of-use assets	5.8	-	448
Total non-current assets		782,776	682,958
Total assets		837,851	731,772
Liabilities			
Current liabilities			
Trade and other payables	5.3(a)	9,929	6,028
Trust funds and deposits	5.3(b)	3,603	4,205
Unearned income/revenue	5.3(c)	20,724	22,167
Provisions	5.5	5,094	5,401
Interest-bearing liabilities	5.4	14,618	610
Lease liabilities	5.8	-	235
Total current liabilities		53,968	38,646
Non-current liabilities			
Provisions	5.5	715	887
Interest-bearing liabilities	5.4	10,661	11,279
Lease liabilities	5.8	-	246
Total non-current liabilities		11,376	12,412
Total liabilities		65,344	51,058
Net assets		772,507	680,714
Equity			
Accumulated surplus		261,569	222,870
Reserves	9.1	510,938	457,844
Total Equity		772,507	680,714

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

Statement of Changes in Equity
For the Year Ended 30 June 2023

2023	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		680,714	222,870	446,977	10,866
Surplus/(deficit) for the year		39,048	39,048	-	-
Net asset revaluation increment/(decrement)	6.1	52,745	-	52,745	-
Transfers to other reserves	9.1	-	(10,398)	-	10,398
Transfers from other reserves	9.1	-	10,050	-	(10,050)
Balance at end of the financial year		772,507	261,569	499,722	11,214

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

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

Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
	Inflows/ (Outflows)	Inflows/ (Outflows)
Note	\$'000	\$'000
Cash flows from operating activities		
Rates and charges	42,189	39,625
Statutory fees and fines	941	1,034
User fees	2,890	2,567
Grants - operating	15,764	15,659
Grants - capital	16,711	16,484
Contributions - monetary	8,269	3,484
Interest received	1,297	472
Trust funds and deposits taken/ (repaid)	(602)	2,718
Other receipts	3,647	2,553
Net GST refund/(payment)	(80)	1,136
Employee costs	(24,249)	(26,314)
Materials and services	(22,599)	(26,860)
Other payments	(667)	(687)
Net cash provided by operating activities	43,511	31,870
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	(52,174)	(25,245)
Proceeds from sale of property, infrastructure, plant and equipment	416	297
Proceeds from sale of investments /(payments for investments)	13,000	(8,000)
Net cash used in investing activities	(38,758)	(32,948)
Cash flows from financing activities		
Finance costs	(288)	(342)
Proceeds from borrowings	14,000	-
Repayment of borrowings	(610)	(5,406)
Interest paid - lease liability	(18)	(29)
Repayment of lease liabilities	(481)	(223)
Net cash provided by/(used in) financing activities	12,603	(6,000)
Net increase (decrease) in cash and cash equivalents	17,356	(7,078)
Cash and cash equivalents at the beginning of the financial year	8,802	15,880
Cash and cash equivalents at the end of the financial year	26,158	8,802
Financing arrangements	5.6	

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

Statement of Capital Works For the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Property			
Land		-	526
Total land		-	526
Buildings		28,263	7,250
Total buildings		28,263	7,250
Total property		28,263	7,776
Plant and equipment			
Plant, machinery and equipment		796	1,088
Computers and telecommunications		531	613
Library books		103	115
Total plant and equipment		1,430	1,816
Infrastructure			
Roads		6,652	6,470
Bridges		243	1,033
Footpaths and cycleways		2,680	2,049
Drainage		663	386
Recreational, leisure and community facilities		10,880	5,400
Parks, open space and streetscapes		1,099	189
Other infrastructure		264	126
Total infrastructure		22,481	15,653
Total capital works expenditure		52,174	25,245
Represented by:			
New asset expenditure		32,042	12,260
Asset renewal expenditure		10,856	10,411
Asset upgrade expenditure		9,276	2,574
Total capital works expenditure		52,174	25,245

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

1.1 Basis of accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

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.

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.

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 6.1)

Significant accounting policies (cont.)

- the determination of employee provisions (refer to note 5.5)
- the determination of quarry restoration provisions (refer to note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not AASB 1059 Service Concession Arrangements: Grantors is applicable
- other areas requiring judgements

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.

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Note 2 Analysis of our results

2.1 Performance against budget

The budget comparison note compares Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 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.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

2.1.1 Income / Revenue and Expenditure	Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000	Variance %	Ref
Income / Revenue					
Rates and charges	42,590	43,052	462	1%	
Statutory fees and fines	1,351	941	(410)	(30%)	1
User fees	2,233	2,659	426	19%	2
Grants - operating	8,767	13,973	5,206	59%	3
Grants - capital	14,401	18,154	3,753	26%	4
Contributions - monetary	1,918	8,269	6,351	331%	5
Contributions - non monetary	7,500	9,877	2,377	32%	6
Other income	1,691	4,944	3,253	192%	8
Total income / Revenue	80,450	101,869	21,419	27%	
Expenses					
Employee costs	(24,319)	(23,769)	550	(2%)	
Materials and services	(18,482)	(23,341)	(4,859)	26%	9
Depreciation	(12,461)	(12,900)	(439)	4%	
Amortisation - Right of use assets	(224)	(448)	(224)	100%	10
Bad and doubtful debts - allowance for impairment losses	-	(171)	(171)	0%	11
Borrowing costs	(238)	(288)	(50)	21%	12
Finance costs - Leases	(18)	(18)	-	0%	
Net gain/(loss) on disposal of property, infrastructure, plant and equip.	(1,500)	(1,219)	281	(19%)	7
Other expenses	(604)	(667)	(63)	10%	
Total expenses	(57,846)	(62,821)	(4,975)	9%	
Surplus/(deficit) for the year	22,604	39,048	16,444	73%	

(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 mainly due to reductions in Statutory Planning Fees, Fire Prevention Notices, and Parking Infringements.
2	User fees	User fees were greater than budget mainly due to increases in income at Bacchus Marsh Transfer Station, and an increase in Subdivision Certification Fees.
3	Grants - operating	Significantly higher mainly due to Council receiving all of the 2023/24 Grants Commission Allocation in June 2023 (the increase compared to budget is \$3,175k). Other increase relate to new funding received for various Storm Recovery Works/Initiatives.
4	Grants - capital	Greater than budget by \$3,753k due the recognition of grants received (in prior years) for works undertaken on major projects in 2022/23. These include; West Maddingley Early Years Hub, Bacchus Marsh Racecourse and Recreation Reserve, and Aqualink Stage 1.
5	Contributions - monetary	Council received significantly more in Developer Contributions this financial year due to delays in milestones being met for some developments over the past few years. There is also an increase in Public Open Space Contributions.
6	Contributions - non monetary	Actual gifted and donated assets from developers is more than budget mainly due to delays in the completion of some new subdivisions in prior years. This has meant an increase in donated assets recognised in 2022/23.
7	Net gain/(loss) on disposal of property, infrastructure, plant and equip.	The unfavourable variance is caused by the written down value of disposals, and replacement of infrastructure assets being less than what was originally estimated in the budget.
8	Other income	Favourable by \$3,253k mainly due to reimbursements for Storm Recovery Works relating to the October 2022 Event. There is also an increase in Investment Interest Income due to significant increases in interest rates in 2022/23.
9	Materials and Services	Over budget by \$4,859k mainly due to expenditure relating to Storm Recovery (funded by grants and reimbursements). Other increases relate to new funding received since the adoption of the budget, and also additional funds allocated to Road Maintenance.
10	Amortisation - Right of use assets	Variance is due to change in waste management contractors.
11	Bad and doubtful debts - allowance for impairment losses	Council does not budget for Bad and doubtful debts.
12	Borrowing costs	Greater due to the actual rate of interest being higher than what was in the original budget.

Note 2 Performance against budget (cont.)

2.1.2 Capital Works	Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	1,820	-	(1,820)	(100%)	1
Buildings	30,002	28,263	(1,739)	(6%)	2
Total property	31,822	28,263	(3,559)	(11%)	
Plant and equipment					
Plant, machinery and equipment	2,778	796	(1,982)	(71%)	3
Computers and telecommunications	1,439	531	(908)	(63%)	4
Library books	115	103	(12)	(10%)	
Total plant and equipment	4,332	1,430	(2,902)	(67%)	
Infrastructure					
Roads	8,372	6,652	(1,720)	(21%)	5
Bridges	90	243	153	170%	6
Footpaths and cycleways	2,360	2,680	320	14%	7
Drainage	880	663	(217)	100%	8
Recreational, leisure and community facilities	10,406	10,880	474	5%	
Parks, open space and streetscapes	2,573	1,099	(1,474)	(57%)	9
Other infrastructure	646	264	(382)	(59%)	10
Total infrastructure	25,327	22,481	(2,846)	(11%)	
Total capital works expenditure	61,482	52,174	(9,308)	(15%)	
Represented by:					
New asset expenditure	34,419	32,042	(2,377)	(7%)	
Asset renewal expenditure	16,595	10,856	(5,739)	(35%)	
Asset upgrade expenditure	10,468	9,276	(1,192)	(11%)	
Total capital works expenditure	61,482	52,174	(9,308)	(15%)	

(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 2023/24 financial year.
2	Buildings	Capital expenditure on Buildings was \$1,739k less than budget due to some projects being incomplete at year end. These will be carried over to the 2023/24 financial year and include; Bacchus Marsh Indoor Recreation Facility, Ballan Recreation Reserve Pavilion, and West Maddingley Early Years Hub.
3	Plant, machinery and equipment	A number of purchases have been deferred to 2023/24 due to delays and/or inability to source new vehicles and items of plant.
4	Computers and telecommunications	This item has been deferred to the 2023/24 financial year.
5	Roads	Actual spend was less than budget due to some projects being incomplete and carried over to 2023/24. The most significant being Taverner Street, Maddingley.
6	Bridges	Actual expenditure was greater than budget by \$153k due to the completion of projects which were carried forward from the 2021/22 year. The most significant being Yendon-Egerton Road, Millbrook.
7	Footpaths and cycleways	Expenditure was greater than budget due to works conducted on the Aqualink project that have been carried forward from the 2021/22 financial year.
8	Drainage	Actual expenditure was less than budget by \$217k as a number of projects have been carried forward to 2023/24 financial year for completion. These include Gordon Township works, and Halletts Way/Carey Crescent, Bacchus Marsh.
9	Parks, open space and streetscapes	Under budget at year end due to some projects being incomplete and carried over to 2023/24. Projects include; Mill Park Stage 2, Gordon Public Park Stage 2, and Selby Court Reserve, Darley.
10	Other infrastructure	Actual spend was less than budget due to projects being incomplete and carried over to 2023/24. These include; Blackwood Small Town Improvements, Carparking (Maddingley - Taverner St/Grant St), and Forward Design Program.

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, performance management, employee relations and HR Compliance. This division includes:

Finance and Procurement	People & Culture
Communication, Public Affairs and Advocacy	Customer Experience and Innovation
Information and Technology	

Democratic Support & Corporate Governance

Democratic Support & Corporate Governance division is responsible for providing expertise and support in the areas of communications and advocacy to our community and different tiers of government agencies. This division includes:

Democratic Support & Corporate Governance

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 Planning & 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
Community Health and Safety	

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 / revenue, expenses, assets and capital expenses by program

	Income / revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
CEO's Office	-	961	(961)	-	12,810
Community Strengthening	1,867	6,861	(4,994)	19,734	91,509
Customer Care & Advocacy	55,730	10,524	45,205	-	140,366
Community Assets & Infrastructure	41,026	37,454	3,573	10,565	499,531
Community Planning & Economic Development	3,034	5,893	(2,859)	398	78,596
Democratic Support & Corporate Governance	212	1,128	(916)	1,430	15,039
	101,869	62,821	39,048	32,127	837,851

	Income / revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	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	47,043	14,528	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
	79,029	67,351	11,675	24,719	731,772

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

2023
\$'000

2022
\$'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 2022/2023 was \$13,175 million (2021/2022: \$10,384 million).

General Rates	34,194	33,094
Waste management charge	7,219	5,946
Supplementary rates and rate adjustments	641	296
Revenue in lieu of rates	999	1,161
Total rates and charges	43,052	40,497

The date of general revaluation of land for 2022/2023 rating purposes within the municipal district was 01 January 2022 and the valuation was first applied in the rating year commencing 01 July 2022.

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	273	304
Town planning fees	541	616
Land information certificates	42	49
Permits	83	59
Freedom of Information	2	6
Total statutory fees and fines	941	1,034

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.

	2023 \$'000	2022 \$'000
Note3 Funding for the delivery of our services (Cont.)		

3.3 User fees

Aged and health services	1	578
Leisure centre and recreation	315	224
Child care/children's programs	6	18
Registrations and other permits	787	789
Building services	794	767
Waste management services	541	392
Other fees and charges	215	210
Total user fees	2,659	2,978

User fees by timing of revenue recognition

User fees recognised at a point in time.	2,659	2,978
Total user fees	2,659	2,978

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	13,362	14,405
State funded grants	18,707	10,128
Others	58	185
Total grants received	32,127	24,718

(a) Operating Grants

Recurrent - Commonwealth Government

Financial Assistance Grant	10,512	9,123
Commonwealth Home Support Program	1	1,847

Recurrent - State Government

Aged care	31	222
School crossing supervisors	111	93
Libraries	290	286
Maternal and child health	719	827
Other	229	195
Total recurrent operating grants	11,893	12,593

	2023 \$'000	2022 \$'000
Note 3 Funding for the delivery of our services (Cont.)		
<i>Non-recurrent - State Government</i>		
Emergency management	1,539	1,204
Strategic planning and tourism	305	287
Families and youth	23	59
Environment and health	63	37
Community development	126	137
Disability access	3	41
Other	21	27
<i>Total non-recurrent operating grants</i>	2,080	1,791
Total operating grants	13,973	14,384
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	1,282	1,282
<i>Total recurrent capital grants</i>	1,282	1,282
<i>Non-recurrent - Commonwealth Government</i>		
Local roads	1,567	2,152
<i>Non-recurrent - State Government</i>		
Community and recreational facilities	14,516	6,106
Local roads	731	609
<i>Non-recurrent - Other sources</i>		
Sundry capital grants	58	185
<i>Total non-recurrent capital grants</i>	16,872	9,052
Total capital grants	18,154	10,334

2023
\$'000

2022
\$'000

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

(c) 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.

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

General purpose	12,657	9,123
Specific purpose grants to acquire non-financial assets	15,738	10,334
Other specific purpose grants	2,651	3,900

Revenue recognised under AASB 15 Revenue from Contracts with Customers

Specific purpose grants	1,081	1,361
	<u>32,127</u>	<u>24,718</u>

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

Operating

Balance at start of year	1,275	471
Received during the financial year and remain unspent at balance	1,338	1,400
Received in prior years and spent during the financial year	(822)	(596)
Balance at year end	<u>1,791</u>	<u>1,275</u>

Capital

Balance at start of year	20,892	15,341
Received during the financial year and remain unspent at balance	18,836	12,179
Received in prior years and spent during the financial year	(20,795)	(6,628)
Balance at year end	<u>18,933</u>	<u>20,892</u>

Unspent grants are determined and disclosed on a cash basis.

2023
\$'000

2022
\$'000

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

3.5 Contributions

Monetary	8,269	3,484
Non-monetary	9,877	3,568
Total contributions	18,146	7,053

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

Land	3,233	1,243
Buildings	24	7
Infrastructure	6,620	2,318
Total non-monetary contributions	9,877	3,568

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

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

Proceeds of sale	416	297
Written down value of assets disposed	(1,635)	(3,564)
Total net loss on disposal of property, infrastructure, plant and equipment	(1,219)	(3,266)

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

3.7 Other income

Interest	1,297	472
Reimbursements, rebates and recoveries	478	476
Other rent	183	150
Royalties	88	87
Sales	55	75
Other	2,594	1,490
Total other income	4,944	2,750

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.

	2023	2022
	\$'000	\$'000

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

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	20,176	22,427
WorkCover	624	585
Casual staff	585	738
Superannuation	2,373	2,323
Fringe benefits tax	11	4
Total employee costs	23,769	26,078

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	42	44
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Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	887	1,142
Employer contributions to other funds	1,438	1,135
	2,324	2,277

Employer contributions payable at reporting date	42	28
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Contributions made exclude amounts accrued at balance date. Refer to Note 9.3 for further information relating to Council's super obligations.

	2023 \$'000	2022 \$'000
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Note 4 The cost of delivering services (cont.)

4.2 Materials and services

Materials and services	2,971	4,929
Contract payments	12,315	11,402
Building maintenance	581	514
General maintenance	688	883
Utilities	605	641
Office administration	510	575
Information technology	1,718	1,425
Insurance	640	939
Consultants	1,287	1,468
Agency staff	694	990
Community grants and advances	1,332	427
Total materials and services	23,341	24,193

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

4.3 Depreciation

Property	2,041	2,008
Plant and equipment	1,484	1,510
Infrastructure	9,375	8,929
Total depreciation and amortisation	12,900	12,447

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	448	224
Total depreciation and amortisation	448	224

4.5 Bad and doubtful debts - allowance for impairment losses

Parking fine debtors	3	7
Other debtors	168	76
Total bad and doubtful debts - allowance for impairment losses	171	83

	2023 \$'000	2022 \$'000
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Note 4 The cost of delivering services (cont.)

Movement in allowance for impairment losses in respect of debtors

Balance at the beginning of the year	154	122
New provisions recognised during the year	171	114
Amounts already provided for and written off as uncollectible	(40)	(82)
Balance at end of year	285	154

An allowance for impairment losses in respect of debtors 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	288	345
Total borrowing costs	288	345

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.

4.7 Finance Costs - Leases

Interest - Lease Liabilities	18	29
Total borrowing costs	18	29

4.8 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	52	50
Auditors' remuneration - Internal Audit	111	40
Auditors' remuneration - Other	3	7
Councillors' allowances	316	286
Operating lease rentals	51	40
Bank fees	51	56
Other	83	208
Total other expenses	667	687

2023
\$'000

2022
\$'000

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	3	2
Cash at bank	15,155	8,800
Term deposits	11,000	-
Total cash and cash equivalents	26,158	8,802

(b) Other financial assets

Current

Term deposits - current	16,000	29,000
Total current other financial assets	16,000	29,000
Total financial assets	42,158	37,802

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

(c) Trade and other receivables

Current

Statutory receivables

Rates debtors	6,467	5,607
Special rate assessment	26	28
Infringement debtors	761	640
Provision for doubtful debts - infringements	(168)	(28)
Net GST receivable	903	823

Non-statutory receivables

Other debtors	2,202	2,594
Provision for doubtful debts - other debtors	(117)	(126)

Total current trade and other receivables	10,074	9,538
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Non-current

Statutory receivables

Special rate assessment	102	98
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Total non-current trade and other receivables	102	98
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Total trade and other receivables	10,176	9,636
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	2023 \$'000	2022 \$'000
Note 5 Our financial position (Cont.)		

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

(d) Ageing of receivables

The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	1,646	769
Past due by up to 30 days	64	296
Past due between 31 and 180 days	99	879
Past due between 181 and 365 days	392	247
Past due by more than 1 year	-	160
Total trade and other receivables	2,202	2,351

(e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$2,202,000 (2022: \$2,594,000) were impaired. The amount of the provision raised against these debtors was \$31,614 (2022: \$31,614). 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 1 year	168	243
Total trade and other receivables	168	243

2023
\$'000

2022
\$'000

Note 5 Our financial position (cont.)

5.2 Non-financial assets

(a) Inventories

Inventories held for distribution	68	11
Total inventories	68	11

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	736	606
Accrued income	2,039	857
Total other assets	2,775	1,463

5.3 Payables, trust funds and deposits and unearned income/revenue

(a) Trade and other payables

Current

Non-statutory payables		
Trade payables	3,028	3,042
Accrued expenses	6,901	2,986
Total current trade and other payables	9,929	6,028

(b) Trust funds and deposits

Current

Refundable building deposits	2,900	3,461
Refundable contract deposits	12	12
Refundable civic facilities deposits	62	93
Retention amounts	409	474
Fire services levy	65	13
Other refundable deposits	155	152
Total current trust funds and deposits	3,603	4,205

(c) Unearned income

Current

Grants received in advance - operating	1,791	1,275
Grants received in advance - capital	18,933	20,892
Total current unearned income/revenue	20,724	22,167

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 Interest-bearing liabilities**Current**

Treasury Corporation of Victoria borrowings - secured	14,618	610
Total current interest-bearing liabilities	14,618	610

Non-current

Treasury Corporation of Victoria borrowings - secured	6,185	6,803
Other borrowings - secured	4,476	4,476
Total non-current interest-bearing liabilities	10,661	11,279

Total

	25,279	11,889
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(a) The maturity profile for Council's borrowings is:

Not later than one year	14,618	610
Later than one year and not later than five years	7,031	7,104
Later than five years	3,630	4,175
	25,279	11,889

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.

2023
\$'000

2022
\$'000

Note 5 Our financial position (cont.)

5.5 Provisions

	Quarry restoration \$ '000	Employee \$ '000	Total \$ '000
2023			
Balance at beginning of the financial year	273	6,015	6,288
Additional provisions	19	1,663	1,682
Amounts used	-	(2,161)	(2,161)
Balance at the end of the financial year	292	5,517	5,809
<i>Provisions - current</i>	-	5,094	5,094
<i>Provisions - non-current</i>	292	423	715
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
<i>Provisions - current</i>	-	5,401	5,401
<i>Provisions - non-current</i>	273	614	887

	2023 \$'000	2022 \$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,206	1,266
Long service leave	529	450
Other leave	201	242
Retirement gratuity	5	5
	1,941	1,963

	2023	2022
	\$'000	\$'000

Note 5 Our financial position (cont.)**Current provisions expected to be wholly settled after 12 months**

Annual leave	568	588
Long service leave	2,585	2,851
	<u>3,153</u>	<u>3,439</u>

Total current employee provisions

	<u>5,094</u>	<u>5,401</u>
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Non-current

Long service leave	423	614
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Total non-current employee provisions

	<u>423</u>	<u>614</u>
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Aggregate carrying amount of employee provisions:

Current	5,094	5,401
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Non-current	423	614
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Total aggregate carrying amount of employee provisions:

	<u>5,517</u>	<u>6,015</u>
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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	4.06%	3.69%
- inflation rate	4.35%	3.85%

2023
\$'000

2022
\$'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	292	273
	<u>292</u>	<u>273</u>

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

Key assumptions:

- inflation rate	7.00%	2.20%
- estimated cost to rehabilitate	292	273

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2023.

Bank overdraft	750	750
Credit card facilities	200	200
Total facilities	<u>950</u>	<u>950</u>
Used facilities	59	34
Unused facilities	891	916

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

2023	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	5,914	4,354	3,339	3,573	17,180
Septic program	-	-	-	-	-
Maintenance services	2,979	1,688	1,700	-	6,367
Financial and organisational services	1,752	451	76	77	2,356
Total	10,645	6,493	5,115	3,650	25,903
Capital					
Building	12,597	-	-	-	12,597
Roads	10,372	-	-	-	10,372
Recreational, leisure and community	4,366	-	-	-	4,366
Plant and Equipment	319	-	-	-	319
Bridges	46	-	-	-	46
Total	27,700	-	-	-	27,700
Total	38,345	6,493	5,115	3,650	53,603

Note 5 Our financial position (cont.)

5.7 Commitments (Continued)

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	-	2,610
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.)**(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 undiscounted minimum rentals receivable under non-cancellable operating leases are as follows:

Not later than one year	2023	2022
Later than one year and not later than five years	\$'000	\$'000
Later than five years	303	175
	880	588
	863	791
	<u>2,046</u>	<u>1,554</u>

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.

Under AASB 16 Leases, Council as a not-for-profit entity has elected not to measure 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	Total
	\$'000	\$'000
Balance at 1 July 2022	448	448
Amortisation charge	(448)	(448)
Balance at 30 June 2023	-	-
Lease Liabilities	2023	2022
Maturity analysis - contractual undiscounted cash flows	\$'000	\$'000
Less than one year	-	235
One to five years	-	271
Total undiscounted lease liabilities as at 30 June:	-	506
Adjustment for Interest	-	25
Total discounted lease liabilities as at 30 June:	-	481
Lease liabilities included in the Balance Sheet at 30 June:		
Current	-	235
Non-current	-	246
Total lease liabilities	-	481

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 2022	Acquisitions	Contributions	Revaluation	Depreciation	Disposal	Transfers	Carrying amount 30 June 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	107,224	-	3,233	-	-	-	-	110,457
Buildings	46,551	542	24	5,459	(2,041)	(7)	88	50,617
Plant and Equipment	7,280	961	-	-	(1,484)	(474)	4	6,286
Infrastructure	500,347	7,076	6,620	47,286	(9,375)	(1,069)	2,847	553,733
Work in progress	21,010	43,595	-	-	-	(85)	(2,939)	61,581
Total	682,412	52,174	9,877	52,745	(12,900)	(1,635)	-	782,674

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	8,000	25,998	(88)	(10)	33,900
Plant and Equipment	1,760	629	(4)	-	2,385
Infrastructure	11,249	16,968	(2,847)	(75)	25,295
Total	21,009	43,595	(2,939)	(85)	61,580

Note 6 Assets we manage (Cont.)

(a) Property

	Land - specialised	Land - non specialised	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2022	7,135	100,090	107,224	56,480	17,998	74,478	8,000	189,702
Accumulated depreciation at 1 July 2022	-	-	-	(21,442)	(6,485)	(27,927)	-	(27,927)
	7,135	100,090	107,224	35,038	11,513	46,551	8,000	161,775
Movements in fair value								
Acquisition of assets at fair value	-	-	-	542	-	542	25,998	26,540
Contributed assets	471	2,762	3,233	24	-	24	-	3,257
Revaluation increments/decrements	-	-	-	6,906	2,176	9,081	-	9,081
Fair value of assets disposed	-	-	-	(16)	-	(16)	(10)	(26)
Transfers	-	-	-	88	-	88	(88)	-
	471	2,762	3,233	7,544	2,176	9,719	25,900	38,852
Movements in accumulated depreciation								
Depreciation and amortisation	-	-	-	(1,525)	(516)	(2,041)	-	(2,041)
Revaluation increments/decrements	-	-	-	(2,776)	(846)	(3,622)	-	(3,622)
Accumulated depreciation of disposals	-	-	-	9	-	9	-	9
	-	-	-	(4,292)	(1,362)	(5,654)	-	(5,654)
At fair value 30 June 2023	7,606	102,852	110,457	64,024	20,174	84,198	33,900	228,555
Accumulated depreciation at 30 June 2023	-	-	-	(25,734)	(7,847)	(33,581)	-	(33,581)
Carrying amount	7,606	102,852	110,457	38,289	12,327	50,617	33,900	194,974

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 2022	11,511	1,163	619	1,760	15,053
Accumulated depreciation at 1 July 2022	(5,003)	(822)	(189)	-	(6,014)
	6,508	341	430	1,760	9,039
Movements in fair value					
Acquisition of assets at fair value	796	63	103	629	1,590
Contributed assets	-	-	-	-	-
Revaluation increments/decrements	-	-	-	-	-
Fair value of assets disposed	(1,165)	(25)	(73)	-	(1,263)
Transfers	-	4	-	(4)	-
	(369)	42	30	625	328
Movements in accumulated depreciation					
Depreciation and amortisation	(1,231)	(188)	(65)	-	(1,484)
Accumulated depreciation of disposals	699	25	65	-	788
Revaluation increments/decrements	-	-	-	-	-
	(533)	(163)	-	-	(696)
At fair value 30 June 2023	11,142	1,205	649	2,385	15,381
Accumulated depreciation at 30 June 2023	(5,535)	(985)	(189)	-	(6,710)
Carrying amount	5,606	220	460	2,385	8,671

Note 6 Assets we manage (Cont.)

(c) Infrastructure

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Recreational, leisure and Community \$'000	Parks open spaces and streetscapes \$'000	Other Infrastructure \$'000	Work In Progress \$'000	Total Infrastructure \$'000
At fair value 1 July 2022	412,740	46,305	27,786	116,093	2,876	18,977	4,398	11,249	640,425
Accumulated depreciation at 1 July 2022	(74,753)	(9,510)	(11,184)	(27,567)	(1,447)	(3,383)	(984)	-	(128,828)
	337,987	36,795	16,602	88,526	1,429	15,594	3,414	11,249	511,596
Movements in fair value									
Acquisition of assets at fair value	5,096	10	777	590	25	409	168	16,968	24,044
Contributed assets	3,049	-	975	2,452	27	118	-	-	6,620
Revaluation increments/decrements	49,922	-	-	6,669	279	2,361	19	-	59,250
Fair value of assets disposed	(890)	(293)	(135)	(109)	-	(164)	-	(75)	(1,666)
Transfers	2,130	-	465	61	-	191	-	(2,847)	-
	59,307	(282)	2,081	9,663	330	2,914	187	14,046	88,248
Movements in accumulated depreciation									
Depreciation and amortisation	(5,998)	(644)	(630)	(1,175)	(120)	(694)	(113)	-	(9,375)
Revaluation increments/decrements	(9,726)	-	-	(1,607)	(132)	(492)	(5)	-	(11,964)
Accumulated depreciation of disposals	301	104	74	38	-	7	-	-	522
	(15,424)	(541)	(556)	(2,745)	(252)	(1,179)	(119)	-	(20,816)
At fair value 30 June 2023	472,049	46,023	29,867	125,756	3,205	21,892	4,586	25,295	728,672
Accumulated depreciation at 30 June 2023	(90,177)	(10,051)	(11,740)	(30,312)	(1,699)	(4,563)	(1,103)	-	(149,644)
Carrying amount	381,871	35,972	18,127	95,444	1,506	17,329	3,484	25,295	579,028

Note 6 Assets we manage (Cont.)

Acquisition

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

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

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

<i>Asset recognition thresholds and depreciation periods</i>	Depreciation Period	Threshold Limit \$'000
Property		
Land	-	5
Land improvements	-	5
Buildings		
Buildings	20-100 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	25-100 years	5
- Bridges substructure	50-80 years	5
- Major culverts	50-80 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

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.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserved) 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.

An index based revaluation was conducted for buildings in the current year, a full revaluation of these assets will be conducted in 2023/24.

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.

Note 6 Assets we manage (Cont.)

The date and type 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 2023 are as follows:

	Level 1	Level 2	Level 3	Valuation Date	Type of Valuation
Land	-	102,852	-	30/06/2022	Full
Specialised land	-	-	7,606	30/06/2022	Full
Buildings	-	12,327	38,289	30/06/2023	Indexation
Total	-	115,179	45,895		

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 date and type of the current valuation is detailed in the following table. An index based revaluation was conducted in the current year, this valuation was based on type of valuation listed below, a full revaluation of these assets will be conducted in 2023/24.

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 2023 are as follows:

	Level 1	Level 2	Level 3	Valuation Date	Basis of indexation	Type of Valuation
Roads	-	-	381,871	30/06/2023	CPI	Indexation
Bridges	-	-	35,972	30/06/2023	CPI	Indexation
Footpaths and cycleways	-	-	18,127	30/06/2023	CPI	Indexation
Drainage	-	-	95,444	30/06/2023	CPI	Indexation
Recreational, leisure and community facilities	-	-	1,506	30/06/2023	CPI	Indexation
Parks, open space and streetscapes	-	-	17,329	30/06/2023	CPI	Indexation
Other infrastructure	-	-	3,484	30/06/2023	CPI	Indexation
Total	-	-	553,733			

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.

	2023	2022
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	7,606	7,135
Total specialised land	<u>7,606</u>	<u>7,135</u>

Note 7 People and relationships

7.1 Council and Key Management Personnel	2023	2022
	No.	No.

(a) Related Parties

Parent Entity

Moorabool Shire Council is the parent entity.

(b) 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
Councillor Rodney Ward (Mayor)
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
Leigh McCallum - 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
Joshua Warner - Executive Manager People and Culture

Total Number of Councillors	7	7
Total of Chief Executive Officer and other Key Management Personnel	8	9
Total Number of Key Management Personnel	15	16

(c) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

Note 7 People and relationships (Cont.)

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

	2023 \$'000	2022 \$'000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,801	1,694
Other long-term employee benefits	46	(9)
Post-employment benefits	156	141
Total	2,002	1,826

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

Income Range:	2023 No.	2022 No.
\$20,000 - \$29,999	1	-
\$30,000 - \$39,999	2	7
\$40,000 - \$49,999	2	-
\$60,000 - \$69,999	1	-
\$70,000 - \$79,999	1	-
\$90,000 - \$99,999	-	1
\$110,000 - \$119,999	-	1
\$130,000 - \$139,999	-	1
\$160,000 - \$169,999	1	1
\$180,000 - \$189,999	2	1
\$190,000 - \$199,999	-	2
\$200,000 - \$209,999	1	1
\$210,000 - \$219,999	2	-
\$230,000 - \$239,999	1	-
\$290,000 - \$299,999	1	-
\$300,000 - \$309,999	-	1
	15	16

Note 7 People and relationships (Cont.)

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$160,000 and who report directly to a member of the KMP. *

	2023 \$'000	2022 \$'000
Total remuneration of other senior staff was as follows:		
Short-term employee benefits	1,195	1,482
Other long-term employee benefits	71	24
Post-employment benefits	126	148
Total	1,392	1,654

The number of other senior staff are shown below in their relevant income bands:

	2023 No.	2022 No.
Income Range:		
\$160,000 - \$169,999	5	1
\$170,000 - \$179,999	2	-
	7	1

	2023 \$'000	2022 \$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	1,392	1,258

* Due to a definitional change the comparative figures in this note may not align with the previous year's annual report, which included disclosure of senior officers as defined in the Local Government Act 1989.

7.2 Related party disclosure

(a) Transactions with related parties

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

	2023 \$'000	2022 \$'000
Responsible Person / Related Party		
Helen Tatchell - The Moorabool News (Ballan News Pty Ltd)		
- Payment for Moorabool News subscription and advertising *	62	81

* 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.

Note 7 People and relationships (Cont.)

(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 2023/2024 total \$7.500 million (actual 2022/2023 \$9.877 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 \$41,710 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2023. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2024 are \$35,000.

(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 2023 reporting period. Council assesses the impact of these new standards. As at 30 June 2023 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2024 that are expected to impact Council.

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.)

(e) Sensitivity disclosure analysis

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

- A parallel shift of +1.5% and -1.5% in market interest rates (AUD) from year-end rates of 4.8%.

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. (For plant and equipment carrying amount is considered to approximate fair value given short useful lives). At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 5 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset class	Revaluation frequency
Land	1 to 3 years
Buildings	1 to 3 years
Roads	3 to 5 years
Bridges	3 to 5 years
Footpaths and cycleways	3 to 5 years
Drainage	3 to 5 years
Recreational, leisure and community facilities	3 to 5 years
Waste management	3 to 5 years
Parks, open space and streetscapes	3 to 5 years
Aerodromes	3 to 5 years
Other infrastructure	3 to 5 years

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

2023

Property

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
Land	75,517	-	75,517
Land under roads	2,413	-	2,413
Buildings	18,890	5,459	24,349
	96,820	5,459	102,279

Infrastructure

Roads	265,407	38,351	303,758
Bridges	22,809	-	22,809
Drainage	53,378	6,906	60,284
Recreation, leisure and community facilities	7,963	2,016	9,979
Other infrastructure	601	14	615
	350,158	47,286	397,445

Total Asset revaluation reserves

	446,977	52,745	499,724
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2022

Property

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

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)	-
	337,035	13,123	350,158

Total Asset revaluation reserves

	411,692	35,285	446,977
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The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

Note 9 Other matters (Cont.)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2023				
Car park reserve	21	45	-	66
Recreation facilities	1,531	659	-	2,189
Storm water management	73	-	-	73
Capital works contributions reserve	14	-	-	14
Developer contribution reserve	1,425	9,333	(9,746)	1,012
Industrial estate	631	-	-	631
Closed landfill	1,023	100	-	1,123
Defined benefits	633	87	-	720
Community seed funding	429	87	-	516
LGFV loan repayment reserve	4,476	-	-	4,476
Maddingley brown coal reserve	306	88	-	394
Wind farm dilapidation deeds reserve	304	-	(304)	-
Total statutory and other reserves	10,866	10,398	(10,050)	11,214
2022				
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

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)

	2023 \$'000	2022 \$'000
Surplus/(deficit) for the year	39,048	11,678
Depreciation/amortisation	13,348	12,671
Loss on disposal of property, infrastructure, plant and equipment	1,219	3,266
Contributions - non-monetary assets	(9,877)	(3,568)
Finance costs-leases	18	29
Interest expense - borrowing cost	288	345
(Increase)/decrease in trade and other receivables	(540)	(2,211)
(Increase)/decrease in prepayments	(130)	(92)
(Increase)/decrease in accrued income	(1,182)	(627)
Increase/(decrease) in trade and other payables	3,299	4,459
(Decrease)/increase in unearned income /revenue	(1,443)	6,150
(Increase)/decrease in inventories	(57)	5
Increase/(decrease) in provisions	(480)	(237)
Net cash provided by/(used in) operating activities	43,511	31,870

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 category, Vision MySuper/Vision Super Saver, receives 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 2023, this was 10.5% as required under Superannuation Guarantee (SG) legislation (2022: 10.0%)).

Note 9 Other matters (Cont.)

Defined Benefit

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

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

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. A triennial actuarial investigation is currently underway for the Defined Benefit category which is expected to be completed by 31 December 2023. Council was notified of the 30 June 2023 VBI during August 2023 (2022: August 2022). The financial assumptions used to calculate the 30 June 2023 VBI were:

- Net investment returns 5.7% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.8% pa.

As at 30 June 2022, 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 102.2%. The financial assumptions used to calculate the VBI were:

- Net investment returns 5.5% pa
- Salary information 2.5% pa to 30 June 2023, and
3.5% pa thereafter
- Price Inflation (CPI) 3.0% pa

Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). Vision Super has advised that the estimated VBI at June 2023 was 104.1%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2022 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 2022 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 2023, this rate was 10.5% of members' salaries (10.0% in 2021/22). 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 2022 interim 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 2022 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 2022 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:

	2022 (Triennial) \$m	2021 (Interim) \$m
A VBI surplus	44.6	214.7
A total service liability surplus	105.8	270.3
A discounted accrued benefits surplus	111.9	285.2

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 2022. 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 2022. 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 2022.

The 2023 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2023. It is anticipated that this actuarial investigation will be completed by 31 December 2023. The financial assumptions for the purposes of this investigation are:

	2023	2020
	Triennial investigation	Triennial investigation
Net investment returns	5.7%pa	5.6%pa
Salary information	3.5%pa	2.5%pa for the first two years and 2.75%pa thereafter
Price inflation	2.8%pa	2.0%pa

Superannuation contributions

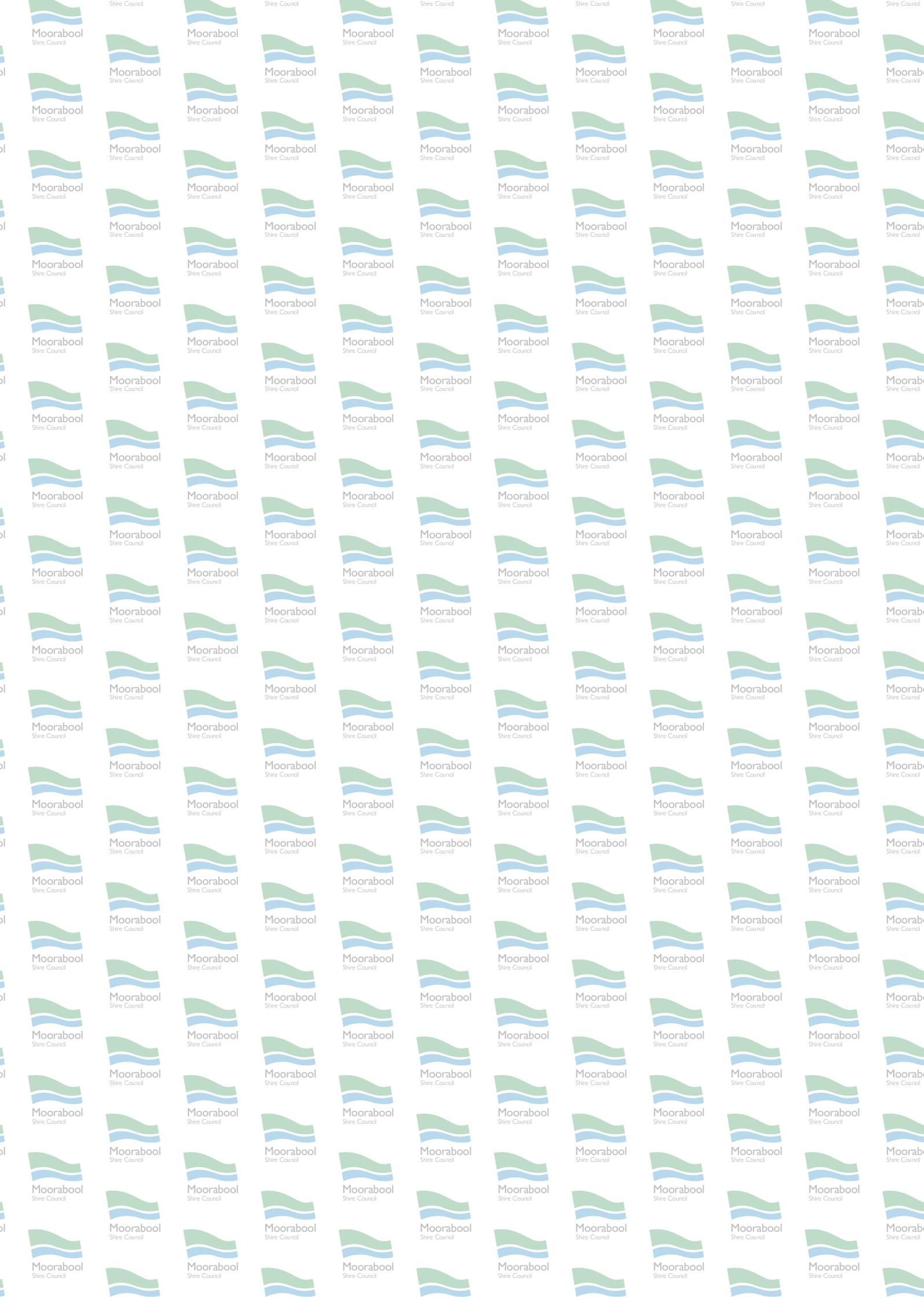
Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2023 are detailed below:

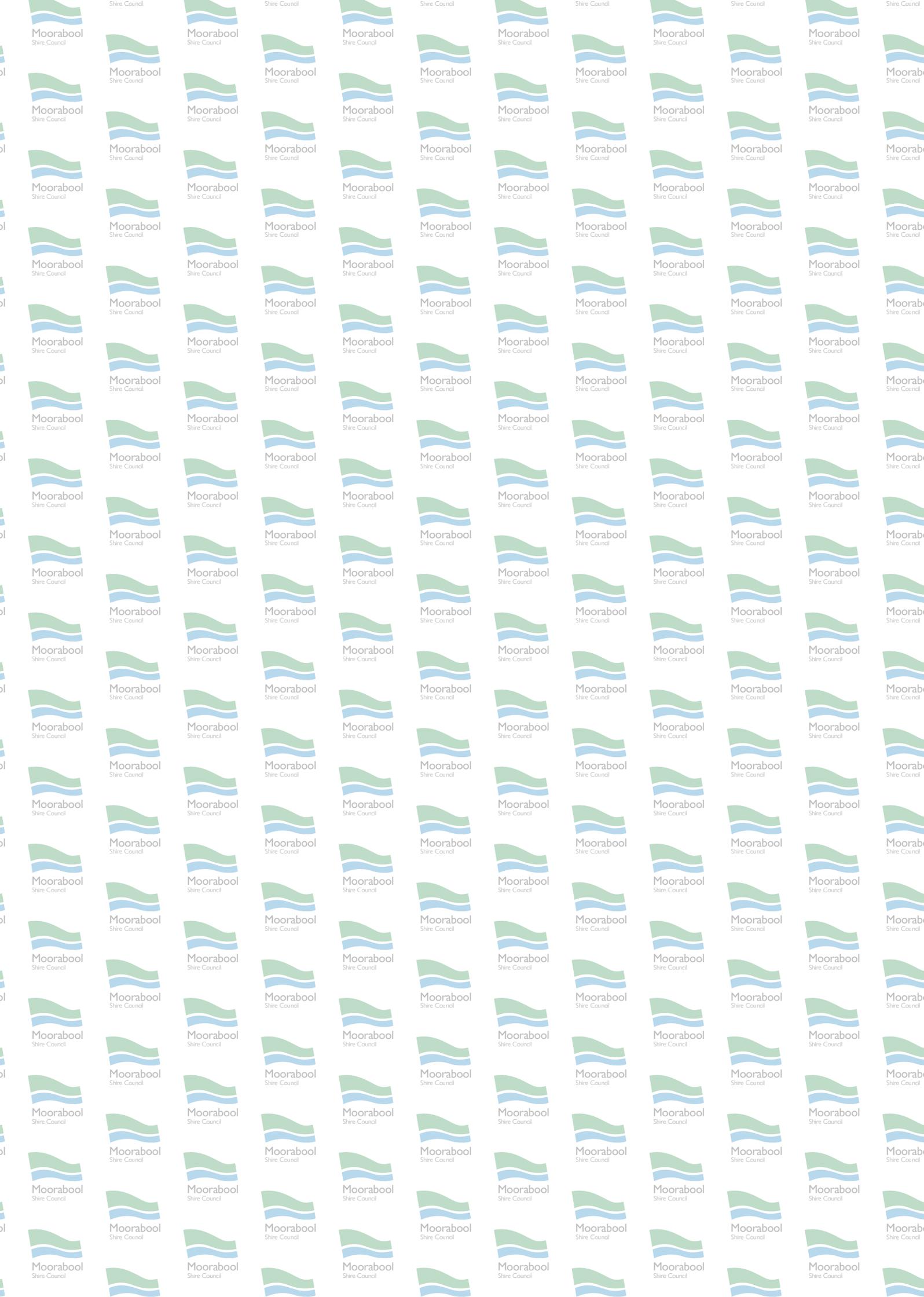
Scheme	Type of Scheme	Rate	2023	2022
			\$,000	\$,000
Vision super	Defined benefit	10.5% (2022:10.0%)	42	44
Vision super	Accumulation fund	10.5% (2022:10.0%)	887	1,142

There were \$41,710 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2023. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2024 are \$35,000.

Note 10 Change in accounting policy

There have been no changes to accounting policies in the 2022-23 year.







Moorabool
Shire Council