

MURRINDINDI SHIRE COUNCIL ANNUAL REPORT 2020/2021



Murrindindi
Shire Council



CONTENTS

About this Annual Report	3
Statement from the Mayor	4
Statement from the CEO	5
Murrindindi Snapshots	6
Vision	7
Council Values	8
Councillors	9
Our Organisation	13
Organisation Structure	15
Highlights	16
Financial overview	18
Operating Expense Breakdown	19
Our People	20
Our Place	28
Our Prosperity	40
Our Promise	44
Corporate Development - Our Organisation	52
Corporate Development - Our Council	56
Introduction to the Financials	72

ABOUT THIS ANNUAL REPORT

In the Murrindindi Shire Council Annual Report 2020/2021, we identify our achievements and challenges from 1 July 2020 to 30 June 2021. We report our progress against goals set out in the Murrindindi Shire Council Plan 2017-2021 and in relation to the Annual Budget 2020/2021.

The Report also contains audited financial reports and performance statements, as required by the Local Government Act 2020. The Report is written for a variety of audiences, including government agencies, the community, ratepayers and businesses.

Need copies or have questions or comments?

Copies of this Report are available at Council offices or online at murrindindi.vic.gov.au. If you would like additional copies of this Report or if you have any questions or feedback about this Report, please get in touch with us.

*** Note:** The photos used in this report complied with COVID-19 restrictions in place at the time they were taken. Readers of this Report will note fewer photos of our community, due to restricted opportunities for community gatherings resulting from COVID-19 restrictions.

Contact Us

Visit us

Alexandra: 28 Perkins Street

Yea: 15 The Semi Circle

Kinglake: 19 Whittlesea-Kinglake Road

Mobile Library and Customer Service: visit our website for locations and times

Contact us

Phone: 5772 0333

Email: customer@murrindindi.vic.gov.au

Website: murrindindi.vic.gov.au

@murrindindishirecouncil

Mail us

Murrindindi Shire Council

PO Box 138

Alexandra VIC 3714



@murrindindishirecouncil

#discoverdindi

@discoverdindi

INTRODUCTION TO THE 2020/2021 ANNUAL REPORT

Statement from the Mayor

I am pleased to present to the community the Annual Report for 2020/2021 – the final Annual Report on the Council Plan 2017-2021.

It is fair to say the last year has been a demanding year for us all. COVID-19 restrictions again accompanied us throughout the year, including snap lockdowns, which continued to create uncertainty and stress – both financial and emotional – for our communities. I stand in awe of how we as a community have responded to the challenges of COVID-19. The spirit of Murrindindi Shire has remained strong and optimistic. I have been privileged to witness great acts of kindness and compassion as we pulled together to meet the challenges we faced over the year. We have shown resilience and depth of character as a community.

I would like to say too how proud I am of the team at Council for how it has performed over the year in review. For Council, the year has been both a busy one and one of significant change for our organisation. Our CEO Craig Lloyd resigned in September. One of Council's very experienced Directors, Michael Chesworth, stepped into the role of Acting CEO while we conducted an extensive recruitment process to find a new CEO. Mr Chesworth ably guided the organisation, including through important milestones such as the Council elections in October and a comprehensive Councillor induction process. I would like to personally thank him for his considered and wise counsel and leadership.

These arrangements had a cascading effect, and officers across the organisation stepped up to help out. My deep gratitude to you all for the support you have provided to me and all Councillors during this period and for your ongoing commitment to our community.

Council was pleased to appoint our new CEO, Livia Bonazzi in May. Ms Bonazzi comes with a great breadth of experience and skills which we are confident will assist the organisation to advance its continuous improvement journey.

As we reflect on this year, and indeed on life of the Council Plan 2017-2021, there is much to be proud of. One of our biggest achievements is that we are now much better at engaging with our communities and hearing views and ideas from across the Shire, including from our First Nations People. This legacy stands Council in good stead for a successful future, together in partnership with its communities.

I would like to thank Councillors from the previous Council, both for their achievements and for their efforts in creating a Council Plan which stood the test of time. That Council Plan also positioned us well to think about approaches to planning for the next four years, where we will look to act on our communities' growing interest in protecting our natural assets and the need to move toward net zero emissions. I'd also like to thank current Councillors, for their time and contribution to their communities and the achievements set out in this document.

Finally, my thanks and those of all Councillors to our community – the volunteers, community groups, individuals and businesses - for their efforts to support one another and their engagement with Council. We'd like to extend our particular thanks to the many thousands of you who have responded to our frequent requests for input and feedback about how we do what we do at Council. We can only succeed in collaboration with our community. You help ensure we are on the right track and make our services – and our Shire - better for the benefit of all.



Sandice McAulay
Mayor

Statement from the CEO

I am honoured to have been selected to join Council as its CEO. I commenced in the role in June 2021 and have been pleased to see how the organisation responds to the many and varied needs of the community and the vast array of services it delivers. I have also seen how the organisation has managed to deliver services to the community, including while in COVID-19 lockdown, and how effectively it responded in the aftermath of a serious storm event in June, which impacted large areas of the Shire.

I am proud to say that in the short time I have been in this role, I have witnessed much hard work, dedication and commitment to the community right across the organisation. Much has been asked of staff during this challenging time and I am both impressed by, and appreciative of, their efforts and the work they have produced in what can only be described as a tough year for us all.

In the year in review, COVID-19 restrictions continued to affect how we delivered our services to the community. We moved to a new cloud-based phone system to enable staff to work more flexibly, including from home, which enabled us to continue providing services to our community through COVID-19 lockdowns.

Importantly, we continued to maintain a strong financial position due to Council's high levels of cash and low liabilities. This is due, in part, to Council paying out all existing debt obligations during the financial year, and now opens the opportunity for Council to explore the strategic use of reserves and unrestricted cash to seed new activities, leverage external grant opportunities and explore entrepreneurial initiatives in the coming years.

Council froze rates in 2020/2021, rather than increase rates by 2% as many other councils chose to do. Murrindindi Shire Council was one of a handful of councils across Victoria to freeze rates and made this decision to assist our community to manage the effects of COVID-19 that impacted us all.

This decision is not one without an impact for Council – the rate freeze in 2020/2021 represents a \$5 million reduction in predicted rate revenue over 10 years. This means we need to find other ways to absorb the ever-rising costs of materials and other items for Council to deliver the services we provide to the community.

We continue to consider and assess the cost of rates to our community, but it is important to appreciate the broader context in which all council rates sit. Council rates are a relatively low cost compared to other, less visible, taxes - the tax withheld by the Federal Government in our payslips each week or which sit within the price of items we buy at the supermarket each week. Rates look – and probably feel – more burdensome, as they arrive in the mail in a separate bill. In fact, council rates represent only 3.5% of all taxes collected in Australia.

The average rates per assessment in our Shire is \$1,784 p.a. Of the 79 councils in Victoria, Council's average rates per assessment places Council 47th on the list from least expensive to most expensive. The average rates per assessment equates to \$4.89 per day, per rateable property. That amount covers a multitude of services provided by Council that will touch all people in our Shire, although in different ways at different stages of life. Roads are important to all of us, and most of our residents will also access Council's other services at some (or many) points in their lives, including maternal and child health, library services, swimming pools, parks, community safety, building and planning, infrastructure and assets works and maintenance.

And thank you also to the community for stepping up, helping out and working with us to make our Shire the best place it can be. We appreciate your care, your feedback and suggestions immensely.



Livia Bonazzi
CEO

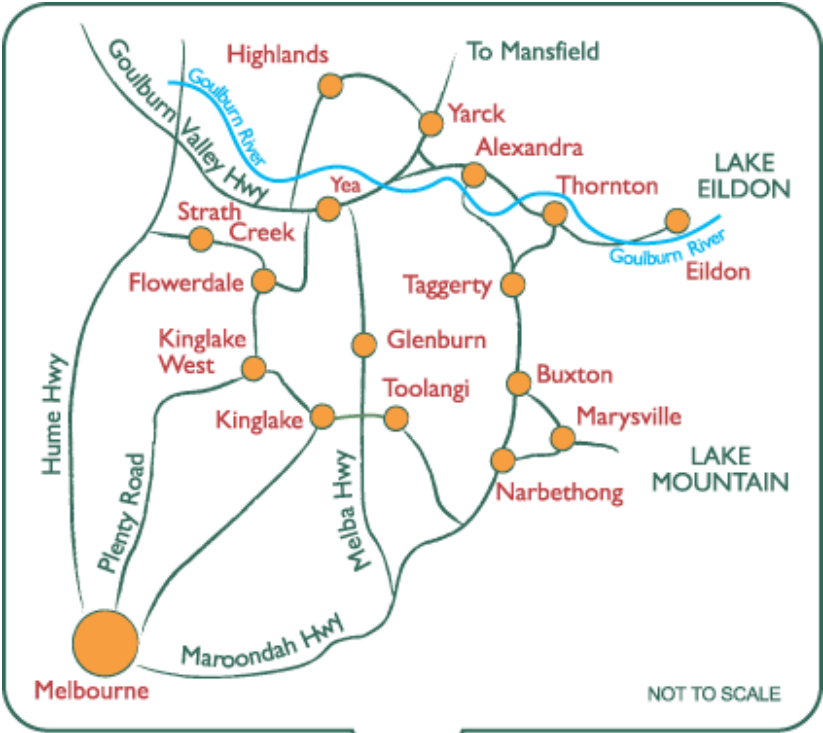
MURRINDINDI SNAPSHOT

OUR HISTORY

The Taungurung and Wurundjeri People are the traditional owners of the land known as Murrindindi Shire.

European settlement followed Hume and Hovell's overland exploration in December 1824. Many local towns were established during the 1850s and 1860s after the discovery of gold.

The Murrindindi Shire Council was declared on 18 November 1994 by the amalgamation of the former municipalities of Alexandra and Yea, and the addition of parts of the former municipalities of Healesville, Broadford, Eltham, Whittlesea and Euroa.



Council Services Offered

- Children and Family Services
- Community Development
- Community Safety
- Customer Services
- Economic Development
- Environmental Health
- Environmental Services
- Events Management
- Land Use, Development and Subdivisions
- Libraries
- Public Health and Wellbeing
- Recycling and Waste Management
- Road and Public Building Control
- Tourism Services
- Transport and Building Infrastructure Provision and Maintenance
- Youth and Recreational Development

Our Shire

Area:	3879 square kilometres (48% Crown Land)
Population:	14,661 (as at 30 June 2020 Australian Bureau of Statistics estimate)
Councillors:	7
Rateable Properties:	10,073 (01/07/2021)
Sealed Roads:	496 kilometres (2021) 500 kilometres Inc. carparks
(Council maintained)	474 kilometres (2021)
Unsealed Roads:	714 kilometres (2021)
(Council maintained)	668 kilometres (2021)

Industries

- Agriculture, Aquaculture, Horticulture and Viticulture
- Education
- Forestry
- Light Manufacturing and Engineering
- Public Services
- Retail and Trade services
- Tourism, Hospitality and Conferencing

Townships and Localities

Acheron, Alexandra, Buxton, Cathkin, Castella, Caveat, Devil's River, Dropmore, Eildon, Fawcett, Flowerdale, Ghin, Ghin, Glenburn, Gobur, Granton, Highlands, Homewood, Kanumbra, Kerrisdale, Killingworth, Kinglake, Kinglake Central, Kinglake West, Koriella, Limestone, Maintongoon, Marysville, Molesworth, Murrindindi, Narbethong, Pheasant Creek, Rubicon, Strath Creek, Taggerty, Taylor Bay, Terip Terip, Thornton, Toolangi, Whanregarwen, Woodbourne, Yarck, Yea.



VISION

The Murrindindi 2030 Vision was developed in partnership with our community in 2014. It is an aspirational statement of what our community wants Murrindindi Shire to be like in 2030. Our Vision is set out below:

‘In 2030 we are sustainable, vibrant and resilient. We focus on growing our business opportunities. Our communities are safe and connected, enjoying a healthy and productive lifestyle within our wonderful natural environment.’

During 2020/2021, Council commenced the community engagement process to inform the new 10 year Community Vision, in accordance with the Local Government Act 2020.

COUNCIL VALUES

Upon being elected in October 2020, the seven Murrindindi Shire Councillors established a new Code of Conduct and committed to carrying out their roles in accordance with the following values:

Integrity

We will...

- Be open and honest in all dealings with community, other Councillors and with Council staff
- Follow through on commitments
- Represent our views truthfully
- Support one another and staff if treated unfairly or without respect
- Be open to constructive feedback
- Accept responsibility for mistakes, treating them as a learning opportunity

Respect

We will...

- Respect the views, contributions, feelings, wishes and rights of others
- Actively seek to understand others experiences, ideas and perspectives
- Embrace and appreciate diversity of origin, viewpoint, experience and lifestyle
- Recognise the achievements of others

Collaboration

We will...

- Operate cohesively
- Work together with the community through accessible and inclusive engagement
- Strive to build effective working relationships

Inclusion

We will...

- Foster community cohesion and encourage active participation within the community
- Embrace each other's differences, values, culture and perspectives
- Commit to early advice and 'no surprises'
- Freely share information and knowledge with one another
- Cooperate, collaborate with and encourage others
- Be objective and flexible and willing to compromise
- Ensure Council decisions are focussed on the best outcomes for the entire municipality

Leadership

We will...

- Welcome the opinions of the community and respect their right to be heard
- Champion issues on behalf of the community in a constructive and timely manner
- Advocate the interests of the local community to other communities and governments
- Take pride in representing the community and the municipality
- Make decisions based on the perceived best interests of the entire municipality
- Present Council as a cohesive and effective working unit
- Act without fear or favour

Initiative

We will...

- Question the way things have been done in the past
- Always look for better ways to work together and to achieve outcomes on behalf of the community
- Be result and outcome focused at all times
- Encourage a positive culture focused on results and high quality customer service
- Strive to exceed community expectations
- Adopt straightforward and realistic approaches
- Acknowledge good results to staff when noticed

COUNCILLORS

2016-2020 Term and/or Elected in 2020



Cr Leigh Dunscombe
Mayor (July to October 2020)
Kinglake Ward

First elected: October 2016

Portfolio: Corporate and Customer Services

Ward townships: Kinglake, Toolangi

During Cr Dunscombe's term as a Councillor he represented Murrindindi Shire Council on the following advisory committees and external organisations:

- Audit Advisory Committee
- Chief Executive Officer Performance Review Sub-Committee
- Goulburn Valley Waste and Resource Recovery Local Government Forum
- Kinglake Memorial Reserve Committee of Management
- Municipal Association of Victoria (MAV)
- Rural Councils Victoria (RCV)
- Toolangi Forest Discovery Centre Committee of Management
- Yea Cemetery Trust



Cr Margaret Rae
Deputy Mayor (July to October 2020)
Red Gate Ward

First elected: October 2012; re-elected in October 2016.

Portfolios: Land Use Planning, Positive Ageing and Inclusion

Ward township: Alexandra

During Cr Rae's term as a Councillor she represented Murrindindi Shire Council on the following advisory committees and external organisations:

- Alexandra Racecourse and Recreation Reserve Committee of Management (DELWP)
- Alexandra Showgrounds and Recreation Reserve Committee of Management (DELWP)
- Audit Advisory Committee
- Central Ranges Local Learning and Employment Network
- Chief Executive Officer Performance Review Sub-Committee
- Hume Regional Local Government Network
- Mount Pleasant Reserve Committee of Management
- Municipal Association of Victoria (MAV)
- Peri Urban Group of Rural Councils
- Yea Cemetery Trust



Cr Rebecca (Bec) Bowles
Cheviot Ward (July to October 2020)

First elected: October 2016

Portfolios: Environment, Library Services and Information Technology

Ward townships: Yea, Strath Creek, Flowerdale

During Cr Bowles' term as a Councillor she represented Murrindindi Shire Council on the following advisory committees and external organisations:

- Chief Executive Officer Performance Review Sub-Committee
- Murrindindi Environment Advisory Committee
- Goulburn Broken Greenhouse Alliance
- Goulburn Valley Waste and Resource Recovery Local Government Forum
- Municipal Association of Victoria (MAV)
- Peri Urban Group of Rural Councils
- Strath Creek Reserves and Hall Committee of Management
- Yea Pioneer Reserve Committee of Management
- Yea Saleyards Committee of Management
- Yea Showgrounds and Recreation Reserve Committee of Management
- Yea Wetlands Committee of Management
- Yea Cemetery Trust



Cr Jackie Ashe
Eildon Ward (July to October 2020)

First elected: October 2016

Portfolios: Communication, Tourism and Events

Ward townships: Thornton, Eildon

During Cr Ashe's term as a Councillor she represented Murrindindi Shire Council on the following advisory committees and external organisations:

- Central Ranges Local Learning and Employment Network
- Chief Executive Officer Performance Review Sub-Committee
- Eildon Alliance Boat Ramp Committee of Management
- Eildon Community Resource Centre Committee of Management
- Goulburn Valley Waste and Resource Recovery Local Government Forum
- Goulburn River Valley Tourism Board
- Yea Cemetery Trust



Cr Charlotte (Charlie) Bisset
Koriella Ward (July to October 2020)

First elected: October 2016

Portfolios: Recreation and Youth

Ward townships: Yarck, Cathkin, Molesworth, Limestone, Highlands, Gobur

During Cr Bisset's term as a Councillor she represented Murrindindi Shire Council on the following advisory committees and external organisations:

- Audit Advisory Committee
- Chief Executive Officer Performance Review Sub-Committee
- Municipal Association of Victoria
- Murrindindi Scenic Reserve Committee of Management
- Rubicon Outdoor Centre School Council
- Steavensons Falls Scenic Reserve Committee of Management
- Yea Cemetery Trust
- Yea Saleyards Committee of Management



Cr Sandice McAulay
Mayor (November 2020)

Cathedral Ward

First elected: October 2016, Re-elected November 2020

Portfolio: Mayor

Ward townships: Taggerty, Buxton, Marysville, Narbethong

Cr McAulay was sworn in as a Councillor on 16 November 2020. On 23 November 2020, Cr McAulay was appointed as a Council representative for Murrindindi Shire Council on the following advisory committees and external organisations:

- Audit and Risk Advisory Committee (non-voting)
- Business and Tourism Advisory Committee
- Chief Executive Officer Performance Review Sub-Committee
- Municipal Association of Victoria (MAV) Delegate
- Rural Councils Victoria
- Steavensons Falls Scenic Reserve Committee of Management (Crown Land)
- Yea Cemetery Trust



Cr Eric Lording
King Parrot Ward

First elected: September 2015; Re-elected October 2016

Portfolio: Infrastructure and Waste

Ward townships: Flowerdale, Glenburn, Kinglake West, Pheasant Creek

Since being sworn in as a Councillor on 9 November 2016, Cr Lording represented Murrindindi Shire Council on the following advisory committees and external organisations

- Central Ranges Local Learning & Employment Network (CRLLEN)
- Chief Executive Officer Performance Review Sub-Committee
- Flowerdale Community Hall Reserve Committee Inc.
- Flowerdale Community House Inc.
- Goulburn Valley Waste & Resource Recovery Local Government Forum
- Glenburn Community Centre Committee of Management
- Yea Cemetery Trust
- Yea Saleyards Committee of Management



Cr Sue Carpenter
Deputy Mayor (November 2020)
Cheviot Ward

First elected: November 2020

Portfolio: Planning and Compliance

Ward townships: Yea, Strath Creek, Flowerdale

Cr Carpenter was sworn in as a Councillor on 16 November 2020. On 23 November 2020, Cr Carpenter was appointed as a Council representative for Murrindindi Shire Council on the following advisory committees and external organisations:

- Chief Executive Officer Performance Review Sub-Committee
- Municipal Association of Victoria (MAV) Delegate
- Yea Cemetery Trust



Cr Damien Gallagher
Red Gate Ward

First elected: November 2020

Portfolio: Community Engagement and Wellbeing

Ward township: Alexandra

Cr Gallagher was sworn in as a Councillor on 16 November 2020. On 23 November 2020, Cr Gallagher was appointed as a Council representative for Murrindindi Shire Council on the following advisory committees and external organisations:

- Alexandra Racecourse and Recreation Reserve Committee of Management (Crown Land)
- Alexandra Showgrounds and Recreation Reserve Committee of Management (Crown Land)
- Audit and Risk Advisory Committee
- Chief Executive Officer Performance Review Sub-Committee
- Rubicon Outdoor School Council
- Yea Cemetery Trust



Cr Karine Haslam

Eildon Ward

First elected: November 2020

Portfolio: Resource Recovery and Environment

Ward townships: Thornton, Eildon

Cr Haslam was sworn in as a Councillor on 16 November 2020. On 23 November 2020, Cr Haslam was appointed as a Council representative for Murrindindi Shire Council on the following advisory committees and external organisations:

- Business and Tourism Advisory Committee
- Chief Executive Officer Performance Review Sub-Committee
- Goulburn Valley Waste and Resource Recovery Local Government Forum
- Yea Cemetery Trust



Cr John Walsh

Koriella Ward

First elected: November 2020 (Previous terms: 2008 – 2016)

Portfolio: Corporate and Governance

Ward townships: Yarck, Cathkin, Molesworth, Limestone, Highlands, Murrindindi, Gobur

Cr Walsh was sworn in as a Councillor on 16 November 2020. On 23 November 2020, Cr Walsh was appointed as a Council representative for Murrindindi Shire Council on the following advisory committees and external organisations:

- Chief Executive Officer Performance Review Sub-Committee
- Murrindindi Scenic Reserve Committee of Management (Crown Land)
- Yea Cemetery Trust



Cr Ilona Gerencser

Kinglake Ward

First elected: November 2020

Portfolio: Tourism, Events and Business Support

Ward townships: Kinglake, Toolangi

Cr Gerencser was sworn in as a Councillor on 16 November 2020. On 23 November 2020, Cr Gerencser was appointed as a Council representative for Murrindindi Shire Council on the following advisory committees and external organisations:

- Audit and Risk Advisory Committee
- Chief Executive Officer Performance Review Sub-Committee
- Municipal Emergency Management Planning Committee
- Yea Cemetery Trust

OUR ORGANISATION

Livia Bonazzi **Chief Executive Officer 2021**

Livia commenced in the role of Chief Executive Officer at Murrindindi Shire Council in June 2021. Before taking on this role, Livia was the General Manager Strategy and Planning for four years and Strategy and Innovation for two years at Western Water.

Livia has over 20 years' experience in senior executive roles, in both private and public sector positions and spanning a diverse range of disciplines, including strategy, governance, planning, asset management and customer service.

Livia holds a Master in Business Administration and Bachelor Degrees in Architecture, Arts and in Planning and Design. Livia has recently completed the Australian Institute of Company Directors Course.



Craig Lloyd **Chief Executive Officer 2018-2020**

Craig commenced the role of Chief Executive Officer at Murrindindi Shire Council on 8 January 2018. Craig resigned from the position of Chief Executive Officer and finished at Council in October 2020.

Craig has extensive senior executive experience in the public sector, including roles with state and local government, emergency services and not-for profit organisations. Craig was formally the Director of Presentation and Assets at the City of Greater Bendigo, before taking on his role at Murrindindi Shire Council.

Mr Lloyd holds a Masters of Business Administration, Masters of Project Management and a Post Graduate Certificate in Community Development.

Michael Chesworth **Acting Chief Executive Officer – October 2020 to June 2021** **Director Corporate and Shared Services**

Michael has been with Murrindindi Shire Council since 1997 when he was first appointed as Manager of Organisational Development. Since that time he has held several senior executive roles and was heavily involved in the recovery and reconstruction efforts following the 2009 bushfires that devastated the municipality.

Michael has significant local government experience and has performed the Acting CEO role on several occasions for Council. His current role oversees the Corporate Services Division, which includes Business Services (corporate finance, information technology and management) and Governance and Risk (corporate governance, risk management and human resources).



Marilyn Kearney

Acting Director Corporate and Shared Services – October 2020 to June 2021

Marilyn joined Council in October 2020 in the role of Acting Director Corporate and Shared Services. Marilyn has a wealth of experience in local government, having held Director Corporate Service roles at several Melbourne and urban fringe councils including Monash City, Mornington Peninsula Shire and City of Boroondara.

In her most recent role at Boroondara, Marilyn led implementation of their Customer First and Business (digital) transformation projects. Her role at Murrindindi Shire Council was responsible for the Corporate Services Division, which includes Business Services (corporate finance, information technology and management) and Governance and Risk (corporate governance, risk management and human resources).



Vito Albicini

Director Assets and Development

Vito was appointed to the role of Director Assets and Development in November 2019. Vito has worked in local government for 25 years, with experience working at both metropolitan and rural councils. Vito has more than 30 years' experience in civil engineering. He has a strong commitment to provide exceptional customer service and deliver great outcomes for the community.

Vito leads the Assets and Development Division which includes Community Assets, Development Services and Environmental Sustainability.

Shivaun Brown

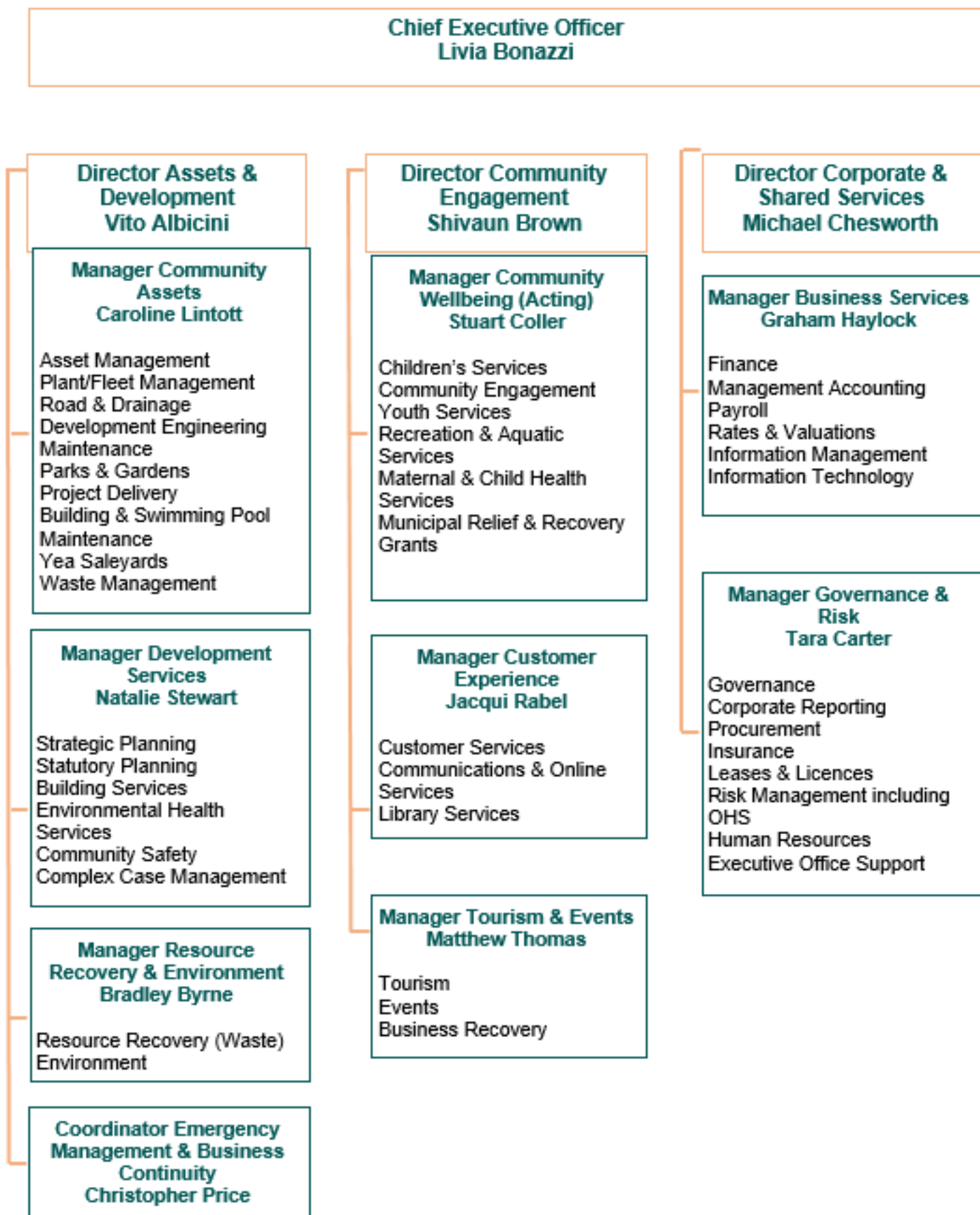
Director Community Engagement

Shivaun commenced with Council in October 2015 as the Manager Development Services. Having owned and operated two businesses of her own, coupled with a strong background in Economic Development and Tourism in the local government sector, she brought a customer-focused approach to regulatory services.

Shivaun stepped into the role of Director Community Engagement in November 2018, overseeing delivery of Community Wellbeing, Customer Experience, Tourism and Events and Business Development.



ORGANISATION STRUCTURE 2020/2021 (AT 30 JUNE 2021)





HIGHLIGHTS 2020/2021

The following are some of our achievements over the 2020/2021 year

- We worked hard to keep our communities informed of changing restrictions related to COVID-19, and also about new forms of support being made available to businesses - we sent 19 business email updates, made over 650 'check-in' calls to businesses and ran a series of 13 online workshops and forum sessions.
- We implemented a number of actions identified in our community and business recovery plans.
- We on-boarded 42 contract staff under the Working for Victoria Grant stream, amounting to a (temporary) 25% increase in our workforce.
- We also completed a significant amount of work to ensure we comply with our new obligations under the Local Government Act 2020.
- We launched the 'Murrindindi Shire Funding Finder', a one-stop-shop for community members, community groups and businesses seeking grant and funding opportunities.
- We introduced an after-hours phone service to streamline access to our services outside normal business hours, including by providing better access for the community in the events of emergencies such as trees or stock blocking roads.
- Our 'DindiLink' service, created in early 2020 in response to the COVID-19 pandemic, continued to help individuals and families connect with local support services and activities over the last year.
- DindiLink also worked with communities on a collaborative community art project called 'Connecting the Pieces' to helped both adults and children across the Shire get involved and connect with one another.
- We celebrated an important part of our local history by hosting a wonderful launch event in March at our Alexandra Library of the memoir *On Taungurung Land: Sharing History and Culture* by Roy Henry Patterson and Dr Jennifer Jones.
- Our Book Butler service at the library made 953 deliveries to homes across the Shire, with a total of 6842 loan items.
- Our 'Business Concierge' service ensured the delivery of our 'Better Approvals' program, to help guide those looking to get a new business up and running, or to grow an existing business.
- We reviewed our approach to grants and contributions to ensure they were delivering the right outcomes for our community and we awarded over \$210,000 in grants to individuals, businesses, tourism events and community groups for projects ranging from funding support for NAIDOC week events to community hall repainting at Homewood.
- We advocated to external agencies on a range of issues, including improved broadband coverage, a solution to the ongoing shortage of GPs in our Shire and for action on climate change.
- We advocated successfully for funding from the Victorian Government for a range of projects, including to enable detailed design of the Eildon Splash Park, the Rail Trail Art Project and for development of the Alexandra Youth Precinct.
- We also worked to better understand issues relating to forestry and logging in our Shire in order to work out how best to support a timber industry which will be transitioning out of native timber harvesting by 2030.
- Together with Mitchell and Mansfield Shire Councils, we were successful in attracting \$1.2 million grant funding from Regional Development Victoria to create large-scale art installations along the Great Victorian Rail Trail. We also commenced a range of exciting projects to update wayfinding and other signage along the Trail.
- To assist better engagement with our community, we launched a brand new online engagement platform called 'Dindi – In the Loop' ('The Loop' for short) to help us have ongoing conversations with the community about important projects and initiatives.
- We launched the Shaping Our Future Project to co-design, together with our community, a 10 Year Community Vision and the 2021-2025 Council Plan. We heard from over 500 community members about what they think is important for the future of Murrindindi Shire.
- We commenced creation of Rethink, Reduce, Re-use, Recycle, our ambitious Waste and Resource Recovery Strategy, with the goal of making our Shire a low-waste municipality which embraces principles of the 'circular economy' and protects our community and environment from the negative impacts of waste.



- We commenced the review of our Domestic Animal Management Plan (DAMP) which will guide our approach to the delivery of animal management services across Murrindindi Shire.
- Together with our partners Regional Development Victoria, Goulburn-Murray Water (GMW) and the Lake Eildon Houseboat Industry Association, we completed the Lake Eildon Floating Cities Project, aimed at improving infrastructure that supports houseboat manufacturers to safely transport and launch houseboats at Lake Eildon and will boost the local economy.
- We commenced construction on the \$1.9 million Kinglake Streetscape Renewal Project, following extensive engagement with the community and business about the plans for the Streetscape, with the support of the Australian Government's 'Building Better Regions' Fund and Regional Development Victoria, that have each contributed \$750,000 to supplement Council's \$418,000 investment.
- We commenced or delivered a range of important capital works infrastructure projects across our Shire, worth \$10.7 million, including -
 - completed renewal of the Kinglake Memorial Netball Courts, which now feature a new playing surface for the two courts
 - commenced works on the Road Safety Upgrade Project at High Street, Yea, including completion of paths in the centre median strip
 - refurbished the change rooms used by the Yea Football and Cricket Clubs at the Yea Recreation Reserve to provide female-friendly amenities and an upgrade to the disabled toilet
 - completed the renovation of the external façade of the Yea Shire hall, including repairs to the façade and clock tower and repainting the building
 - commenced road safety projects on Rubicon Road in Rubicon, Back Eildon Road between Thornton and Eildon and King Parrot Creek Road in Kerrisdale
 - upgraded the tennis courts and installed new public toilets at the Kinglake Memorial Reserve
 - rejuvenated the Marysville swimming pool, with the installation of a new pool liner
 - installed new coaching boxes at the Thornton Recreation Reserve
 - installed water hydration stations in Eildon and Buxton
 - progressed the detailed design for the Eildon Splash Park design and Alexandra Youth Precinct
 - commenced work on the Yea Recreation Reserve Oval Lighting Project

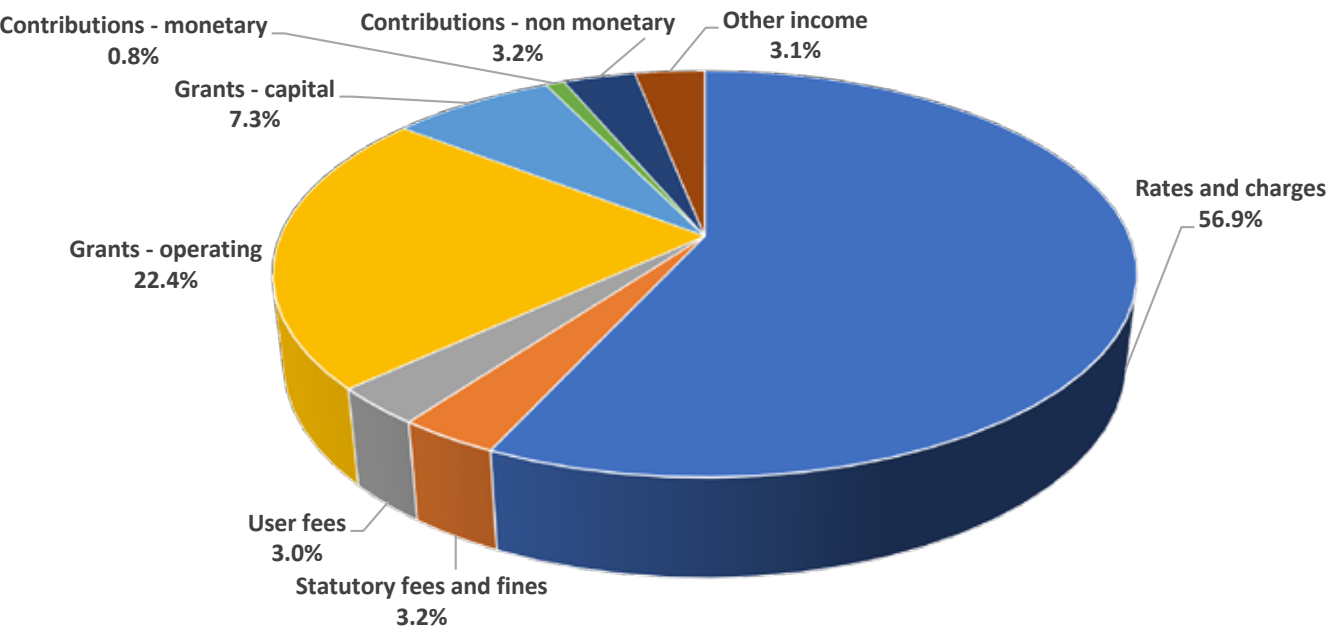




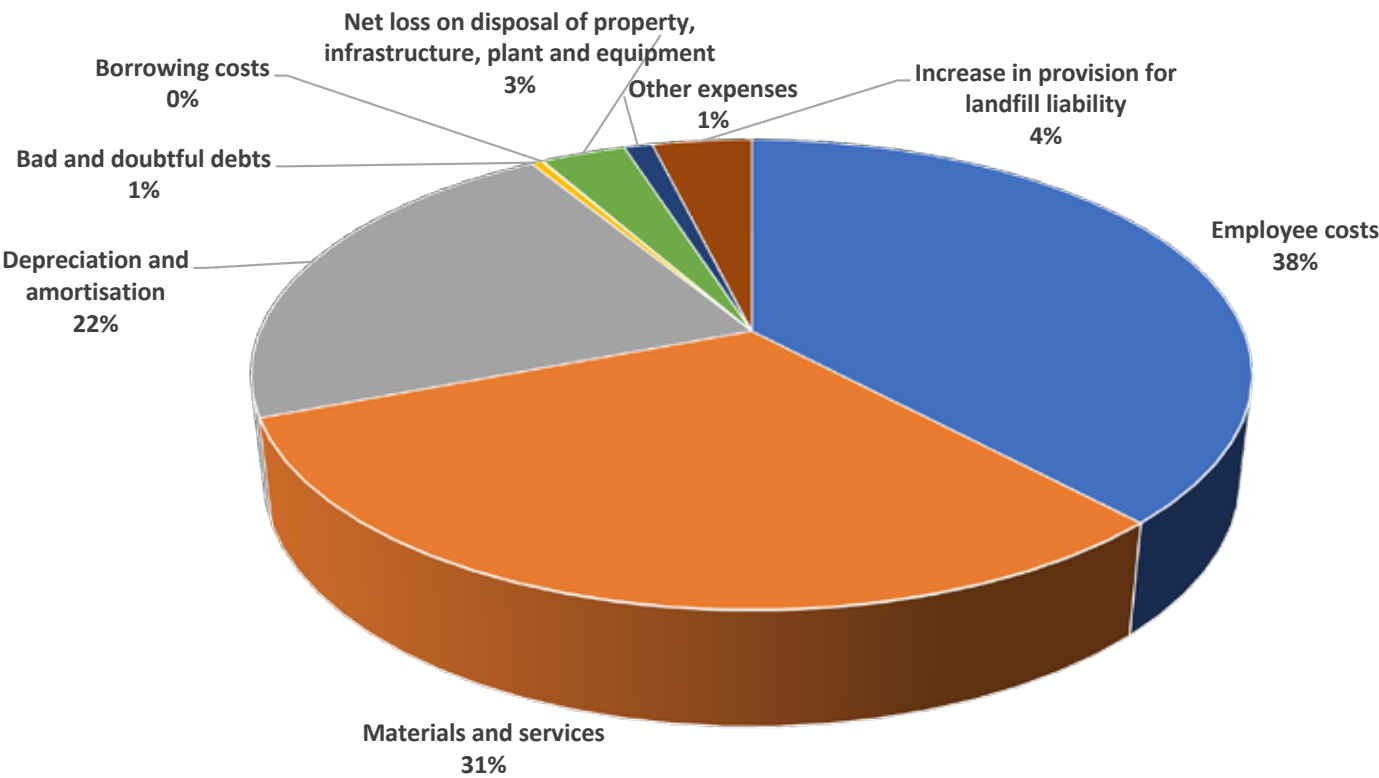


FINANCIAL OVERVIEW 2020/2021

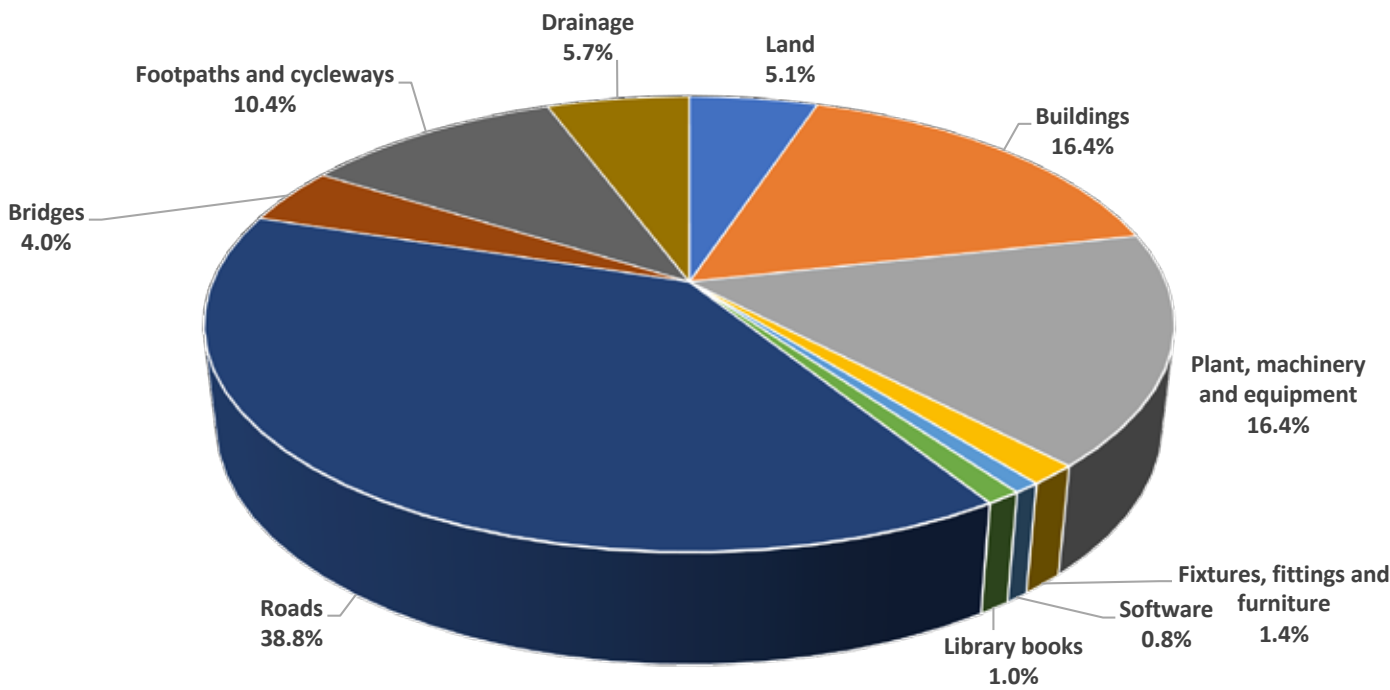
Income Breakdown



Operating Expense Breakdown



Capital Expenditure Breakdown



OUR PEOPLE

The following sets out our progress over the 2020/2021 year against each of the strategic objectives set out in the 2017-2021 Council Plan.

Each of the strategic objectives we set out to achieve in the Council Plan sits within one of our four pillars – Our People, Our Place, Our Prosperity and Our Promise. Each strategic objective has strategic indicators which assists us to measure our progress.

Strategic Objective 1: TOGETHER WE WILL CELEBRATE AND ENCOURAGE DIVERSE, CARING AND CONNECTED COMMUNITIES.

WHAT WE AIM TO ACHIEVE: (Strategies)	WHAT WE DID IN 2020/2021:
1. Encourage activities and events that celebrate our vibrant, diverse and creative people and communities	<ul style="list-style-type: none"> • Our Grants and Contributions Program enhanced community connection and COVID-19 recovery, by supporting 14 community projects and events, 7 sponsorships and 8 fee reductions in the 2020/2021 financial year. • We delivered our youth development program 'Dindi Sessions' with 21 young people participating in career information, technical production and song-writing and recording workshops. Two live concerts and 6 online recorded performances reached approximately 7300 community members. • We implemented a new library catalogue system and mobile app. We also introduced online registration for events, reading and listening to electronic books and reserving titles. We introduced fortnightly films for Movie Tuesdays as well as for the Holiday Movies for Kids utilising streaming services such as Kanopy and Beamafilm. • We continued to offer our Murrindindi Library Service Book Butler program, which began as an initiative during COVID-19 restrictions. Our Murrindindi Library Service delivered 6842 items to 953 homes over the past financial year. • In an effort to re-engage the community and return them to the library for participation in programs and events (as COVID-19-restrictions allowed), our Murrindindi Library Service delivered a comprehensive program across the 2020/2021 year. Highlights included: <ul style="list-style-type: none"> - 'On Taungurung Land' book launch at the Alexandra Library - An event series on the environment at the Yea Library together with Yea2030 community group - School holiday activities - 'On the Road' events at smaller townships - Monthly On The Couch sessions at branches - biannual Women's Solstice Dinner - Mindfulness and Wellness sessions as part of the Libraries for Health and Wellbeing initiative developed by Public Libraries Victoria and the State Library of Victoria - Events/Programs which recognised Library and Information Week, ANZAC Day, global environmental days in June, Refugee Week, Mabo day and NAIDOC Week. • Our Council met with the Taungurung Land and Waters Council Chief Executive Officer to discuss the aims of, and areas covered by, the Recognition and Settlement Agreement. • Our Councillor Induction Program designed for the newly elected Council included a module focused on engagement and reconciliation with the traditional owners in the municipal district. • We implemented the appropriate protocols for Acknowledgement of Country and Welcome to Country.

WHAT WE AIM TO ACHIEVE: (Strategies)	WHAT WE DID IN 2020/2021:
2. Work with our community and groups to connect, collaborate and plan for our future	<ul style="list-style-type: none"> • We delivered the 'Shaping our Future' community engagement project and received almost 500 responses to support development of our Council Plan, Community Vision, Financial Plan and Municipal Public Health and Wellbeing Plan. • We coordinated the Community Planning Grants program for the Marysville, Yea and Toolangi/Castella supporting 13 projects led by community action teams and provided ongoing support with project development. • We developed the COVID-19 Community Recovery Plan involving 140 community members and the Health and Wellbeing Consortium members, with 75% of actions completed. • Our Good Sport and Dindi Link initiatives provided resources, development workshops and support to community, recreation and sporting clubs including: <ul style="list-style-type: none"> - Volunteer recruitment - Mental Health First Aid - Grants and contributions • We supported clubs and not-for-profit groups using our facilities by reducing lease and licence fees in recognition of the COVID-19 impacts. • We provided support to sporting and recreation clubs, with grant applications, facility improvements and advice around requirements for operating under COVID-19 restrictions.
3. Work with our partner agencies to ensure people of all ages can access the health and community services they need	<ul style="list-style-type: none"> • We continued to coordinate priorities for the 2017-2021 Municipal Public Health and Wellbeing Plan with Consortium members and in developing a response to COVID-19 within the Community Recovery Plan. • We participated in the Goulburn Mental Health and Wellbeing Project, via the Lower Hume Primary Care Partnership, and the Workforce Training Initiative collaboration between disability service providers, residential aged care facilities and hospitals. • We offered free entry to swimming pools across the Shire with over 21,500 patrons accessing the service. • Our health promotion collaborations with the Lower Hume Primary Care Partnership and VicHealth enhanced community awareness for the "Grow Well Dindi" and "This Girl Can" initiatives targeting improved health outcomes for all. • We supported emergency food relief funding to Community and Neighbourhood Houses and Hubs. • Our Dindi Link program assisted 74 vulnerable community members to access appropriate health services, including for mental health. There were 1950 views of the Dindi Link pages on our website, which provides community access to information about available health services. • Our Maternal and Child Health Service supported 122 new births. This is an 11% increase on the previous year, with 406 children attending service appointments. • Our Family Day Care service supported 150 families with high- quality, flexible child care. A further 50 families were also supported via the Children Services Parent Early Education Partnership and Facilitated Playgroups programs. • We finalised the 10 year Kindergarten Infrastructure Strategic Plan in partnership with the Department of Education and local service providers.
4. Create a positive environment that supports our young people to grow, participate and be happy	<ul style="list-style-type: none"> • Our Annual six-month Youth Leadership Program supported 16 young people from across the Shire via personal development workshops and community projects. • We supported three youth-led pool parties with over 500 people in attendance, featuring local youth musicians. • We facilitated the Youth Voice Project, involving 64 young people, which identified mental health, training and pathways and community connection as priorities for young people across the Shire. • We supported career pathway opportunities in partnership with the Central Ranges Local Learning Employment Network.
5. Promote opportunities for people of all ages to connect with and be involved in their community	<ul style="list-style-type: none"> • We partnered with Community and Neighbourhood Houses, focusing on supporting the development of activities to enhance social inclusion and connection for vulnerable members of the community. • We partnered with 'Speak Up Alexandra' a Nexus Primary Health-led Linkages and Capacity Building Project and advocacy group focusing on enhancing equity of access and increased inclusion of people with disability in mainstream services. • We trialled an Easy English survey to encourage community members with low English literacy levels to participate in the Shaping our Future community consultation.

STRATEGIC INDICATORS - OUR PEOPLE

The strategic indicators measure our success in achieving our strategic objective and strategies under 'Our People'.

Increased community events supported by Council

Measure	Source	Result	Comment
Number of community events funded under Council's Community Grants Program	Community Grants Program	2017/18 - 5	<p>The Grants and Contributions Program completed 8 of the 10 assessment periods for the 2020/2021 financial year supporting a total of 14 community projects and events, 7 sponsorships and 8 fee reductions.</p> <p>Of these, a total of 12 events were supported: 5 events through the Community Projects and Events stream; 4 events through the Community Sponsorship stream and 3 events were supported with fee reductions.</p> <p>The Program was paused during the final two assessment periods, pending a review of the grants policy and guidelines by Council.</p>
		2018/19 - 2	
		2019/20 - 15	
		2020/2021 - 12	

Community satisfaction with elderly support services

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance of elderly support services	2019 Local Government Community Satisfaction Survey	2017/18 - 61	This measure was not included in the 2020 Local Government Community Satisfaction Survey due to Council ceasing to directly provide elderly support services to the community.
		2018/19 - 65	
		2019/20 - Not applicable	
		2020/2021 - Not applicable	

Community satisfaction with family support services

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance of family support services	2020 Local Government Community Satisfaction Survey	2017/18 - 59	Council's index has remained similar to previous years.
		2018/19 - 63	
		2019/20 - 60	
		2020/2021 - 60	

Increased active library members and participation in library and other Council programs

Measure	Source	Result	Comment
Number of active library members (have used library card in last 12 months)	Yarra Plenty Regional Library Service's Library Management System report	2017/18 – 2,920	Membership numbers have declined compared to previous years, but this is likely to be a trend across Victorian library services given library closures and restricted services due to COVID-19 restrictions.
		2018/19 – 3,197	
		2019/20 Members – 2,544	
		2020/2021 Members – 2,139	

Increased participation by young people in Council activities and services

Measure	Source	Result	Comment
Number of young people attending Council-run events and forums	Internal records	2017/18 – 4,960	Program participants – 106 Event attendees Online – 1810 young people In person – 789 young people Number of events – 38
		2018/19 – 2,039	
		2019/20 – 1,708	
		2020/2021 – 2705	

Council's involvement in collaborative networks, plans and projects

Measure	Source	Result	Comment
Number of collaborative networks, plans and projects Council was involved in relating to the 'Our People' Strategic Objective	Internal records	2017/18 – Networks - 20 Plans - 5 Projects - 5	Community planning has supported 13 community groups with projects
		2018/19 Networks - 21 Plans - 5 Projects - 6	
		2019/20 Networks - 28 Plans – 5 Projects - 12	
		2020/2021 – Networks - 24 Plans – 5 Projects - 15	



REPORT OF OPERATIONS - OUR PEOPLE

This report provides the results of the prescribed performance indicators that relate to the strategies under 'Our People'. These indicators are also published on the Victorian Government's 'Know Your Council' website.

Service Performance Indicators Service / indicator / measure	Results 2017	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Aquatic Facilities						
Service standard						
Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1.00	1.00	0.00	2.00	1.00	All Council owned aquatic facilities were inspected by the Environmental health team as part of the Public Health and Wellbeing Act requirements.
Utilisation						
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	1.30	1.42	1.53	0.97	1.51	Free pool entry was provided for the 20/21 season.
Service cost						
Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	New in 2020	New in 2020	New in 2020	\$20.27	\$16.49	Decrease in cost to council per visit despite free entry. This is due to significant increase in total attendance across the four sites.

Service Performance Indicators						
Service / indicator / measure	Results 2017	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Libraries						
Utilisation Physical library collection usage [Number of physical library collection item loans / Number of physical library collection items]	2.18	2.16	2.20	2.06	1.17	Decrease reflects lack of access by the community to the physical collection due to COVID-19 closures. However, this was offset to some degree by access to e-collection which we are able to enumerate for the first time this year due to the change to new Library Management System (Spydus). Total digital usage was 12,325 (although this is not calculated by this indicator).
Resource standard Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	52.11%	54.45%	51.77%	55.52%	58.58%	Small increase reflects new evidence-based approach to collection management and weeding with deployment of Collection HQ which identifies older items for removal/replacement.
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] x100	40.25%	20.61%	22.08%	20.04%	18.03%	Drop reflects impacts of COVID-19 lockdown on library operations and reluctance of community to return to libraries in a COVID-19 environment.
Service cost Cost of library service per population [Direct cost of the library service / Population]	New in 2020	New in 2020	New in 2020	\$33.13	\$35.45	Largely consistent across years, but slightly increased costs reflect increased opening hours in Alexandra branch.

Service Performance Indicators						
Service / indicator / measure	Results 2017	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Maternal and Child Health (MCH)						
Service standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	100.84%	100.83%	102.04%	100.93%	97.54%	
Service cost Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	\$109.11	\$104.78	\$73.63	\$71.02	\$71.74	Cost of the MCH service has remained stable across the past three years, with most of the additional hours completed by PPT staff rather than casual relievers.
Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	98.36%	100.00%	86.75%	82.11%	87.20%	Refinement of COVID-19 safe service delivery may explain the increase in participation along with targeted follow up of clients that may be overdue for Key Age and Stage visits.
Participation Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	100.00%	100.00%	89.19%	89.47%	100.00%	Many other health services ceased face-to-face service delivery during COVID-19 which may explain the increased participation on MCH services which continued some degree of face to face service delivery.
Satisfaction Participation in 4-week Key Age and Stage visit [Number of 4-week key age and stage visits / Number of birth notifications received] x100	New in 2020	New in 2020	New in 2020	95.37%	104.92%	Many other health services ceased face-to-face service delivery during COVID-19 which may explain the increased participation on MCH services which continued some degree of face to face service delivery.



OUR PLACE

STRATEGIC OBJECTIVE 2:

WE WILL MAINTAIN AND ENHANCE PLACES TO BE ATTRACTIVE AND LIVEABLE, IN BALANCE WITH OUR NATURAL ENVIRONMENT.

WHAT WE AIM TO ACHIEVE: (Strategies)	WHAT WE DID IN 2020/2021:
1. Support recreation opportunities for our residents and visitors that encourage participation and community connections	<ul style="list-style-type: none"> We increased the visibility of our tracks and trails through our partnership with Tourism North East, including by ensuring our key walk and cycle opportunities were listed with Tourism North East and promoted. We worked with Mansfield and Mitchell Shire Councils to participate in the SBS Trail Towns production showcasing the Great Victorian Rail Trail and other cycling opportunities in Murrindindi Shire. We completed the Eildon Improvement Plan and Kinglake Memorial Reserve master planning and completed priority item, including building a Public Toilet and upgrading the Tennis Courts at Kinglake Memorial Reserve, and detailed design for Eildon Splash and Skate Park. We completed the design of the Alexandra Youth precinct project and were successful in obtaining additional funding via Regional Development Victoria to support the full delivery of the project. We began construction of the Yea Recreation Reserve oval lighting upgrade project. We installed permanent hydration stations in Eildon and Buxton.

WHAT WE AIM TO ACHIEVE: (Strategies)	WHAT WE DID IN 2020/2021:
2. Improving links and making Murrindindi Shire easier to navigate and its services and destinations easy to find	<ul style="list-style-type: none"> • We supported the Murrindindi Cycle Club to develop signage at the Eildon Mountain Bike Park. • We advocated to Regional Roads Victoria for updates to tourism signage requiring replacement across the Shire. • We progressed the Great Victorian Rail Trail wayfinding and interpretive signage project. • We were successful in our applications for a number of road safety and bridge replacement grants, including design and construction of Break O'day Road bridge renewal and upgrade, and Snobs Creek Road widening safety upgrade. • We completed the development of a 10-year Capital Works Program. • We completed the 2020/2021 path program works across the Shire. • We received grant funding to improve pathway links within main township areas.
3. Through good land use planning enhance the liveability, prosperity and the rural character of our Shire	<ul style="list-style-type: none"> • We finalised the 'Activating for Growth in Murrindindi' Project. The outcome of this project was a priority model and implementation plan. • We updated the Planning Scheme Amendment C70 to incorporate changes to the planning scheme, and include the introduction of a Buffer Amendment Overlay (BAO).
4. Strengthen the environmental sustainability of our communities, protect our natural environment and reduce resource consumption	<ul style="list-style-type: none"> • We completed a draft our Waste and Resource Recovery Strategy 2030. • We completed the financial assessment and scenario-based business case costings for Recycling Victoria's kerbside transition under the State Government's Circular Economy (Recycling – Reuse) Policy. • We completed environmental protection works and rehabilitation of Eildon closed landfill. • We presented a submission to the Australian Parliament advocating for the establishment of the Australian Local Power Agency (ALPA), with the purpose of facilitating investment and support of regional community renewable energy projects. • We completed our Roadside Conservation Assessment program. • We completed Council's Climate Change Pathways Assessment, which provides scenario-based options to minimise climate change impacts. • We completed our planned Roadside Weed and Pest Program. • We participated as a member Council for the Goulburn Murray Climate Alliance (GMCA), which promotes and supports regional action on climate change. • We supported community group grant applications to secure funding for solar PV (photovoltaic) systems.
5. Recognise and embrace the history, culture and identity of our towns and communities	<ul style="list-style-type: none"> • We delivered the 'Discover Your Backyard' initiative aimed at showcasing the experiences on offer to Murrindindi Shire residents and encouraging them to invite friends and family to visit the Shire. • We updated the Eildon Visitor Information Board showcasing local history and attractions.

WHAT WE AIM TO ACHIEVE: (Strategies)	WHAT WE DID IN 2020/2021:
6. Enhance community safety, resilience and liveability through improved planning, community engagement, and a fair and transparent approach to compliance	<ul style="list-style-type: none"> • We worked to strengthen education programs to promote compliance with local laws in a range of priority areas. • We implemented the Domestic Animal Management Plan 2017-2021 final year strategies. • We commenced community engagement relating to the development of the Domestic Animal Management Plan (2021-2025). • We received grant funding to subsidise outdoor dining for restaurants and cafes and A-frame permit fees to reduce the burden on small business due to the ongoing impacts of the COVID-19 Pandemic. • We deferred implementation of the Domestic Wastewater Management Plan until 2021/22. • We reviewed and adopted a new Municipal Emergency Management Plan. • We adopted an Emergency Management Policy. • We supported the development of a Regional Emergency Management Plan through our membership of the Regional Emergency Planning Committee (REMPC). • We made a submission through the Safer Together Program seeking a grant for \$45,000 to support ongoing fire prevention works.



STRATEGIC INDICATORS - OUR PLACE

The strategic indicators measure our success in achieving our strategic objective and strategies under 'Our Place'.

Reduce Council's resource use

Measure	Source	Result	Comment
Percentage change in Council's annual electricity consumption compared with previous year	Council's greenhouse gas emissions reporting system	2017/18 0.3% increase	Decrease in electricity is attributable to reduced facility use due to COVID-19, as well as solar PV installations and energy efficiency works completed in December 2019 through the Local Government Energy Savers Program. The facilities with the greatest net decreases were the Alexandra Office's and Marysville Community Centre
		2018/19 0.5% increase	
		2019/20 10% decrease	
		2020/2021 8% decrease	

Measure	Source	Result	Comment
Percentage change in Council's annual potable water consumption compared with previous year	Council's greenhouse gas emissions reporting system	2017/18 15.2% decrease	Increases were contributed by emptying and refilling the Eildon and Marysville Swimming Pools.
		2018/19 4.1% decrease	
		2019/20 5.2% increase	
		2020/2021 12.5% increase	

Measure	Source	Result	Comment
Percentage change in Council's annual paper consumption compared with previous year	Council's Paper Reporting System	2017/18 5.1% increase	Attributed to staff working from home rather than the office
		2018/19 11.3% decrease	
		2019/20 27.8% decrease	
		2020/2021 58.5% decrease	

Reduce Waste Going to Landfill

Measure	Source	Result	Comment
Proportion of waste diverted from landfill	Waste and recyclable tonnage measured via Council's landfill weighbridge and Council's recyclable reprocessing contractors' weighbridge	2017/18 – 35%	Diversion of waste from landfill at the kerbside (as a percentage) increased by 0.8% this year compared to last year. This is indicative of increasing volumes of recycling generation, as recycling increased 9.0% by weight while garbage increased 5.0%.
		2018/19 – 34.09%	
		2019/20 - 33.6%	
		2020/2021 – 34.4%	

Community satisfaction with the appearance of public places

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance on appearance of public places	2019 Local Government Community Satisfaction Survey	2017/18 - 66	This score has remained stable over the last three years with a slight drop in 2020/2021 potentially due to a shift in priorities due to COVID-19.
		2018/19 - 71	
		2019/20 - 70	
		2020/2021 – 69	

Strengthened community engagement in safety planning and preparation

Measure	Source	Result	Comment
Number of meetings and workshops held and publications issued relating to safety planning and preparation	Council's records	2017/18 - 32	These include: Municipal Emergency Management Planning Committee, Municipal Fire Management Planning Committee and Fire Advisory Committee
		2018/19 - 45	
		2019/20 - 41	
		2020/2021 - 34	

Community satisfaction with Council's land use planning policy

Measure	Source	Result	Comment
Weighted average ratings of 'professionalism' and 'responsiveness' of planning staff by planning permit applicants	Customer Satisfaction Survey of planning applicants conducted annually by Council (note small sample sizes)	2017/18 – 93%	From 11 survey responses 72% rated the planning team service as excellent
		2018/19 – 69%	
		2019/20 – 75%	
		2020/2021 - 72%	

Retain or improve the proportion of our roads and open spaces in good condition

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance on condition of sealed roads	2019 Local Government Community Satisfaction Survey	2017/18 - 42	Programs currently well received with multiple compliments on the general condition of assets
		2018/19 - 48	
		2019/20 - 50	
		2020/2021 - 48	
Index score (maximum = 100) based on resident perceptions of performance on condition of unsealed roads	2019 Local Government Community Satisfaction Survey	2017/18 – not measured	Programs currently well received with multiple compliments on the general condition of assets
		2018/19 – not measured	
		2019/20 - 41	
		2020/2021 - 39	

Measure	Source	Result	Comment
Proportion of roads and transport capital works program delivered in the 2020/2021 financial year	Council's capital works program	2017/18 – 90%	
		2018/19 – 85%	
		2019/20 – 61%	
		2020/2021 – 71%	



REPORT OF OPERATIONS - OUR PLACE

This report of operations provides the results of the prescribed performance indicators that relate to the strategies under 'Our Place'. These indicators are also published on the Know Your Council website.

Service Performance Indicators	Results 2017	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Service / indicator /measure						
Animal Management						
Timeliness Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.81	1.84	3.00	3.00	1	Decreased response time due to extra resource (1x additional EFT ranger from 2019-2020)
Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	71.01%	60.00%	30.48%	50.32%	32.88%	Large number of cats unable to be reclaimed swaying reclaim numbers. 70% of dogs reclaimed
Animals rehomed [Number of animals rehomed / Number of animals collected] x100	New in 2020	New in 2020	New in 2020	42.04%	20.72%	Large number of cats unable to be rehoused swaying numbers. 95% of dogs reclaimed/ rehoused.
Service cost Cost of animal management service per population [Direct cost of the animal management service / Population]	New in 2020	New in 2020	New in 2020	\$11.35	\$12.87	The increased cost for the delivery of the service reflects the addition of 1EFT position to the community safety unit.
Health and safety Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	New in 2020	New in 2020	0.00%	0.00%	There were no animal management prosecutions in 2020/2021.

Service Performance Indicators						
Service / indicator /measure	Results 2017	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Food Safety						
Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.00	1.00	2.00	3.00	2.00	All food complaints were acted on within two working days, this is an improvement from 3 working days last year.
Service standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	88.89%	88.24%	86.84%	100.00%	88.24%	The decrease in the number of food safety assessments is largely due to business closures during the COVID-19 pandemic. EHO conducted educational visits to registered premises to ensure business were meeting the COVID-19 requirements.
Service cost Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$591.15	\$553.05	\$1,124.23	\$963.33	\$1034.48	The increase in overall cost of service can be attributed to additional resources required during the peak of COVID-19.
Health and safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	93.75%	100.00%	100.00%	100.00%	100.00%	All Critical and major non-compliance items were followed up to ensure compliance with the Food Act 1984 requirements.

Service Performance Indicators	Results	Results	Results	Results	Results	
Service / indicator /measure	2017	2018	2019	2020	2021	Comments
Roads						
Satisfaction of use Sealed local road requests						
[Number of sealed local road requests / Kilometres of sealed local roads] x100	4.60	14.35	8.79	59.55	65.52	Slight increase in requests due to adverse weather conditions.
Condition Sealed local roads maintained to condition standards						
[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	89.96%	90.64%	91.62%	95.01%	96.41%	Council has significantly increased this percentage over the last 5 years.
Service cost Cost of sealed local road reconstruction						
[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$53.68	\$52.37	\$57.18	\$19.20	\$59.60	Slight decrease on 2019/20.
Service Cost Cost of sealed local road resealing						
[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$7.82	\$7.89	\$4.18	\$5.92	\$5.87	This cost has remained consistent with the 2019/20 year.
Satisfaction Satisfaction with sealed local roads						
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	46.00	42.00	48.00	50.00	48.00	Slight reduction in the satisfaction of Sealed roads due to a wetter than normal summer season.

Service Performance Indicators						
Service / indicator /measure	Results 2017	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Statutory Planning						
Timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	49.00	57.00	60.00	84.00	59.00	Council saw an increase in number of Vicsmart and smaller scale applications. Officers have also spent significant time implementing process changes to reduce overall time taken for a decision to be made on an application.
Service standard Planning applications decided within required time frames [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	87.07%	68.37%	69.52%	59.45%	75.47%	Council saw an increase in the number of smaller scale applications and a decrease in number of complex applications. In addition to this, considerable time has been spent by officers improving internal processes.
Service cost Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$1,916.14	\$1,551.67	\$1,630.19	\$1,750.57	\$1,457.08	Council saw an increase in number of Vicsmart and smaller scale applications which attracts a smaller application fee.
Decision making Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	66.67%	66.67%	100.00%	0.00%	50.00%	Council had two applications determined by VCAT in the reporting period. One decision was set aside by the Tribunal.

Service Performance Indicators						
Service / indicator /measure	Results 2017	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Waste Collection						
Satisfaction Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	9.02	18.91	85.18	64.55	53.33	Based on requests for household service provision resulting in action by the contractor.
Service standard Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	1.64	1.12	0.98	1.35	0.89	Based on bins recorded data for missed bins.
Service cost Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$64.91	\$68.36	\$70.42	\$72.60	\$74.64	The balance of change in contract service costs per tenement and growth in new services resulted in relatively steady cost of service.
Service cost Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$56.09	\$59.40	\$62.76	\$72.72	\$71.99	The balance of change in contract service costs per tenement and growth in new services resulted in a relatively steady cost of service.
Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	36.30%	34.92%	34.09%	33.59%	34.43%	Recyclables collected at the kerbside increased 9% over the previous year, while garbage collected at the kerbside increased only 5%. It is noted that tenement numbers only increased 2% so that overall each household is generating more waste and even more recycling.

OUR PROSPERITY

STRATEGIC OBJECTIVE 3:

IN PARTNERSHIP WITH THE COMMUNITY WE WILL PROMOTE AN ENVIRONMENT IN WHICH BUSINESS AND COMMUNITY CAN THRIVE

WHAT WE AIM TO ACHIEVE: (Strategies)	WHAT WE DID IN 2020/2021:
1. Use a fresh approach to attract new and existing business investment	<ul style="list-style-type: none"> We implemented the Better Approvals Project which provides a streamlined approach for existing and new businesses to navigate the regulatory requirements. We waived food premises permit fees and we waived the 25% rate premium normally paid by commercial properties in recognition of the impact of the COVID-19 pandemic. We established a COVID-19 Business Support Team. We set up the 'Dindi Directory' to promote services and businesses still operating during restriction periods and encourage people to spend locally. We set up the 'Dindi Store' to encourage people outside of the Shire to purchase vouchers and produce from our businesses. We participated in the State Government Working for Victoria program that employed local people (where possible) to deliver COVID-19 responses. This kept 42 Victorians employed during the period who had otherwise been stood down, and delivered \$1.2 million in wages into the economy. We received 11 investment enquiries via our 'Murrindindi Investment' website and supported them with advice and information. In partnership with Mansfield Shire Council we promoted investment and development opportunities identified in the Lake Eildon Masterplan. We reviewed internal processes to facilitate the Sustainable Subdivisions Framework.
2. Work with our businesses, regional partners and communities to support a diverse visitor experience that promotes our natural assets, and a vibrant range of events	<ul style="list-style-type: none"> We delivered the "Better Out Than In" social media campaign to drive visitation to Murrindindi's larger townships and encourage family holiday visitation. It attracted over 1 million views and over 20,000 visits to the 'Discover Dindi' website. We commenced working with Tourism North East as our regional tourism board to promote the Shire as a tourism destination and support tourism business development and growth. We promoted our natural assets through media opportunities including the Midland Express publication and Traveller publication in partnership with Tourism North East. We attended the Virtual Melbourne Boat Show to promote Lake Eildon to potential visitors. We worked with Tourism North East to coordinate face to face meetings for over 20 tourism operators with the Tourism North East team and supported the Walk Kickstarter Program which was undertaken by one Murrindindi Shire business. Our Business Advisory Committee provided input on challenges and opportunities for the Shire's tourism sector. Our 'Discover Dindi' social media audiences grew by 4,400 on Instagram with a post reach of 3.8 million people and by 4,100 on Facebook with a post reach of 5.7 million people. We undertook a review of visitor information servicing in Murrindindi Shire to understand future opportunities. We were successful in securing \$2.7 million funding for a multi-use trail in Eildon and an art sculpture project for the Great Victorian Rail Trail. We held two management and industry engagement meetings on progressing the Great Victorian Rail Trail Strategic Development Plan and completed a marketing guide for businesses to leverage opportunities provided by the trail.



WHAT WE AIM TO ACHIEVE: (Strategies)	WHAT WE DID IN 2020/2021:
3. Support and encourage local businesses to work together, thrive and grow, through networking, start-up assistance, mentoring, and access to skills	<ul style="list-style-type: none"> • We provided 12 Business News e-newsletters to businesses focusing on a range of opportunities to support their sustainability and growth. • We undertook over 650 'check in' calls to businesses to offer advice and support. • We delivered 13 online sessions including workshops and forums for businesses to learn and network. • We provided support and information to local business and trader groups through the Business Advisory Committee.
4. Advocate for and support high quality opportunities for education and training to meet community and business needs	<ul style="list-style-type: none"> • We continued to deliver our Grants and Contributions Program, including the Governance, Skills and Capacity Building stream. This stream supported businesses to understand their business and develop new skills and capacity, opening up new opportunities for growing employment.
5. Advocate for improved infrastructure and access to public land to realise social and economic opportunities	<ul style="list-style-type: none"> • We advocated to the Local State and Federal Members of Parliament for infrastructure improvements and increased phone coverage. • We worked with other stakeholders to further advocate for improved broadband services to the Community.

STRATEGIC INDICATORS - OUR PROSPERITY

The strategic indicators measure our success in achieving our strategic objective and strategies under 'Our Prosperity'.

Increasing reach and impact of our business support activities

Measure	Source	Result	Comment
Number of businesses registered on Council's Electronic Direct Mail list	Council's internal records	2017/18 - 213	Rapid expansion due to need to reach and provide additional support to businesses during pandemic. At 30 June 2021 there were 4729 registered businesses across the Murrindindi Shire.
		2018/19 - 291	
		2019/20 - 571	
		2020/2021 - 1654	

Measure	Source	Result	Comment
Number of local business events supported by Council	Council's internal records	2017/18 - 29	Due to COVID-19, all sessions were provided online.
		2018/19 - 7	
		2019/20 - 9	
		2020/2021 - 13	

Increased business investment

Measure	Source	Result	Comment
Value of commercial building works for building permits issued	Council's building permit register	2017/18 - \$4.3 million	Alexandra Primary School - \$3.147 million through the Permanent Modular School Buildings Program. Alexandra football netball club - \$1.8 million \$1.5 million upgrade to Eildon Foodworks
		2018/19 - \$2.6 million	
		2019/20 - \$3.3 million	
		2020/2021 - \$7.2 million	

Growth in new dwelling approvals

Measure	Source	Result	Comment
Number of new dwelling building approvals	Council's building permit register	2017/18 - 108	Building activity for new dwellings remains steady across the municipality.
		2018/19 - 111	
		2019/20 - 127	
		2020/2021 - 117	

Measure	Source	Result	Comment
Value of new dwelling works approved	Council's building permit register	2017/18 - \$31.3 million	The increase in the value of dwellings is due to a greater number of high-value dwellings being approved compared to previous years.
		2018/19 - \$37.3 million	
		2019/20 - \$51.6 million	
		2020/2021 - \$59 million	

STRATEGIC INDICATORS - OUR PROSPERITY

Implementation of our strategic land use plans

Measure	Source	Result	Comment
Number of completed and approved local planning scheme amendments	Murrindindi Planning Scheme	2017/18 - 2	Amendment C70 was approved. Two planning scheme amendments were initiated during the 2020/2021 year but are yet to be finalised.
		2018/19 - 3	
		2019/20 - 0	
		2020/2021 - 1	

Increased visitation to the Shire

Measure	Source	Result	Comment
Estimated domestic overnight visitors to the Shire	Australian National Visitors Survey	2017/18 – 322,000	Council no longer has access to these statistics. New metrics will be sourced in the future as part of the new 2021-2025 Council Plan.
		2018/19 – 244,000	
		2019/20 – Not Available	
		2020/2021 - Not Available	

REPORT OF OPERATIONS - OUR PROSPERITY

There are no prescribed performance indicators or measures that specifically relate to the strategies under 'Our Prosperity'.

OUR PROMISE

STRATEGIC OBJECTIVE 4:

WE WILL ALL WORK IN COLLABORATION WITH OUR COMMUNITIES TO DELIVER THE BEST POSSIBLE OUTCOMES IN ALL THAT WE DO.

WHAT WE AIM TO ACHIEVE: (Strategies)	WHAT WE DID IN 2020/2021:
<p>1. Represent and advocate for our community in a transparent and equitable way</p>	<ul style="list-style-type: none"> • We advocated to State and Federal Members of Parliament on the following issues in the 2020/2021 year: <ul style="list-style-type: none"> - funding for the design of facilities in the Eildon Reserve Precinct Improvement Plan - extension of the Working for Victoria Grants Program. - improving digital connectivity and National Broadband Network (NBN) service provision - addressing the shortage of local General Practitioners in our Shire - stronger action by, and support from, governments to address climate change - ongoing challenges to financial sustainability of small rural councils - the need for faster planning amendment processes to facilitate residential development - funding for implementation of the Lake Eildon Master Plan - cessation of logging in areas close to Snobs Creek Falls • We sought support from ministers in State and Federal Government for Murrindindi Shire's COVID-19-related Business and Community Recovery Plans. • Our newly elected Councillors undertook the mandatory 6 month Councillor Induction Program. The program focused on introducing Councillors to the legislated requirements under the Local Government Act 2020 and general overview of Council services. • We continued the implementation of the Local Government Act 2020 including: <ul style="list-style-type: none"> - Adoption of the Governance Rules 2020 - Adoption of the Councillor Expenses and Support Policy - Established an Audit and Risk Committee under the new Act - Established five Community Asset Committees - Designed and implemented a six month Councillor Induction Training Program - Adoption of the Councillor Gifts and Hospitality Policy - Adoption of the Councillor Code of Conduct - Adoption of the Community Engagement Policy

WHAT WE AIM TO ACHIEVE: (Strategies)	WHAT WE DID IN 2020/2021:
2. Ensure our culture, systems and technologies encourage and enable innovation in our business practices and service delivery	<ul style="list-style-type: none"> • We implemented an online engagement tool (The Loop) to enhance engagement with the community. • We commenced the Digital Futures project which will oversee the implementation of the Information and Communication Technology Strategy. • We continued the rollout of mobility solutions to staff to enable flexible service delivery. • We completed our draft Enterprise Systems Architecture and ICT Strategy.
3. Ensure the range of services we provide and the way we provide them are best aligned with community priorities and Council's resources	<ul style="list-style-type: none"> • We continued a detailed review of our current level of infrastructure maintenance services. • We deferred the Library Strategy to the 2021/22 financial year. • We extended our shared service arrangement for Building Services with Mansfield Shire Council to March 2023. • We commenced a joint initiative with several rural councils in the North East to explore shared service opportunities in Information Technology.
4. Commit to developing a stronger customer-focused culture that makes us easier to deal with	<ul style="list-style-type: none"> • We implemented a new Cloud-based Contact Centre phone system to enhance phone performance and improve customer experience. • We launched an after-hours call service for customers, to ensure a seamless service 24 hours a day.
5. Expand our communication and two-way engagement with the community	<ul style="list-style-type: none"> • Our Community Engagement Policy was adopted following a period of community consultation. • We established a participation platform called 'Dindi in The Loop' to enhance community engagement and consultation in projects and service delivery. • We advanced and completed the vast majority of short and medium term actions identified in the 2019 Communication Strategy. • We used our social media platforms to support the community in navigating the COVID-19 restrictions. • We grew our social media presence substantially - our main corporate Facebook page has reached 4,800 'likes', representing almost 33% of our population. • We continued to provide communications across multiple platforms, including via quarterly newsletters and advertising in print media to capture a wider audience and those who are not online. • We created a series of promotional videos for use online and through social media, including for recruitment purposes.

WHAT WE AIM TO ACHIEVE: (Strategies)	WHAT WE DID IN 2020/2021:
6. Maintain Council's financial sustainability through sound financial and asset management	<ul style="list-style-type: none"> • We completed the development of our 10-year Capital Works Program. • We commenced the review of our Asset Management Strategy. • We expanded the range of assets included in our new Asset Management System, with the incorporation of many of our building assets. • We completed the review of our Road Management Plan.
7. Support a skilled, engaged and flexible workforce that can respond to changing needs	<ul style="list-style-type: none"> • We reviewed our COVID-19-safe Plan and practices for our worksites and we began transitioning staff back to our offices in a limited capacity in accordance with the COVID-19 Restrictions. We continued to support staff to work effectively from home. • We were successful in obtaining funding under the Working for Victoria Scheme and employed 42 new staff for a 6 month period. • We commenced the development of Workforce and Succession Plans to guide ongoing recruitment practices, attraction and retention of staff strategies. • We conducted a staff survey to gauge our organisation's understanding of gender equality and to help guide further advancement and policy direction under the Gender Equality Act 2020. • We appointed a new OHS Committee and all of the Health and Safety Representatives undertook appropriate training.



STRATEGIC INDICATORS - OUR PROMISE

The strategic indicators measure our success in achieving our strategic objective and strategies under 'Our Promise'.

Community satisfaction with our consultation and engagement

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance on consultation and engagement	2020 Local Government Community Satisfaction Survey	2017/18 - 46	On par with both State and Small Rural Council average
		2018/19 - 55	
		2019/20 - 55	
		2020/2021 - 56	

Community satisfaction with our lobbying on behalf of the community

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of lobbying on behalf of the community	2020 Local Government Community Satisfaction Survey	2017/18 - 44	As much as we are slightly below the state average of 55, we are tracking positively from past years and holding consistency.
		2018/19 - 54	
		2019/20 - 49	
		2020/2021 - 52	

Community satisfaction with our customer service

Measure	Source	Result	Comment
Index score (maximum = 100) based on resident perceptions of performance of customer service	2020 Local Government Community Satisfaction Survey	2017/18 - 67	A drop in score reverses the pattern of an improving community satisfaction in recent years and puts Council slightly below small rural average of 69. Council is working to identify system and process issues which might have contributed to this result.
		2018/19 - 73	
		2019/20 - 74	
		2020/2021 - 67	

STRATEGIC INDICATORS - OUR PROMISE

Positive trends in the Victorian Auditor General's ratings of council's financial sustainability

Measure	Source	Result	Comment
Ratios for working capital, unrestricted cash and indebtedness performance declared in Council's audited performance statement	2019/20 Performance Statement	2017/18 Working Capital – 471.1% Unrestricted Cash – 73.1% Indebtedness – N/A	Although a strong result, the decrease in working capital from 2019/20 is due to the recognition of unearned grants as a liability (\$4.7 million). These are grants Council has received, however the matching expenditure will be incurred in future periods.
		2018/19 Working Capital – 590.2% Unrestricted Cash – 12.91% Indebtedness –22.86%	Decrease in the unrestricted cash result from 2019/20 is due to the recognition of unearned grants as a liability (noted above). Also, Council has significant cash holdings in term deposits, which are classified as 'financial assets' in our Balance Sheet (\$30.3 million). These cash holdings are excluded from the calculation which understates Council's actual unrestricted cash position.
		2019/20 Working Capital - 520.81% Unrestricted Cash - 186.28% Indebtedness – 24.55%	Slight increase indebtedness due to an adjustment to the landfill provision which increased following the annual review and alignment with EPA assurance requirements. It is also noted that council extinguished all loan debt in 2021/22.
		2020/2021 – Working Capital – 382.18% Unrestricted Cash - 34.58% Indebtedness – 29.98%	

Increased workforce engagement

Measure	Source	Result	Comment
Weighted performance score (maximum = 100) based on employee satisfaction across a range of factors	2020 Staff Satisfaction Survey	2017/18 - 69	Our 2020/2021 Staff Survey focused on the wellbeing of our staff within and outside of the workplace. It did not include a general staff satisfaction measure.
		2018/19 – N/A	
		2019/20 - 84	
		2020/2021 – N/A	

Innovation opportunities identified and implemented

Measure	Source	Result	Comment
Number of innovative business initiatives implemented	Internal records	2017/18 - 5	Business innovation initiatives implemented this year included: <ul style="list-style-type: none"> • A Cloud-based phone system for customer service, to answer enquiries from inside or outside the office • Extension of existing software to support formal project management and grant management • Implementation of new camera technology to stream physical Council meetings • Roll-out of software to manage desk booking and health monitoring during our return to the office when not in COVID lockdown • Purchased, configured and allocated 70 standardised laptops with secure VPN access to Council systems, and SIM cards to enhance mobility • Introduced a new system at RRCs to capture waste and recycling data on customer arrival, for pricing consistency and a comprehensive overview of our Waste & Recycling business sustainability • Implemented a range of online form-driven processes to minimize reliance on print facilities
		2018/19 - 8	
		2019/20 - 10	
		2020/2021 - 7	

REPORT OF OPERATIONS - OUR PROMISE

This report of operations provides the results of the prescribed performance indicators that relate to the strategies under 'Our Promise'. These indicators are also published on the Know Your Council website.

Service Performance Indicators	Results 2017	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Service / indicator /measure						
Governance						
Transparency Council decisions made at meetings closed to the public [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100	7.43%	6.19%	15.34%	14.88%	4.11%	A significant effort was made in 2020/2021 to increase the number of reports considered in meetings which are open to the public.
Consultation and engagement Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	42.00	46.00	55.00	55.00	56.00	The index score for 2020/2021 remained similar to the previous two years.
Attendance Councillor attendance at council meetings [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100	89.68%	94.29%	92.86%	92.44%	98.41%	Councillor attendance at Council meetings was very high in 2020/2021 due to the ability to attend meetings in an online capacity in response to the pandemic restrictions.
Service cost Cost of elected representation [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$36,959.14	\$39,205.29	\$40,094.43	\$35,567.92	\$36,447.14	Cost of elected representation remained similar to previous years.
Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	41.00	45.00	55.00	53.00	54.00	There was no significant change in satisfaction with Council decision making in 2020/2021.

CORPORATE DEVELOPMENT OUR ORGANISATION

WORKFORCE PROFILE AND GENDER EQUITY

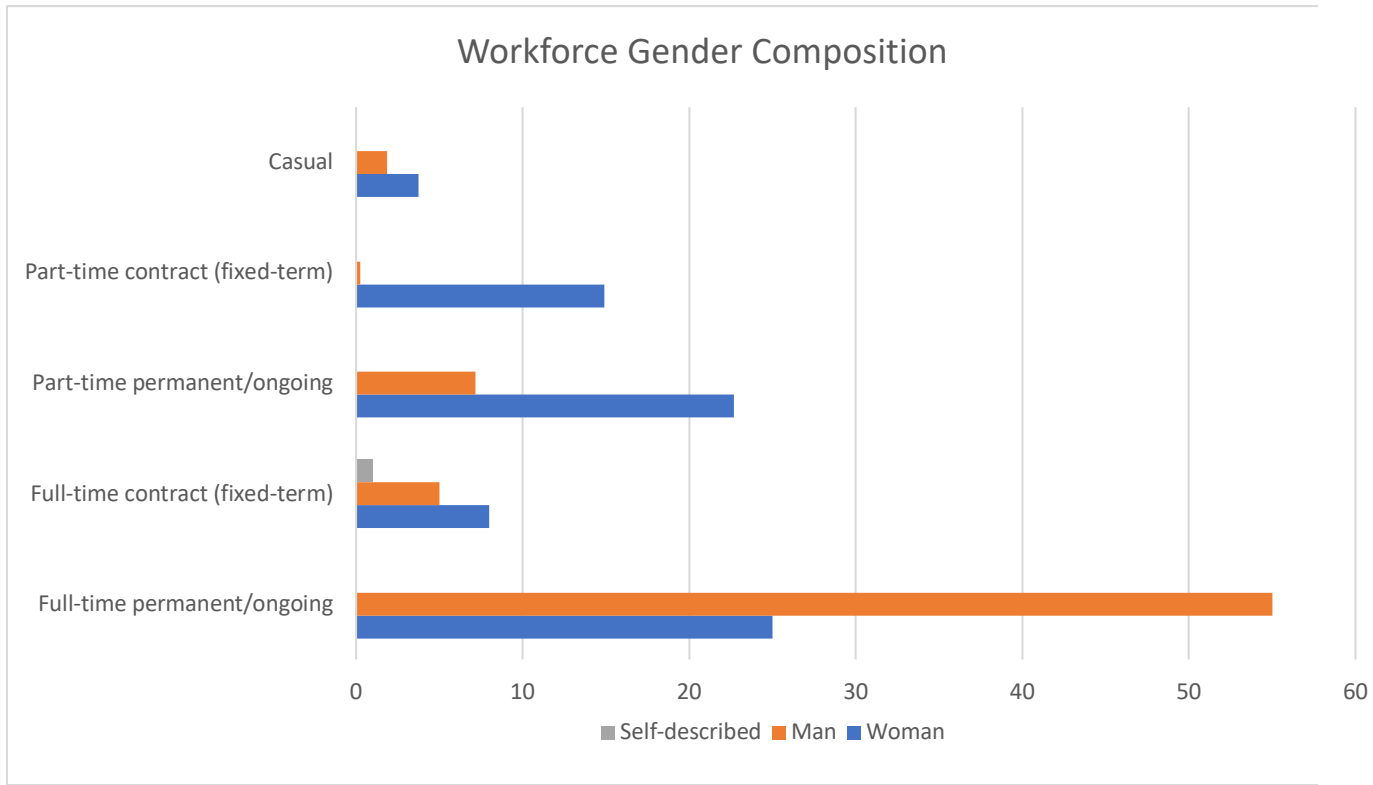
Our work

In 2020/2021, we supported a number of initiatives aimed at addressing key drivers of gender inequity. The initiatives included:

- partnering with the Victorian Government to construct female-friendly change rooms at Yea Recreation Reserve and at Alexandra Football and Netball Club
- delivering a ‘This Girl Can’ campaign over summer, encouraging girls and women to participate in physical activity
- raising staff and community awareness during the 16 Days of Action on Violence Against Women
- participation in working parties such as the Goulburn LGA Gender Equity Community of Practice group

Our Workforce

Summaries of the number of Full Time Equivalent (FTE) employees categorised by employment classification and gender are set out below (including temporary positions).



We recognise that gender equity is about more than just numbers. It is also about our values and culture and a willingness to examine and challenge the status quo. Victoria’s recently enacted Gender Equality Act 2020 (the Act) provides us with the perfect platform for refreshing our focus on creating a safe, respectful and effective workplace for people of all genders.

The Act, which came into effect in 2021, aims to improve workplace gender equality across the Victorian public sector, universities and local government bodies. As such, we commenced reporting through the Gender Equality Audit, which guides the development of our Gender Equality Action Plan. We were a participant in the People Matters Survey in the 2020/2021 year to assist with the completion of the Gender Equality Audit.

We also envisage positive outcomes for both our employees and the community as we consider the broader areas of diversity and disadvantage such as disability, ethnicity, race, religion, and sexual orientation in recruiting and retaining staff, or when developing policies, programs services.



HEALTH AND SAFETY OF OUR PEOPLE

Our employees demonstrate high levels of engagement and commitment to doing the best for our communities. We are proud of our staff and support them to do their best to deliver our services.

Health and Wellbeing

Our Leadership Team actively supported the health and wellbeing of all employees through regular online staff meetings, individual coaching and check-in sessions to ensure employees were coping with the changed work environment under COVID-19 restrictions. Employees had access to monthly health and wellbeing workshops, information and training and the Employee Assistance Program delivered by Converge International.

A virtual 'wellbeing space' was made available to staff, including OHS wellbeing and training sessions that featured yoga, trivia competitions, music and Friday catch ups.

We remained a participant in the Local Government Employees Health Plan Scheme, which enables our employees to join a private health fund at competitive rates.

Occupational Health and Safety (OHS)

We have a duty of care to all employees and demonstrates this by providing a safe and healthy work environment.

Our Occupational Health and Safety Committee is made up of four designated workgroups, with eight elected Health and Safety Representatives (HSRs). Four members representing management and the executive sit on the Committee.

With the introduction of CAMMs, our new online risk and event register, the OHS Committee now has a greater oversight of hazards and risks, enhancing our the ability of management and HSRs to investigate and resolve these promptly.

We were a member of the MAV WorkCare Self-Insurance Scheme during 2020/2021. The Scheme ended on 30 June 2021 and Council will be covered by the State WorkCover Scheme from 1 July 2021.

TRAINING AND DEVELOPMENT

We continued to focus on providing a comprehensive training and development program to ensure that employees are provided with skills and knowledge to deliver their responsibilities, meet compliance requirements and to support their career development.

In 2020/2021 we again achieved strong participation across a diverse training program to meet our training needs assessment.

The delivery of onsite and offsite training included

- Manual Handling
- Lone Worker training - face to face
- OHS Committee Training
- OHS Refresher for Supervisors
- OHS Investigator Training
- OHS Refresher for Managers
- Contractor Management
- Contact Officer Training
- ELMO Developing Resilience
- First Aid and Cardiopulmonary Resuscitation (CPR) to the Operations staff
- Snake First Aid to Operations and Waste staff
- 5 Day OHS Representation Training
- 1 Day Refresher for existing Health and Safety Representatives
- Procurement and Contracting
- Accounts Payable and Accounts Receivable End of Year processes
- Council Report Writing Workshop
- Social Media Training
- Engagement Essentials
- Video Filming and Editing Course
- Municipal Recovery Manager Training
- Emergency Relief Centre Manager Training
- Graphic Design Course

In addition, there were 85 enrolments in 35 online learning courses with a 97% completion rate.

Summary

Number of Courses: 1

Total Enrolments: 88

Total Completions: 97%

Status	Enrolments	Percentage
Not Yet Started	3	3%
In Progress	0	0%
Completed	85	97%
Exempted	0	0%
Recompletion Required	0	0%



● Not Yet Started
● In Progress
● Completed
● Exempted
● Recompensation Required

STAFF SATISFACTION SURVEY

We ran the Employee Wellbeing and Satisfaction Survey in April 2021, with nearly 50% of the workforce participating. The aim of this Survey was to gauge staff wellbeing, to gain a better understanding of how staff were coping with working remotely due to the COVID-19 pandemic and to assess the outlook as we planned transition to working post-pandemic.

AWARDS/RECOGNITIONS

Due to COVID-19 restrictions, Council was unable to hold its annual employee recognition gathering. However an online mechanism for peer recognition was implemented allowing staff to acknowledge each other’s efforts and Council held a small afternoon tea to recognise two staff who reached 25 years of service.

EQUAL EMPLOYMENT OPPORTUNITY (EEO)

Murrindindi Shire Council is committed to providing

- a workplace that is free from bullying, sexual harassment, harassment, discrimination and victimisation and where staff, Councillors, contractors, prospective employees and volunteers treat each other with respect, courtesy and dignity
- an environment where diversity is embraced and employment and promotion decisions are merit-based
- flexible work arrangements to encourage full participation in the workplace
- an organisation that recognises its responsibility to act responsibly within the community
- a workplace where individuals can raise concerns without fear of victimisation

Council adopted its Equal Opportunity Policy on 27 May 2020. The Policy outlines a series of Council commitments, Leadership Team commitments and sets standards for all staff, contractors and volunteers.

STAFF CODE OF CONDUCT

The Murrindindi Shire Council Staff Code of Conduct guides our staff behaviours in line with our organisational values. It enables a shared understanding of how to work together to create an enjoyable, satisfying and productive workplace.

For the community, our Code of Conduct establishes our commitment to carry out our duties and deliver our services responsively, impartially, professionally and with the highest level of integrity. The Code of Conduct has been updated in line with requirements under the Local Government Act 2020. The updated Code has been structured around the organisational values and how these values are demonstrated in the everyday activities staff face.

The Code also puts greater emphasis on fraud and corruption prevention, the effective management of gifts, benefits and hospitality, as well as staff obligations on privacy and data protection.

All new employees were made aware of their obligations under the new Code of Conduct as part of their induction by completing an online training module and knowledge assessment.

CORPORATE DEVELOPMENT OUR COUNCIL

INTEGRATED PLANNING FRAMEWORK

Murrindindi Shire Council's corporate planning framework identifies the relationship between the Council Plan, its various strategies and the individual departmental business plans and staff performance plans.

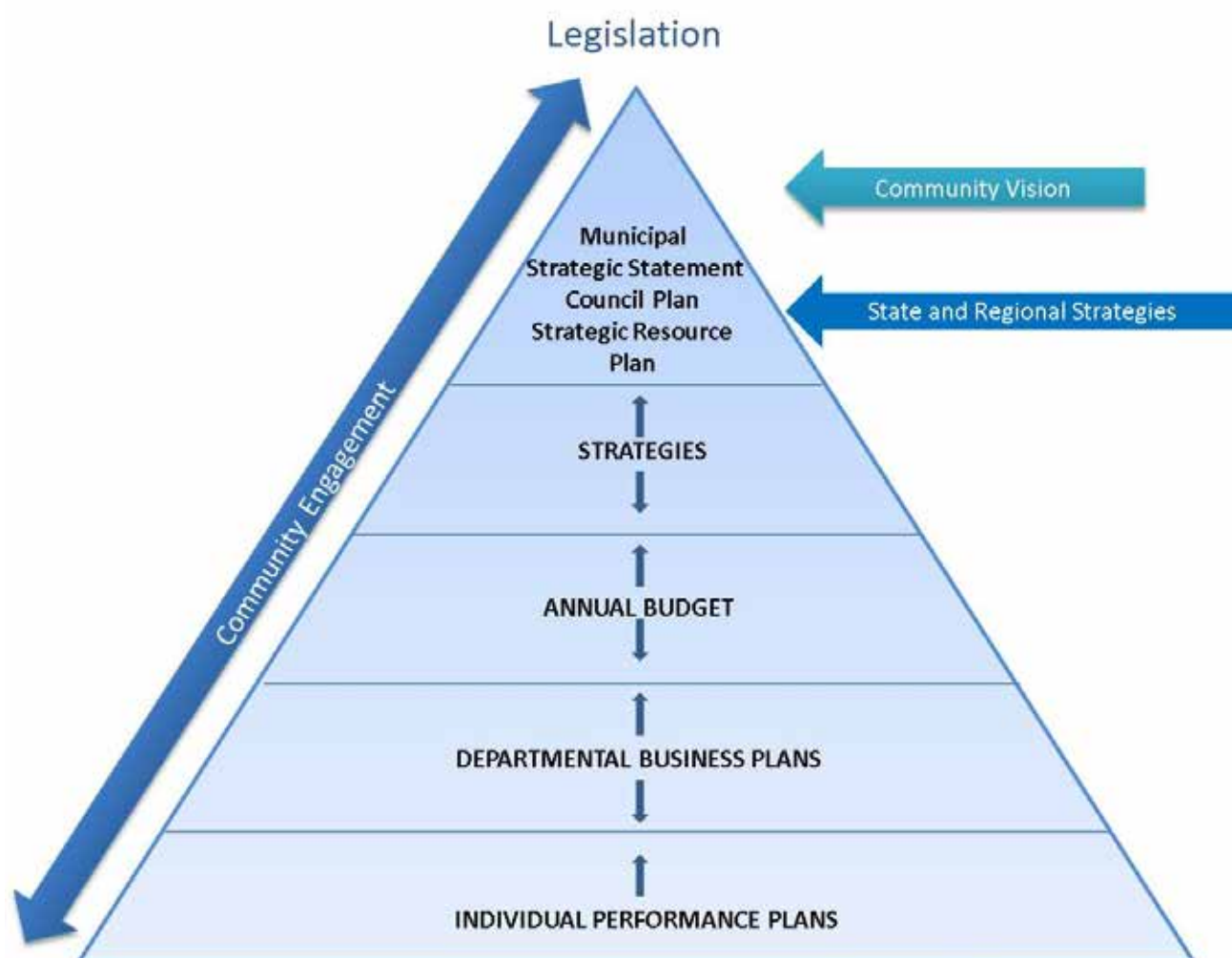


Figure 2: Integrated Planning Framework

The Planning Framework provides for the Council Plan strategic objectives to be linked to the implementation of adopted strategies that are funded and resourced through the Annual Budget.

Council then measures and monitors its performance and reports both internally and to its community as required. Council receives from officers formal reports on a quarterly basis detailing progress against the Council Plan and the Annual Budget.

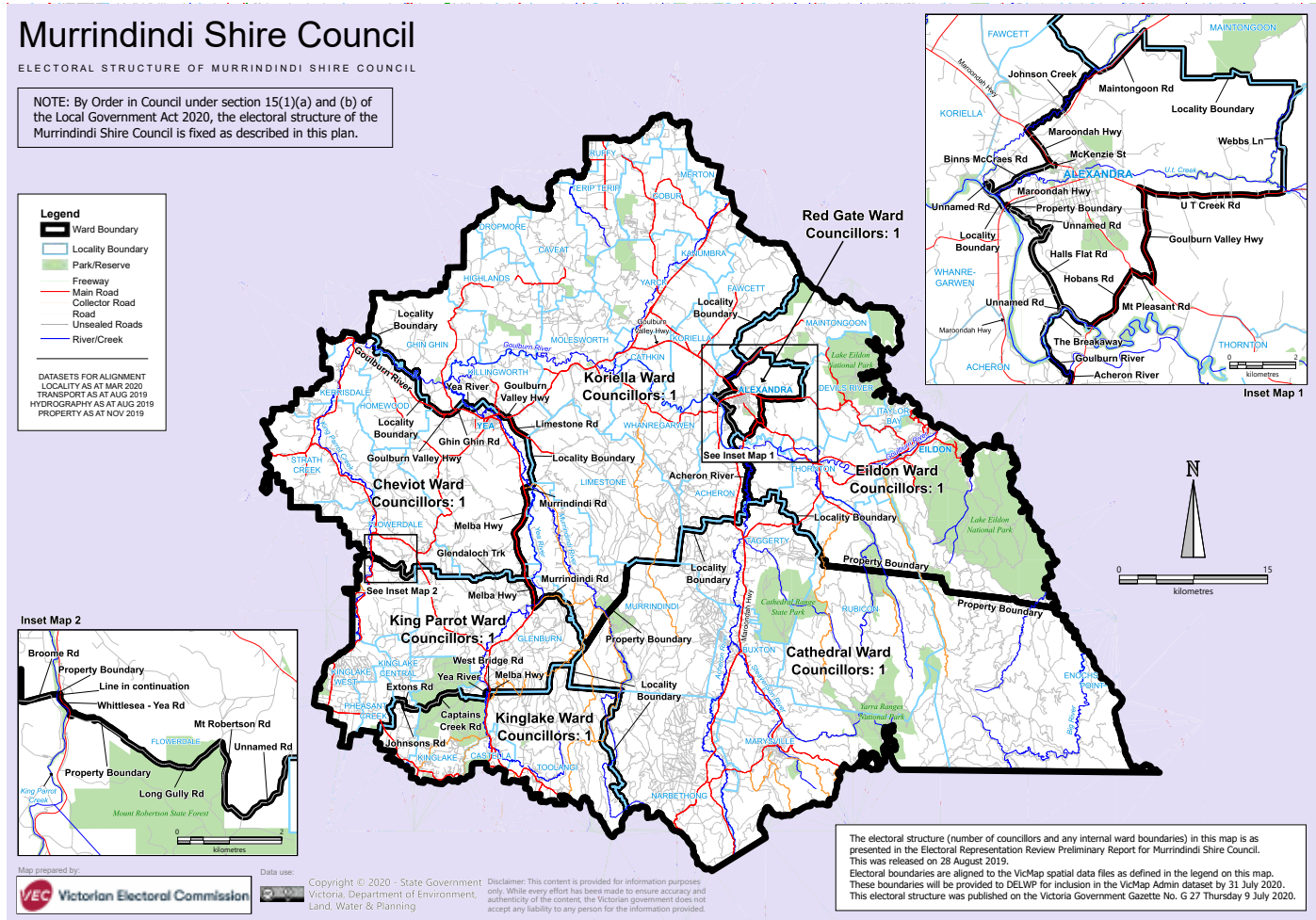
THE ROLE OF LOCAL GOVERNMENT

Local Government is governed by councillors who live within the municipality to which they are democratically elected by their local communities. As such it is the ‘grass roots’ level of government.

Section 8 of the Local Government Act 2020 states that the role of a council “is to provide good governance in its municipal district for the benefit and wellbeing of the municipal community”.

COUNCIL ELECTORAL STRUCTURE

Murrindindi Shire is divided into seven single councillor wards. Ward boundaries are aligned to ensure an even spread of voters in each ward.



COUNCIL ELECTIONS

A general election was held on 24 October 2020 and seven Councillors were elected for a four-year term. The Councillors were sworn in on 16 November 2020.

The Shire's Councillors are: Cr Sandice McAulay (Cathedral Ward), Cr Sue Carpenter (Cheviot Ward), Cr Karine Haslam (Eildon Ward), Cr Eric Lording (King Parrot Ward), Cr Ilona Gerencser (Kinglake Ward), Cr John Walsh (Koriella Ward), Cr Damian Gallagher (Red Gate Ward).

Each year the seven Councillors elect the Mayor and Deputy Mayor. At the Unscheduled Meeting of 23 November 2020, Cr Sandice McAulay was elected as Mayor and Cr Sue Carpenter was elected as Deputy Mayor for a period of 12 months.

COUNCILLOR CODE OF CONDUCT

Section 139 of the Local Government Act 2020 requires all councils to develop a Code of Conduct within four months of a general election.

The Councillor Code of Conduct sets the conduct, principles and values that Councillors will abide by in their roles as individual Councillors and collectively as a group. It is also a means by which Councillors can hold each other accountable and provides a process for addressing conflict, complaints and any performance management issues.

The Councillor Code of Conduct must include the standards of conduct prescribed by the regulations, which include

1. Treatment of others
2. Performing the role of the Councillor
3. Compliance with good governance measures
4. Council must not mislead or discredit the Council or public
5. Standards do not limit robust political debate

The Councillor Code of Conduct was adopted by Murrindindi Shire Council on 24 February 2021.

COUNCILLOR SUPPORT AND REMUNERATION

An important reform of the Local Government Act 2020 is the transfer of responsibilities for determining mayoral, deputy mayoral and councillor allowances to the Victorian Independent Remuneration Tribunal (the Remuneration Tribunal). However, until the Remuneration Tribunal makes its first determination on allowances, the allowance framework under the Local Government Act 1989 (1989 Act) continues to apply.

Section 74 of the Local Government Act 1989 provides for the Governor in Council to set allowances for mayors and councillors. Councils are categorised according to their size and revenue base and an allowance range payable to councillors is set for each category. Murrindindi Shire Council is a level one council.

The current Councillor remuneration and allowances are as per the limits that are determined by the Minister for Local Government each year. The 2020/2021 allowance paid to the Mayor of Murrindindi Shire Council was \$62,884 with the provision of a corporate standard vehicle, and an amount equivalent to 9.5% superannuation. The allowance paid to Murrindindi Shire Councillors was \$21,049 plus an amount equivalent to 9.5% superannuation for the 2020/2021 financial year.

Council adopted the Councillor Expenses and Support Policy on 22 July 2020. This Policy establishes the resources and support necessary to enable councillors and members of delegated committees to perform their role, as defined under the Local Government Act 2020 (the Act).

The Local Government (Planning and Reporting) Regulations 2014 Part 4—Annual Report, Division 1 requires Council to report annually regarding councillor expenses.

The expenses are set out in the following categories

Travel expenses – includes any taxi fares, public transport costs, remote travel allowance and reimbursement for kilometres travelled in their private vehicles associated with Council-related travel.

Childcare expenses – includes any childcare costs associated with enabling councillors to undertake their councillor role.

Information and Communication expenses – includes capital costs, monthly fees and usage costs associated with councillor mobile phones and information technology equipment or software. This exclude any personal use costs.

Conference and Training expenses – includes any registration fees, travel, accommodation and incidental costs associated with attendance or participation in conferences or professional development programs related to councillors performing their councillor role.

Other expenses – includes any subscriptions, uniform, name badge, business cards and other incidental expenditure related to councillors performing their role.



A general election of Council was held in October 2020. This summary below includes remuneration for all councillors who served during all, or part of the 2020/2021 year.

Councillor	Allowances	Travel Expenses	Childcare Expenses	Information and Communications Expenses	Conference and Training Expenses	Other Expenses
Cr Ashe	\$7,187.00	\$ -	\$ -	\$299.69	\$ -	\$17.09
Cr Bisset	\$7,187.00	\$ -	\$ -	\$453.72	\$ -	\$17.09
Cr Bowles	\$7,187.00	\$ -	\$ -	\$270.14	\$ -	\$17.09
Cr Dunscombe	\$21,972.00	\$3,284.00	\$ -	\$557.47	\$ -	\$17.09
Cr Rae	\$7,187.00	\$ -	\$ -	\$649.73	\$ -	\$17.09
Cr Lording	\$19,800.00	\$1,756.50	\$ -	\$2,326.72	\$2,584.00	\$250.23
Cr McAulay	\$47,158.00	\$6,579.40	\$ -	\$2,452.56	\$3,906.20	\$336.28
Cr Carpenter	\$14,533.00	\$ -	\$ -	\$1,559.04	\$2,694.00	\$333.14
Cr Gallagher	\$14,533.00	\$2,937.10	\$ -	\$1,523.02	\$2,584.00	\$226.92
Cr Gerencser	\$14,533.00	\$4,289.30	\$ -	\$1,595.75	\$2,584.00	\$221.92
Cr Haslam	\$14,533.00	\$2,859.70	\$ -	\$1,648.17	\$3,980.30	\$221.92
Cr Walsh	\$14,533.00	\$1,327.70	\$ -	\$1,573.08	\$2,584.00	\$221.92

COUNCIL MEETINGS

Council decisions are made by resolution of Council either at Scheduled Council Meetings or at Unscheduled Council Meetings. Scheduled Meetings of Council are held on the fourth Wednesday of the month.

Council meetings alternate between the Alexandra and Yea Council Chambers or online where COVID-19 restrictions prevent face to face meetings. A schedule of Council meetings is available on our website and at any Council office. Community members are encouraged to attend and participate in Council meetings.

Council conducted ten Scheduled Meetings and three Unscheduled Meetings in the 2020/2021 year via ZOOM, an online video conferencing platform which were live-streamed via Council's website and Facebook page.

Council conducted two Scheduled Meetings at the Yea Council Chambers and one Unscheduled Meeting at the Alexandra Council Chambers that were live-streamed to the public via Council's website and Facebook page.

A 'Public Participation' session is held at the beginning of each Council meeting to allow members of the public to address Council or have questions answered by Council. Council continued Public Participation via ZOOM when the meetings moved to the virtual format.

Agendas for Council meetings are made available on Council's website (or from Council offices) no less than 48 hours before the scheduled meeting.

Council meetings are conducted in accordance with the procedures as detailed in Murrindindi Shire Council's Governance Rules 2020 and Governance Local Law 2, 2020.

Councillors also meet on the first three Wednesdays of each month throughout the year for briefing sessions. Briefing sessions give councillors the opportunity to hear presentations by Council officers on upcoming items and to seek clarification on these and other issues that may appear on the agenda at future Council meetings.

The Mayor and Deputy Mayor were elected at an Unscheduled Meeting of Council on 23 November 2020.

Council meeting attendance (includes both Council terms)

	Scheduled Council Meetings		Unscheduled Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended
Cr L Dunscombe	4	4	2	2
Cr M Rae	4	4	2	2
Cr J Ashe	4	4	3	2
Cr C Bisset	4	4	3	2
Cr R Bowles	4	4	3	3
Cr E Lording	12	12	6	6
Cr S McAulay	12	12	6	6
Cr S Carpenter	8	8	4	4
Cr D Gallagher	8	8	4	4
Cr I Gerencser	8	8	4	4
Cr K Haslam	8	8	4	4
Cr J Walsh	8	8	4	4

COMMUNITY ASSET COMMITTEES AND DELEGATED COMMITTEES

In accordance with section 65 of the Local Government Act 2020, Council may establish Community Asset Committees, which are delegated certain powers by the Chief Executive Officer. These committees were previously known as Council Committees of Management under Section 86 of the Local Government Act 1989.

Council established five Community Asset Committees at its 24 August 2020 Scheduled Meeting, including:

- The Gallipoli Park Precinct Community Asset Committee
- The Glenburn Community Centre Community Asset Committee
- The Yea Recreation Reserve and Showgrounds Community Asset Committee
- The Yea Saleyards Community Asset Committee
- The Yea Wetlands Community Asset Committee

Under section 63 of the Local Government Act 2020, Council may establish Delegated Committees of Council. Council does not currently have any Delegated Committees.



PORTFOLIOS

Each Councillor, with the exception of the Mayor, is responsible for a specific 'portfolio' which focuses on a functional area/s of Council.

This allows each Councillor to maintain a close relationship with staff managing issues associated with their portfolio and to report to Council meetings on points of interest that fall within that portfolio.

LOCAL LAWS

Council's Local Laws are:

- Governance Local Law 2, 2020
- Community Local Law 2020

Local Laws are available for viewing at all Council offices and online at murrindindi.vic.gov.au

Councillor	Portfolio	Appointed
Cr Leigh Dunscombe	The Mayor does not hold a portfolio	30 October 2019 – 23 October 2020
Cr Jackie Ashe	Communication, Tourism and Events	30 October 2019 – 23 October 2020
Cr Charlotte Bisset	Recreation and Youth	30 October 2019 – 23 October 2020
Cr Rebecca Bowles	Environment Library Services Information Technology	30 October 2019 – 23 October 2020
Cr Margaret Rae	Positive Ageing and Inclusion Land Use Planning	30 October 2019 – 23 October 2020
Cr Eric Lording	Infrastructure and Waste Community Assets and Emergencies	30 October 2019 – 23 October 2020 16 December 2020 to current
Cr Sandice McAulay	Corporate Services Early Learning and Community Planning Mayor	30 October 2019 – 23 October 2020 23 November 2020 to current
Cr Sue Carpenter	Planning and Compliance	16 December 2020 to current
Cr Damian Gallagher	Community Engagement and Wellbeing	16 December 2020 to current
Cr Ilona Gerencser	Tourism, Events and Business Support	16 December 2020 to current
Cr Karine Haslam	Resource Recovery and Environment	16 December 2020 to current
Cr John Walsh	Corporate and Governance	16 December 2020 to current

POLICY AND STRATEGY REVIEWS

Council Policies

Council reviewed or adopted the following Council Policies in 2020/2021:

Audit and Risk Committee Charter – 22 July 2020 and 26 May 2021

The Audit and Risk Committee (the Committee) is established by Council in accordance with the Local Government Act 2020. At its 22 July 2020 Ordinary Meeting, Council adopted the Audit and Risk Committee Charter. The Committee reviews the Charter annually and proposes any recommended changes to Council for adoption.

Councillor Expenses and Support Policy – 22 July 2020

The purpose of the Councillor Expenses and Support Policy is to establish the resources and support necessary to enable councillors and members of delegated committees to perform their role, as defined under the Local Government Act 2020 (the Act). This Policy also ensures that expenses reasonably incurred in the performance of their role are paid for directly by Council or are appropriately reimbursed.

Privacy Policy – 26 August 2020

The purpose of the Privacy Policy is to ensure compliance with the Privacy and Data Protection Act 2014 and the Health Records Act 2001 in relation to the management and handling of personal and health information within the public sector.

Governance Rules 2020 (including Election Period Policy) – 26 August 2020

The purpose of the Governance Rules 2020 is to provide guidance for Council

- a) to make decisions on any matter being considered by the Council fairly and on the merits and
- b) to institute decision making processes to ensure that any person whose rights will be directly-affected by a decision of Council is entitled to communicate their views and have their interests considered.

Governance Local Law 2, 2020 – 26 August 2020

The objectives the Governance Local Law 2, 2020 are

- a) to regulate the use of the Common Seal
- b) to prohibit unauthorised use of the Common Seal or any device resembling the Common Seal and
- c) to provide for the penalties in relation to the conduct of Council Meetings and Delegated Committees.

Councillor Code of Conduct – 24 February 2021

The Councillor Code of Conduct has been developed by Council as a declaration of how each Councillor will carry out his or her role in accordance with the requirements under each of the Standards. It details the ethical conduct required of Councillors, outlines the legislated requirements that must be adhered to and the dispute resolution procedure for dealing with conflict and breaches of this Code of Conduct.

Community Engagement Policy – 24 February 2021

The purpose of the Community Engagement Policy is to formalise Council's commitment to appropriate, effective and inclusive engagement practices. The Policy recognises the importance of designing community engagement methods that maximise public participation and meet outcomes of particular initiatives and projects.

Councillor Gifts and Benefits – 24 March 2021

The purpose of the Councillor Gifts and Benefits Policy (the Policy) is to provide Murrindindi Shire Council's (Council) position on

- a) responding to offers of gifts, benefits and hospitality
- b) disclosure of offers of gifts, benefits and hospitality

The Policy provides clear guidelines to ensure councillors are not compromised in the performance of their duties by accepting gifts or benefits which may result in a sense of obligation or that could be interpreted as an attempt to influence. This helps to protect and promote public trust.

Emergency Management Policy – 28 April 2021

The purpose of the Emergency Management Policy is to outline Council's responsibilities in emergency management within the Murrindindi Shire.

Grants and Contributions Policy – 28 April 2021

The purpose of Grants and Contributions Policy (Policy) is to enable the delivery of Council's grants and contributions program.

Child Safe Policy – 26 May 2021

The purpose of the Child Safe Policy is to outline Council's commitment to create and maintain a child safe organisation, and to promote the safety of children and young people throughout Council and the community. This includes ensuring that protecting children and preventing and responding to child abuse is embedded in everyday practice.

Portfolio Councillor Policy – 23 June 2021

Murrindindi Shire Council has established the Portfolio Councillor system. The purpose of the Policy is to articulate the role and support to be provided to Portfolio Councillors.

Strategies and Plans

During 2020/2021 Council adopted the following strategies and community plans

- Domestic Wastewater Management Plan – 26 August 2020
- Murrindindi Shire Council Municipal Emergency Management Plan 2020-2023 – 26 August 2020
- Council Plan Priority Action Plan 2020/2021 – 26 August 2020
- Kinglake Memorial Reserve Master Plan – 16 September 2020
- Eildon Reserve Precinct Improvement Plan – 16 September 2020
- 2021/22 Annual Budget – 23 June 2021



AUDITING

Audit and Risk Advisory Committee

The Audit and Risk Advisory Committee is an independent advisory committee to Council, established under sections 53 and 54 for the Local Government Act 2020.

Section 54 of the Act requires Council to prepare and adopt a Committee Charter (the Charter) governing the functions and responsibilities of the Committee, which are to

- monitor the compliance of Council policies and procedures with the overarching governance principles in the Act (refer appendix 1), the Act itself and any regulations and ministerial directions
- monitor Council financial and performance reporting
- monitor and provide advice on risk management and fraud prevention systems and controls, and
- oversee internal and external audit functions.

For the 2020/2021 financial year, the Audit and Risk Advisory Committee comprised the following members

- Claude Baxter (Chair) (1 July 2020 - 30 June 2021)
- Ian McKaskill (1 July 2020 - 30 June 2021)
- Craig Nisbet (1 July 2020 - 30 June 2021)
- Cr Sandice McAulay (1 July 2020 – 23 October 2020)
- Cr Margaret Rae (1 July 2020 – 23 October 2020)
- Cr Damian Gallagher (23 November 2020 – 30 June 2021)
- Cr Ilona Gerencser (23 November 2020 – 30 June 2021)

The Chief Executive Officer and a representative of the internal auditor are also invited to attend Audit and Risk Advisory Committee meetings in a non-voting capacity. A representative of the external auditor is also required to attend where the year-end financial statements or external audit reports are to be considered.

The Audit and Risk Advisory Committee met on four occasions during the 2020/2021 financial year, providing invaluable advice to Council on a number of important issues, including reviews of Council's Business Continuity and Disaster Recovery Planning, Strategic Risk Framework and Council's budgetary and annual reporting processes.

Recommendations from the audit program are prioritised and addressed as opportunities for improvement across the organisation.

Internal Audits

Murrindindi Shire Council's internal audit function was contracted to HLB Mann Judd for a term of four years beginning January 2019.

During 2020/2021 Council's Internal Auditors conducted the following components of the audit program

- Grants and Contributions Program – October 2020
- Review of Financial Controls – April 2021
- Review of Procurement (Depot Operations) – June 2021

External Audits

During 2020/2021 the external auditor was RSD Audit who was initially appointed in 2018/19. The main audit is conducted in August with interim audits conducted during the year.

PRIVACY

Council is committed to the responsible collection, handling and protection of the personal privacy of residents, ratepayers and the community as a whole. Council has policies in place to ensure adherence with the Privacy and Data Protection Act 2014 and will only collect, use or disclose information where it is necessary to perform Council functions or where required by law.

Murrindindi Shire Council will take all reasonable steps to keep any information held about individuals secure.

FREEDOM OF INFORMATION

The Freedom of Information Act 1982 gives the community a legally-enforceable right to information held by Council.

Applications under the Freedom of Information Act 1982 must be made in writing and a fee of \$29.60 (as of 1 July 2020) must be paid. Information regarding Council's Freedom of Information (FOI) application process can be found on Council's website or available from any of the Council offices.

Community members are encouraged to contact Council's FOI Officer before lodging an application to seek advice regarding what information that is accessible under the Freedom of Information Act 1982.

Year	Number of applications
2012/13	9
2013/14	9
2014/15	28
2015/16	11
2016/17	19
2017/18	21
2018/19	25
2019/20	2
2020/2021	11

Freedom of Information	2020/2021
Access granted in full	2
Access granted in part	5
Access denied in full	0
Withdrawn	0
Not proceeded with	1
Act does not apply	0
Not processed	0
No documents	0
Outside the Act	1
Not yet finalised	2

PUBLIC INTEREST DISCLOSURES

On 5 March 2019, the Victorian Parliament passed legislation making changes to Victoria's integrity system. The legislation established a new parliamentary oversight committee, the Integrity and Oversight Committee, consolidating the oversight and performance review of a number of Victorian integrity agencies, including the Independent Broad-based Anti-corruption Commission (IBAC).

The legislation also introduced changes to support people making disclosures which are in the public interest. Effective from 1 January 2020, these changes replaced previous 'protected disclosure' arrangements with 'public interest disclosures' under the updated Public Interest Disclosures Act 2012 (Vic).

Murrindindi Shire Council is committed to the aims and objectives of the Public Interest Disclosures Act 2012 and has in place procedures to facilitate the making of disclosures. Council does not tolerate improper conduct by its employees, officers or members, nor acts of reprisal against those who come forward to disclose such conduct.

Relevant Council contact details are listed below

- **Public Interest Disclosure Coordinator**
Michael Chesworth, Director Corporate and Shared Services,
Murrindindi Shire Council, PO Box 138 Alexandra 3714
or phone 03 5772 0333.
- **Public Interest Disclosure Officer**
Tara Carter, Manager Governance and Risk,
Murrindindi Shire Council, PO Box 138 Alexandra 3714
or phone 03 5772 0333.

Alternative Contacts

- Independent Broad-Based Anti-Corruption Commission (IBAC), Address: IBAC, GPO Box 24234, Melbourne Victoria 3001, website: www.ibac.vic.gov.au ; Phone: 1300 735 135

Note: All public interest disclosures about Councillors should be directed to IBAC.

Disclosures

Public Interest Disclosures - Topic	Report 2020/2021
Number of disclosures made	Nil
Disclosures referred to Ombudsman for determination	Nil
Disclosures referred by Ombudsman	Nil
Disclosures referred to Ombudsman to investigate	Nil
Investigations taken over by the Ombudsman	Nil
Requests made under Section 74 during the year to Ombudsman to investigate disclosed matters	Nil
Disclosures the public body has declined to investigate	Nil
Disclosures that were substantiated on investigation	Nil
Recommendations by the Ombudsman under this Act that relate to Murrindindi Shire Council	Nil

DOCUMENTS FOR PUBLIC INSPECTION

These documents and registers are available for public inspection as required by Regulation 12 of the Local Government (General) Regulations 2015.

- The certified voters' roll for a Council election - for the period beginning on the certification date and ending 30 days after election day
- Council's adopted Code of Conduct
- All Local Laws adopted by Council
- Copies of Council's Council Plan, Strategic Resource Plan, Budget and Annual Report
- Rating Strategy
- Election Campaign Donation Returns summary
- Details of overseas or interstate travel (with the exception of interstate travel by land for less than 3 days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost of the overseas or interstate travel
- Councillor Expenses and Support Policy
- Agendas for council meetings - except parts of meetings closed to the public under section 89 of the Act
- Minutes of council meetings - except parts of the meetings closed to the public under section 89 of the Act
- A register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act
- Council Delegations
- Lease Register
- A register of authorised officers appointed under Section 224 of the Local Government Act 1989
- A list of donations and grants made by Council during the financial year
- Council's Procurement Policy

PERSONAL INTEREST RETURNS

Personal Interests Returns are a new requirement under Division 3 of Part 6 (sections 132-136) of the Local Government Act 2020 (the 2020 Act). They replace all previous requirements under the Local Government Act 1989 (1989 Act). A personal interest return is a record of the private interests of a person in public office that assists in improving probity, transparency and reducing conflicts of interest.

People who must lodge personal interest returns are councillors, members of delegated committees, the CEO, and nominated officers.

The Local Government Act 2020 (section 135 and 136) and the Regulations require that a summary of information submitted in Personal Interests Returns should be made available to the public. The 2020 Act and the supporting Regulations also state those matters which are required to be excluded from the summary. The Local Government Act 2020 and the Regulations sets out the information that can be accessed or disclosed publicly from information submitted in the Public Interests Returns. Summaries interest returns are available on Council's website.

murrindindi.vic.gov.au/Your-Council/Governance/Documents-for-Public-Inspection

CEMETERY MANAGEMENT

Murrindindi Shire Council as Trustee for the Yea Cemetery Trust administers the Pioneer and Lawn cemeteries in Yea.

GOVERNANCE AND MANAGEMENT CHECKLIST

The following are the results of Council's assessments against the prescribed governance and management checklist.

Governance and Management Items	Assessment
1. 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: 2 February 2021
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines adopted: 27 May 2020.
3. 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)	Plan adopted in accordance with s91 of the Act in 2020: Scheduled for adoption by Council under the new Local Government Act 2020 by 31 October 2021
4. Asset Plan (plan that sets out the asset maintenance and renewal needs for the key infrastructure asset classes for at least the next 10 years)	Plan adopted in accordance with S92 of the Act: in 2012, scheduled for review and adoption by Council under the new Local Government Act 2020 by 30 June 2022
5. Revenue and Rating Plan (plan setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with S93 of the Act: 28 April 2021
6. 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)	Budget adopted: 23 June 2021
7. Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Enterprise Risk Management Policy adopted: 23 October 2019. Occupational Health and Safety Policy adopted: 16 June 2020.
8. Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy adopted: 18 December 2019.
9. Municipal Emergency Management Plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Adopted in accordance with s20 of the Act: 20 August 2020
10. Procurement Policy (policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Current policy adopted in accordance with s108 of the Act: 25 May 2020.
11. 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 adopted: 1 November 2016, substantially reviewed in 2020/2021, awaiting formal adoption as at 30 June 2021.
12. Disaster Recovery Plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan adopted: 29 January 2016 substantially reviewed in 2020/2021, awaiting formal adoption as at 30 June 2021.
13. Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework adopted: 25 October 2017.
14. Audit and Risk Committee (advisory committee of Council under section 53 and 54 of the Act)	Committee Established - 22 July 2020

Governance and Management Items	Assessment
15. Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Current independent auditor engaged as of 8 January 2019 for a 4 year term.
16. Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Current Local Government Performance Reporting Framework was enacted as of 1 July 2014. Council reports annually against its key performance indicators as part of the Annual Report.
17. Council Plan Report (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)	Council reports its performance against the Council Plan on a quarterly basis at the November, February and April meetings and as part of the Annual Report
18. 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)	Council reports its financial performance against the budget on a quarterly basis at the October, February, April and August meetings.
19. Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reported to Council's Audit and Risk Committee Meetings on a quarterly basis in September, December, March and May. Minutes of the meetings are formally presented to Council.
20. Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the 1989 Act)	Council reports its performance against key indicators of both financial and non-financial performance on a quarterly basis at the November, February, April and August meetings.
21. 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 2019/20 endorsed in accordance with the 1989 Act: 21 October 2020
22. Councillor Code of Conduct (Code setting out the standards of conduct to be followed by Councillors and other matters)	Current Code adopted: 24 February 2021
23. Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with 11 (7) of the Act and a register kept in accordance with sections 11(8) and 47(70) of the 2020 Act: 23 June 2021
24. Meeting procedures Procedures (Governance Rules governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted: 26 August 2020

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

Livia Bonazzi

Livia Bonazzi
Chief Executive Officer
Dated: 30 September 2021

S.F. McAulay

Sandice McAulay
Mayor
Dated: 30 September 2021



DONATIONS AND GRANTS PROVIDED BY COUNCIL 2020/2021

Received By	Amount
Alexandra and District Kindergarten	\$4,500.00
Alexandra Amateur Swimming Club	\$2,000.00
Alexandra Community Christmas Tree Festival	\$3,780.00
Alexandra Community Shed	\$4,000.00
Alexandra Events Corporation Ltd	\$5,500.00
Alexandra Football Netball Club	\$2,200.00
Alexandra Information Centre	\$3,500.00
Alexandra Secondary College	\$600.00
Alexandra Showgrounds Committee of Management	\$2,545.00
Alexandra Traders and Tourism	\$2,000.00
Beaufort Manor	\$1,230.00
Beverley Aisbett	\$2,000.00
Big Hill Events	\$4,000.00
BMS Tours Lake Eildon	\$400.00
Bonfire Station	\$2,000.00
Brendan Blanchard	\$1,400.00
Charlie Bedford	\$200.00
Dindi Naturals	\$18,000.00
DR Alleway and DJ Garland	\$400.00
Eildon Information Centre	\$381.00
Eildon Preschool	\$4,700.00
Embassy of Ideas	\$3,000.00
Flowerdale Community House	\$909.00
Flowerdale Estate	\$20,000.00
Flowerdale Sports Club	\$700.00
Glenburn Hall and Progress Association	\$400.00
Homewood Community Hall Inc	\$3,425.00
IM & MG Simpson and Son	\$9,600.00
Instahomes Pty Ltd	\$9,000.00
James Mark	\$200.00
Julian James	\$200.00
Kane Vincent	\$200.00
Kinglake Distillery	\$7,000.00
Kinglake Ranges Neighbourhood House	\$523.00
Kinglake Senior Citizens	\$4,646.00
Koori Kids Pty Ltd	\$500.00
Lachlan Bryan	\$182.00
Lions Club of Eildon	\$500.00
Lions Club of Marysville	\$6,555.00
Luke Jones	\$200.00
Marysville and Triangle Youth Inc	\$6,000.00
Marysville Community Golf Club	\$5,000.00

Received By	Amount
Marysville Jazz and Blues Festival	\$6,000.00
Marysville Kinder	\$248.00
Marysville Triangle Business and Tourism	\$15,850.00
Matthew Alford	\$200.00
Murrindindi Cycle Club	\$6,000.00
Murrindindi East U3A	\$1,500.00
Murrindindi Food and Wine Inc	\$5,000.00
On Point Brewing Co Pty Ltd	\$2,000.00
Outdoor Education Group	\$14,000.00
Optair	\$20,000.00
Paddle Victoria	\$11,000.00
Philip Lobley Wines	\$10,000.00
Rennies@Acheron	\$7,500.00
Rotary Club of Alexandra	\$650.00
Rotary Club of Kinglake Ranges	\$8,000.00
Rotary Club of Yea	\$575.00
Sabrina Anglin	\$200.00
Shantelle Matcham	\$200.00
Strath Creek Landcare Group	\$5,000.00
Strath Creek Reserves & Hall	\$450.00
String Theory Creative Pty Ltd	\$363.00
Sustainable Property and Environmental Solutions Pty Ltd	\$2,000.00
Taungurung Clans Aboriginal Corporation	\$4,500.00
Tegan E Charles	\$8,000.00
The Flowerdale Sports Club	\$700.00
The Outdoor Education Group	\$13,000.00
Toolangi District Community House	\$29,955.00
Tourism North East	\$10,000.00
Triangle Arts Group	\$14,500.00
Tully Sumner	\$182.00
Upper Goulburn Landcare Network	\$4,948.00
Yarck Public Hall	\$4,876.00
Yarra Valley Yurts Pty Ltd	\$10,500.00
Yea and District Historical Society	\$7,500.00
Yea Arts Inc	\$7,500.00
Yea Agricultural and Pastoral and Horticultural Assoc	\$2,500.00
Yea Football Netball Club	\$5,000.00
Y Water Centre	\$2,473.00
2030Yea Incorporated	\$7,500.00
TOTAL	\$394,446.00



ORGANISATION MEMBERSHIPS FOR 2020/2021

Organisation	Membership fee
Local Government Professionals	\$1,249.00
Municipal Association of Victoria	\$23,819.00
Family Day Care Australia	\$272.00
Public Library Victoria Network Inc	\$1,205.00
Institute of Public Works	\$1,050.00
National Saleyards	\$594.00
Children's Book Council	\$85.00
Victorian Local Governance Association	\$4,825.00
Goulburn Valley Regional Waste Management Group	\$8,235.00
Aquatics and Recreation Victoria	\$627.00
Rural Councils Victoria	\$3,000.00
Volunteering Victoria	\$225.00
Australian Livestock Saleyards Association	\$2,120.00
Australian Livestock Markets Association	\$420.00
Goulburn Broken Green House Alliance	\$5,854.80
Hume Regional Local Government Network	\$1,000.00
TOTAL	\$54,580.80



INTRODUCTION TO THE FINANCIALS

UNDERSTANDING THE FINANCIAL STATEMENTS

Murrindindi Shire Council's Financial Report is a general purpose financial report that consists of an Income Statement, Balance Sheet, Statement of Changes in Equity and a Cash Flow Statement, together with explanatory notes.

This general purpose Financial Report has been prepared to comply with the provisions of the Local Government Act, 2020, Local Government (Finance and Reporting) Regulations 2014, applicable Australian Accounting Standards and other mandatory professional reporting requirements.

Particular terms required by the Standards may not be familiar to some readers. Further, Council is a 'not for profit' public organisation and some of the generally recognised terms used in private sector company reports are not appropriate for Council's reports.

Council is committed to accountability and transparency. It is in this context that the plain English guide has been developed to assist readers to understand and analyse the financial report.

WHAT IS CONTAINED IN THE ANNUAL FINANCIAL REPORT?

Council's financial report has two sets of Statements:

1. Financial Statements
2. Performance Statement

Each of these statements is prepared by Council staff, examined by Council's Audit and Risk Advisory Committee, examined by Council and is then audited by the Victorian Auditor-General.

COMPREHENSIVE INCOME STATEMENT

The Income Statement sets out the movement in relation to revenue, expenses and other adjustments from all activities and compares these figures to the previous financial year. It provides a view of Council's operating performance. The Income Statement requires revenues to be separately disclosed where the item is of such a size, nature and incidence, that its disclosure is relevant in explaining the performance of Council.

THE BALANCE SHEET

The Balance Sheet shows a snapshot of Council's financial position as at 30 June 2021. It shows the total of what is owned (assets) less what is owed (liabilities). The assets and liabilities are separated into 'current' and 'non-current'. 'Current' means those assets or liabilities that fall due in the next 12 months. The bottom line of this statement is net assets, which reflect the net worth of the Council. The change in net assets between the two years shows how the financial position has changed over the period. Net assets are made up of the total current and non-current assets less the current and non-current liabilities.

STATEMENT OF CHANGES IN EQUITY

During the course of the year, the value of 'Total Equity' as set out in the Balance Sheet changes. This Statement shows the values of such changes and how these changes arose.

The main reasons for a change in equity stem from

- the 'surplus or deficit' from operations, described in the Comprehensive Income Statement as the Comprehensive Result for the year
- the use of monies from Council's reserves
- a revaluation of the assets which takes place on a regular basis to ensure the most up-to-date value is included in Council's books. It also occurs when existing assets are taken up in the books for the first time.

CASH FLOW STATEMENT

The Cash Flow Statement summarises Council's cash payments and cash receipts for the year. This Statement is presented according to a very specific Accounting Standard and needs some care in analysis. The values may differ from those shown in the Comprehensive Income Statement because the Comprehensive Income Statement is prepared on an accrual accounting basis.

Cash in this Statement refers to bank deposits and other forms of highly-liquid investments that can be readily converted to cash. Council's cash arises from, and is used in, three main areas.

1. Cash flows from operating activities
 - Receipts – all cash received into Council's bank account from ratepayers and others who owe money to Council. Receipts also include the interest earnings from Council's cash investments. It does not include

the costs associated with the sale of assets.

- Payments – all cash paid by Council from its bank account to employees, creditors and other persons. It does not include the costs associated with the creation of assets.

2. Cash flows from investing activities

- This section shows the cash invested in the creation or purchase of property, infrastructure, plant and equipment assets and the cash received from the sale of these assets.

3. Cash flows from financing activities

- This is where the receipt and repayment of borrowed funds are recorded.

The bottom line of the Cash Flow Statement is the cash and cash equivalents at end of financial year. This shows the capacity of Council to meet its cash debts and other liabilities.

NOTES TO THE FINANCIAL STATEMENTS

The Notes are a very important and informative section of the Report. The Australian Accounting Standards are not prescriptive on some matters. Therefore, to enable the reader to understand the basis upon which the values shown in the Statements are established, it is necessary to provide details of Council's significant accounting policies.

Apart from the accounting policies, the Notes also give details behind many of the summary figures contained in the Statements. The Note numbers are shown beside the relevant items in the Comprehensive Income Statement, Balance Sheet and the Cash Flow Statement.

The Notes also include information that Council wishes to disclose but which cannot be incorporated into the Statements.

Other notes include:

- the cost of the various functions/activities of Council
- the breakdown of expenses, revenues, reserves and other assets
- contingent liabilities
- transactions with persons related to Council
- financial performance indicators (ratios).

The Notes should be read in conjunction with the other parts of the Financial Statements to get a clear picture of the accounts.



PERFORMANCE STATEMENT

The Performance Statement shows the results that were achieved for the year across a number of performance indicators.

The document is then certified by the Principal Accounting Officer, the person responsible for the financial management of Council. This certification shows that the Financial Statements have met all the statutory and professional reporting requirements.

The Performance Statement is also certified by the Chief Executive Officer and two Councillors on behalf of Council that, in their opinion, the Financial Statements are fair and not misleading or inaccurate.

AUDITOR-GENERAL'S REPORT

The Independent Audit Report provides the reader with an external and independent opinion on the Financial Statements. It confirms that the Financial Report has been prepared in accordance with relevant legislation and professional standards and that it represents a fair picture of the financial affairs of the Council.

Murrindindi Shire Council
Annual Financial Report
For the Year Ended
30-June-2021

Murrindindi Shire Council
Financial Report
Table of Contents

FINANCIAL REPORT		Page
Certification of the Financial Report		3
Victorian Auditor-General's Office Report		4
Financial Statements		
Comprehensive Income Statement		6
Balance Sheet		7
Statement of Changes in Equity		8
Statement of Cash Flows		9
Statement of Capital Works		10
Overview		11
Notes to Financial Statements		
Note 1	Performance against budget	
	1.1 Income and expenditure	12
	1.2 Capital works	14
Note 2	2.1 Analysis of Council results by program	16
Note 3	Funding for the delivery of our services	
	3.1 Rates and charges	17
	3.2 Statutory fees and fines	17
	3.3 User fees	18
	3.4 Funding from other levels of government	18
	3.5 Contributions	19
	3.6 Other income	19
Note 4	The cost of delivering services	
	4.1 Employee benefits	20
	4.2 Materials and services	20
	4.3 Depreciation	20
	4.4 Amortisation - intangible assets	20
	4.5 Bad and doubtful debts	21
	4.6 Borrowing cost	21
	4.7 Net loss on disposal of property, infrastructure, plant and equipment	21
	4.8 Other expenses	21
Note 5	Our financial position	
	5.1 Financial assets	22
	5.2 Non-financial assets	24
	5.3 Payables	25
	5.4 Interest-bearing liabilities	25
	5.5 Provisions	26
	5.6 Financing arrangements	27
	5.7 Commitments	28
	5.8 Leases	29
Note 6	Assets we manage	
	6.1 Property, infrastructure, plant and equipment	30
	6.2 Investment in associates and joint arrangements	36
Note 7	People and relationships	
	7.1 Council and key management remuneration	37
	7.2 Related party disclosure	37
Note 8	Managing uncertainties	
	8.1 Contingent liabilities and contingent assets	39
	8.2 Change in accounting standards	39
	8.3 Financial Instruments	40
	8.4 Fair value measurement	42
	8.5 Events occurring after balance date	42
Note 9	Other Matters	
	9.1 Reserves	43
	9.2 Reconciliation of cash flows from operating activities to surplus	45
	9.3 Superannuation	46
	9.4 Impact of COVID 19 pandemic	48
Note 10	Change in accounting policy	48

Certification of the Financial Statements

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Finance and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.



Graham Haylock CPA
Principal Accounting Officer

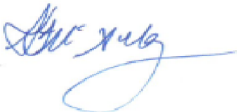
Date: 23 September 2021

Alexandra

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

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


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



Sandice McAulay
Mayor

Date: 23 September 2021

Alexandra



John Walsh
Councillor

Date: 23 September 2021

Alexandra



Livia Bonazzi
Chief Executive Officer

Date: 23 September 2021

Alexandra

Independent Auditor's Report

To the Councillors of Murrindindi Shire Council

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

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

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

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

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

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

MELBOURNE
27 September 2021



as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Income			
Rates and charges	3.1	21,529,678	21,390,612
Statutory fees and fines	3.2	1,213,451	994,001
User fees	3.3	1,132,560	1,821,394
Grants - operating	3.4	8,474,378	8,926,243
Grants - capital	3.4	2,772,824	2,086,470
Contributions - monetary	3.5	320,179	111,460
Contributions - non monetary	3.5	1,219,962	805,323
Other income	3.6	1,183,423	1,512,232
Total income		37,846,455	37,647,735
Expenses			
Employee costs	4.1	15,447,155	14,995,555
Materials and services	4.2	12,646,987	11,708,605
Depreciation and amortisation	4.3	8,989,958	9,268,082
Bad and doubtful debts	4.5	169,784	11,207
Borrowing costs	4.6	22,906	37,081
Net loss on disposal of property, infrastructure, plant and equipment	4.7	1,330,274	1,293,184
Other expenses	4.8	441,793	614,343
Increase in provision for landfill liability	5.5	1,561,454	481,672
Total expenses		40,610,311	38,409,729
Surplus/(deficit) for the year		(2,763,856)	(761,994)
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	6.1	53,275,108	4,052,384
Comprehensive result		50,511,252	3,290,390

The above Comprehensive Income Statement should be read in conjunction with the accompanying notes.

Balance Sheet As at 30 June 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	5.1(a)	10,981,779	18,094,846
Other financial assets	5.1(b)	30,300,000	22,019,500
Trade and other receivables	5.1(c)	3,581,233	4,471,529
Inventories		37,808	27,160
Other assets	5.2	201,378	277,940
Total current assets		45,102,198	44,890,975
Non-current assets			
Trade and other receivables	5.1(c)	1,481	2,548
Intangible assets	5.2	1,948,577	2,201,747
Property, infrastructure, plant and equipment	6.1	406,104,775	351,170,836
Total non-current assets		408,054,833	353,375,131
Total assets		453,157,031	398,266,106
Liabilities			
Current liabilities			
Trade and other payables	5.3(a)	2,308,655	3,289,184
Trust funds and deposits	5.3(b)	1,349,442	1,482,283
Unearned income	5.3(c)	4,683,431	479,566
Interest-bearing liabilities	5.4	-	178,075
Provisions	5.5(a)	3,459,711	3,190,365
Total current liabilities		11,801,239	8,619,473
Non-current liabilities			
Interest-bearing liabilities	5.4	-	300,481
Provisions	5.5(a)	7,512,912	6,014,524
Total non-current liabilities		7,512,912	6,315,005
Total liabilities		19,314,151	14,934,478
Net Assets		433,842,880	383,331,628
Equity			
Accumulated surplus		128,738,537	131,560,472
Reserves	9.1	305,104,343	251,771,156
Total Equity		433,842,880	383,331,628

The above Balance Sheet should be read in conjunction with the accompanying notes.

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

	Note	Total \$	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$
2021					
Balance at beginning of the financial year		383,331,628	131,560,472	231,594,639	20,176,517
Surplus/(deficit) for the year		(2,763,856)	(2,763,856)	-	-
Net asset revaluation increment	9.1	53,275,108	-	53,275,108	-
Transfers to other reserves	9.1(b)	-	(1,752,326)	-	1,752,326
Transfers from other reserves	9.1(b)	-	1,694,247	-	(1,694,247)
Balance at end of the financial year		433,842,880	128,738,537	284,869,747	20,234,596

		Total \$	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$
2020					
Balance at beginning of the financial year		380,041,238	133,160,468	227,542,255	19,338,515
Surplus/(deficit) for the year		(761,994)	(761,994)	-	-
Net asset revaluation increment	9.1	4,052,384	-	4,052,384	-
Transfers to other reserves	9.1(b)	-	(2,149,212)	-	2,149,212
Transfers from other reserves	9.1(b)	-	1,311,210	-	(1,311,210)
Balance at end of the financial year		383,331,628	131,560,472	231,594,639	20,176,517

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Statement of Cash Flows For the Year Ended 30 June 2021

	Note	2021 Inflows/ (Outflows) \$	2020 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates and charges		21,714,820	20,866,252
Statutory fees and fines		1,236,616	994,001
User fees		1,216,855	2,292,165
Grants - operating		9,044,273	9,782,938
Grants - capital		7,460,270	2,364,065
Contributions - monetary		332,820	119,339
Interest received		426,852	892,323
Other Income		700,312	688,601
Net Fire Services Property Levy received (remitted)		(61,682)	19,192
Net GST refund		1,441,525	1,444,677
Net receipt of trust funds and deposits		(71,159)	248,223
Materials and services		(14,797,074)	(12,417,517)
Employee Cost		(15,553,601)	(15,047,170)
Other payments		(293,811)	(415,419)
Net cash provided by operating activities	9.2	<u>12,797,016</u>	<u>11,831,670</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(11,144,653)	(8,300,746)
Payments for intangible assets		(81,303)	(86,584)
Proceeds from sale of property, infrastructure, plant and equipment		103,227	77,747
Payments for Investments		<u>(8,280,500)</u>	<u>12,100,000</u>
Net cash provided (used) in investing activities		<u>(19,403,229)</u>	<u>3,790,417</u>
Cash flows from financing activities			
Finance costs		(28,298)	(39,453)
Repayment of interest bearing loans and borrowings		<u>(478,556)</u>	<u>(188,470)</u>
Net cash (used) in financing activities		<u>(506,854)</u>	<u>(227,923)</u>
Net increase (decrease) in cash and cash equivalents		(7,113,067)	15,394,164
Cash and cash equivalents at the beginning of the financial year		<u>18,094,846</u>	<u>2,700,682</u>
Cash and cash equivalents at the end of the financial year	5.1(a)	<u>10,981,779</u>	<u>18,094,846</u>

The above statement of cash flows should be read with the accompanying notes.

Financial assets 5.1
Financing arrangements 5.6

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

	Note	2021	2020
Property			
Land		542,673	391,068
Buildings		1,740,544	1,574,769
Total property		<u>2,283,217</u>	<u>1,965,837</u>
Plant and equipment			
Plant, machinery and equipment		1,738,560	987,663
Fixtures, fittings and furniture		150,276	217,968
Software		81,303	86,584
Library books		106,503	87,989
Total plant and equipment		<u>2,076,642</u>	<u>1,380,204</u>
Infrastructure			
Roads		4,120,785	3,921,543
Bridges		426,315	166,945
Footpaths and cycleways		1,099,927	290,483
Drainage		602,272	372,619
Total infrastructure		<u>6,249,299</u>	<u>4,751,590</u>
Total capital works expenditure		<u>10,609,158</u>	<u>8,097,631</u>
Represented by:			
New asset expenditure		3,328,953	1,292,357
Asset renewal expenditure		4,558,866	4,903,830
Asset expansion expenditure		378,260	-
Asset upgrade expenditure		2,343,079	1,901,444
Total capital works expenditure		<u>10,609,158</u>	<u>8,097,631</u>

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

Notes to Financial Report For the Year Ended 30 June 2021

OVERVIEW

Introduction

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

Statement of compliance

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

Significant accounting policies

Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of employee 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)
- 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 (except where transitional requirements of *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities* do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

Amounts in the financial report have been rounded to the nearest dollar. Figures in the financial statement may not equate due to rounding.

**Notes to Financial Report
For the Year Ended 30 June 2021**

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$500,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 24th June 2020. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and expenditure

	Budget 2021 \$	Actual 2021 \$	Variance 2021 \$	Variance 2020 %	Ref
Income					
Rates and charges	21,501,000	21,529,678	28,678	-	
Statutory fees and fines	1,182,000	1,213,451	31,451	3%	
User fees	1,492,000	1,132,560	(359,440)	(24%)	1
Grants-operating	6,925,000	8,474,378	1,549,378	22%	2
Grants-capital	2,135,000	2,772,824	637,824	30%	3
Contributions-monetary	54,000	320,179	266,179	493%	4
Contributions-non monetary	600,000	1,219,962	619,962	103%	5
Other income	1,378,000	1,183,423	(194,577)	(14%)	6
Total income	35,267,000	37,846,455	2,579,455	7%	
Expenses					
Employee costs	14,180,000	15,447,155	(1,267,155)	9%	7
Materials and services	11,186,000	12,646,987	(1,460,987)	13%	8
Bad and doubtful debts	-	169,784	(169,784)		9
Depreciation	8,447,000	8,655,486	(208,486)	2%	
Amortisation - intangible assets	567,000	334,472	232,528	(41%)	10
Borrowing costs	25,000	22,906	2,094	(8%)	
Net loss on disposal of property, infrastructure, plant and equipment	600,000	1,330,274	(730,274)	122%	11
Other expenses	317,000	441,793	(124,793)	39%	12
Increase in provision for landfill Liability	-	1,561,454	(1,561,454)		13
Total expenses	35,322,000	40,610,311	(5,288,311)	15%	
Surplus/(deficit) for the year	(55,000)	(2,763,856)	(2,708,856)		

**Notes to Financial Report
For the Year Ended 30 June 2021**

Note 1 Performance against budget (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	User fees	Landfill income below original budget budget estimates. Council stopped accepting commercial garbage at landfill sites to preserve airspace while options were being considered for future site development.
2	Grants-operating	The following grants were received but not budgeted: Working for Victoria \$787,221, Releasing the Floating City \$300,000, COVID-19 Community Activation and Social Isolation, \$123,860, Outdoor Eating and Entertainment Package \$230,848 and Local Government Business Concierge and Hospitality Program \$60,000.
3	Grants-capital	Unbudgeted grant received for the Local Road and Community Infrastructure Program \$641,719
4	Contributions-monetary	Budget variations were due to a contribution toward the Releasing the Floating City from Goulburn Murray Water \$103,289, Insurance Group Australia (IAG) provided \$50,000. Public open space contributions were \$52,700 higher than budget.
5	Contributions-non monetary	Council receives contributions in the form of infrastructure as a result of subdivisions and developments. The timing and amount of such contributions is largely outside Council's control. Details of contributions are shown at note 3.5.
6	Other income	Unfavourable variance from interest income earnings \$319,953 due to low interest rates. This is offset by an unbudgeted amount of \$156,099 for the value of volunteer services as highlighted in note 3.6. The recognition of volunteer services under Accounting Standards is cost neutral, with the matching amounts recognised as revenue and expenditure.
7	Employee costs	Variance due to extra staff engaged under the Working for Victoria program \$1,264,401. This program was full grant funded with funds being received in 2019/20 and balance in 2020/21.
8	Materials and services	Variance is predominately due to expenditure relating to unbudgeted grants and contributions. These include materials and equipment to support staff under the Working for Victoria program \$239,892, Outdoor Eating and Entertainment Package \$239,892, Releasing the Floating City Project \$686,661. Council also incurred expenditure of \$346,436 on unbudgeted COVID-19 related items including tourism and industry support, vehicle hire, materials, supplies and advertising.
9	Bad and doubtful debts	Council does not budget for bad and doubtful debts. An amount of \$159,952 previously considered collectable under the Natural Disaster and Financial Assistance program was adjusted after part of the claim was determined to be outside the scope of the funding arrangements.
10	Amortisation - intangible assets	The amortisation (consumption) of landfill airspace was lower than expected (\$242,237). Council stopped accepting commercial garbage at the site. This was to preserve airspace at the site while options were being considered for future development.
11	Net loss on disposal of property, infrastructure, plant and equipment	When assets are replaced, renewed or upgraded, the underlying book value of the assets must be written out of the asset register, this value is recorded as an expense. The amount of this expense depends on the size, nature and timing of the completion of the capital works program.
12	Other expenses	Variance of \$156,099 due to the recognition of the offsetting volunteer services contribution as highlighted in note 4.8. The recognition of volunteer services is cost neutral, with the corresponding amounts recognised as other revenue.
13	Increase in provision for landfill Liability	Landfill provision increased following the annual review and alignment with EPA assurance requirements. A recent tender for cell capping costs has indicated the previous rates used in the provision calculation were lower than the market price. In addition the annual monitoring and after care cost estimate has increased from \$50,000 to \$80,000 per year for a period of 30 years.

**Notes to Financial Report
For the Year Ended 30 June 2021**

Note 1 Performance against budget (cont)

1.2 Capital works

	Budget 2021 \$	Actual 2021 \$	Variance 2021 \$	Variance 2021 %	Ref
Property					
Land	2,885,781	542,673	(2,343,108)	(81%)	1
Total Land	2,885,781	542,673	(2,343,108)		
Buildings	2,091,219	1,740,544	(350,675)	(17%)	2
Total Buildings	2,091,219	1,740,544	(350,675)	(17%)	
Total Property	4,977,000	2,283,217	(2,693,783)	(54%)	
Plant and Equipment					
Plant, machinery and equipment	1,021,000	1,738,560	717,560	70%	3
Fixtures, Computer hardware, fittings and furniture	116,000	150,276	34,276	30%	4
Computers and telecommunications software	-	81,303	81,303		5
Library materials	100,000	106,503	6,503	7%	
Total Plant and Equipment	1,237,000	2,076,642	839,642	68%	
Infrastructure					
Roads	4,664,000	4,120,785	(543,215)	(12%)	6
Bridges	110,000	426,315	316,315	288%	7
Footpaths and cycleways	659,000	1,099,927	440,927	67%	8
Drainage	35,000	602,272	567,272	1621%	9
Total Infrastructure	5,468,000	6,249,299	781,299	14%	
Total Capital Works Expenditure	11,682,000	10,609,158	(1,072,842)	(9%)	
Represented by:					
New asset expenditure	4,309,000	3,328,953	(980,047)	(23%)	
Asset renewal expenditure	5,410,000	4,558,866	(851,134)	(16%)	
Asset expansion expenditure	359,000	378,260	19,260	5%	
Asset upgrade expenditure	1,604,000	2,343,079	739,079	46%	
Total Capital Works Expenditure	11,682,000	10,609,158	(1,072,842)	(9%)	

**Notes to Financial Report
For the Year Ended 30 June 2021**

Note 1 Performance against budget (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Alexandra landfill cap construction works deferred and closed landfill rehabilitation works at Eildon completed under budget.
2	Buildings	Savings on Marysville swimming pool refurbishment project completed under budget and Yea Resource Recovery Centre project completion delayed, with budget to be carried forward for completion in 2021-22.
3	Plant, machinery and equipment	Major plant replacement of Grader, Backhoe and Truck expended from budget carried forward from prior year.
4	Fixtures, Computer hardware, fittings and furniture	Computer hardware budget carried forward from prior year and spent in this year.
5	Computers and telecommunications software	Digital futures project underway. Unspent funds were carried forward from the prior year and spent this year.
6	Roads	Gravel Road Resheeting works and Kinglake Streetscape project both delayed with budgets carried forward for completion in 2021-22.
7	Bridges	Bridge renewal and upgrade budgets carried forward from prior year for Dropmore Bridge and Fannings Bridge which were completed in 2020-21.
8	Footpaths and cycleways	Additional path projects funded under the Local Roads and Community Infrastructure Program for footpath extension works in Alexandra and Kinglake were completed in the current year. In addition recognition of footpath works as part of the Kinglake and Yea streetscape projects show as variance as these works were budgeted for within Roads project budget.
9	Drainage	Drainage works in Grant Street Alexandra and Thornton Streets were expended from budgets carried forward from prior year. In addition, the recognition of drainage works as part of the Kinglake and Yea streetscape projects show as variance as these works were budgeted for within Roads project budget.

Note 2.1 Analysis of Council results by program

2.1 (a) Our People

Together we will encourage and celebrate diverse, caring and connected communities.

One of the factors people value most about living in the Murrumbidgee Shire is a sense of belonging to a caring and well connected community. We will build on this strength by encouraging collaboration and involvement, whether this is amongst our valued volunteer-based community groups, through supporting cultural, artistic or celebratory events, or ensuring that opportunities and services are available that support inclusion, participation and access for all.

Our people includes, aged and disability services, children and family services, library services, community services, emergency services, recreational aquatic and youth services.

Our Place

We will maintain and enhance places to be attractive, liveable and in harmony with the natural environment.

The unique character, history, scenic beauty and ambience of our places and spaces and the health of our natural environment are highly valued by our communities. We will ensure our built environments are well planned to enable sensible growth that does not compromise the natural environment, nor the liveability, accessibility and character of our towns and localities.

Our place includes, environmental management, waste management, building control, community safety development approvals, environmental health, infrastructure maintenance, parks, gardens and open space management.

Our Prosperity

In partnership with the community we will prioritise and promote a culture in which business and community can evolve and thrive.

We recognise that prosperity within our communities is key to supporting individual aspirations and community growth. We will ensure that opportunities to encourage economic development within our Shire are pursued. We will support business development and new investment, promote tourism, facilitate access to training, and advocate for improved infrastructure and services that meet our business and community needs

Our prosperity includes tourism and business development services and saleyards management.

Our Promise

We (the Councillors and officers) will work as a team in collaboration with our communities to deliver the best possible outcomes in all that we do.

Our Promise reflects the core of what we do as a Council to ensure our community's needs and priorities are well represented in our actions and services. Our promise is to provide strong advocacy, transparent governance, two-way communication and engagement, stewardship of our community's resources, and relevant, responsive and efficient service delivery.

Our promise includes councillors and executive, communications and publications, customer, financial and corporate services, human resource management, information technology management, asset planning and management.

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

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$	\$	\$	\$	\$
2021					
Our People	3,734,435	9,570,771	(5,836,336)	2,645,495	40,645,489
Our Place	11,126,326	13,301,899	(2,175,573)	4,868,185	337,182,700
Our Prosperity	1,291,017	2,416,714	(1,125,697)	590,848	10,263,387
Our Promise	571,520	7,449,581	(6,878,061)	56,356	31,637,144
General Rates	18,036,839	-	18,036,839	-	-
Unattributed	3,086,318	7,871,346	(4,785,028)	3,086,318	33,428,311
	37,846,455	40,610,311	(2,763,856)	11,247,202	453,157,031
	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$	\$	\$	\$	\$
2020					
Our People	4,665,984	9,683,300	(5,017,316)	3,325,245	42,680,446
Our Place	10,056,836	11,812,340	(1,755,504)	4,244,494	281,034,541
Our Prosperity	764,951	1,671,589	(906,638)	171,250	7,367,753
Our Promise	843,684	7,881,931	(7,038,248)	-	34,740,671
General Rates	18,044,553	-	18,044,553	-	-
Unattributed	3,271,727	7,360,568	(4,088,841)	3,271,724	32,442,694
	37,647,735	38,409,729	(761,994)	11,012,713	398,266,106

**Notes to Financial Report
For the Year Ended 30 June 2021**

Note 3 Funding for the delivery of our services

	2021 \$	2020 \$
3.1 Rates and charges		
Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its total value of land plus buildings and improvements.		
The valuation base used to calculate the general rates for 2020/2021 was \$5,299 million (2019/2020 \$5,102 million). The 2020/2021 rate in the dollar for general rate was 0.002967 of the capital improved value of the property (2019/2020 0.003052).		
The 2020/2021 Municipal Charge was \$341 (2019/2020 \$341) per rateable assessment. In 2020/2021 the Garbage Service Charge was \$391.20 (2019/2020 \$381.20) and Recycling Charge was \$119.50 (2019/2020 \$116.50).		
Residential	6,925,263	6,707,925
Commercial	717,936	888,208
Rural 1	3,212,030	3,258,196
Rural 2	3,142,489	3,162,320
Vacant Land - Residential	632,394	641,470
Vacant Land - Commercial	29,235	31,530
Municipal charge	3,311,363	3,289,881
Garbage charge	2,664,186	2,552,056
Recycling	828,653	794,003
Revenue in lieu of rates	66,129	65,023
Total rates and charges	21,529,678	21,390,612

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2021, and the valuation was first applied in the rating year commencing 1 July 2021.

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

3.2 Statutory fees and fines

Building	398,175	336,404
Community Safety	212,952	157,329
Environmental health	155,452	144,642
Planning and subdivisions	327,118	281,074
Infrastructure	90,891	53,596
Other	28,863	20,956
Total statutory fees and fines	1,213,451	994,001

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

**Notes to Financial Report
For the Year Ended 30 June 2021**

Note 3	Funding for the delivery of our services (cont.)	2021	2020
3.3	User fees	\$	\$
	Halls and Community Centres	11,200	15,949
	Aged care	-	353,661
	Saleyard fees	469,870	472,686
	Recreation pools and leisure centres	16,645	72,063
	Waste - transfer station & landfill fees	625,321	896,779
	Other fees and charges	9,524	10,256
	Total user fees	1,132,560	1,821,394
User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.			
3.4	Funding from other levels of government		
Grants were received in respect of the following :			
	Summary of grants		
	Commonwealth funded grants	7,779,986	8,051,836
	State funded grants	3,467,216	2,960,877
	Total grants received	11,247,202	11,012,713
	(a) Operating Grants		
	Recurrent -Commonwealth Government		
	Financial Assistance Grants	4,781,601	5,019,899
	Aged and disability	56,206	488,418
	Children services	1,015,484	1,111,917
	Recurrent -State Government		
	Aged and disability	18,216	175,389
	Children services	297,866	258,768
	Public health	7,076	6,155
	Library services	157,870	154,020
	Road safety	36,246	37,044
	Total recurrent Operating Grants	6,370,565	7,251,610
	Non-recurrent -Commonwealth Government		
	Children services		10,000
	Community	21,000	-
	Roads and bridges		378,330
	Non-recurrent -State Government		
	Children services	61,240	72,631
	Community	180,216	-
	Development approvals	30,299	-
	Economic development	590,848	171,250
	Emergency management	73,200	60,000
	Environmental services	32,774	37,774
	Public health	228,029	5,170
	Road safety	19,500	-
	Recreational services	13,857	-
	Transport		66,100
	Youth services	55,639	86,167
	Waste and recycling	10,000	-
	Working for Victoria	787,211	787,211
	Total non recurrent operating grants	2,103,813	1,674,633
	Total Operating grants	8,474,378	8,926,243

**Notes to Financial Report
For the Year Ended 30 June 2021**

Note 3.4	Funding from other levels of government (Cont.)	2021 \$	2020 \$
	(b) Capital Grants		
	Recurrent-Commonwealth Government		
	Roads to Recovery	1,021,986	1,043,272
	Recurrent-State Government		
	Library materials	6,255	6,255
	Total recurrent capital grants	<u>1,028,241</u>	<u>1,049,527</u>
	Non-recurrent-Commonwealth Government		
	Buildings	27,201	-
	Footpaths and cycleways	41,293	-
	Roads	815,215	-
	Non-recurrent-State Government		
	Governance		
	Buildings	228,543	243,858
	Roads	632,331	793,085
	Total non-recurrent capital grants	<u>1,744,583</u>	<u>1,036,943</u>
	Total capital grants	<u><u>2,772,824</u></u>	<u><u>2,086,470</u></u>

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

Balance at start of year	1,471,402	1,588,838
Received during the financial year and remained unspent at balance date	4,904,450	1,170,440
Received in prior years and spent during the financial year	(1,400,501)	(1,287,876)
Balance at end of year	<u>4,975,351</u>	<u>1,471,402</u>

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

3.5 Contributions

Monetary - operating	216,724	25,320
Monetary - capital	103,455	86,140
Non-monetary - capital	1,219,962	805,323
Total contributions	<u>1,540,141</u>	<u>916,783</u>

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

Land under roads	11,418	36,953
Drainage	417,953	74,161
Footpaths and Cycleways	90,150	18,000
Roads	700,441	676,209
Total non-monetary contributions	<u>1,219,962</u>	<u>805,323</u>

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

3.6 Other income

Interest	230,151	572,057
Interest on rates	162,201	134,453
Rental	213,806	205,303
Reimbursements	236,352	265,808
Volunteer Services	156,099	208,109
Other	184,814	126,502
Total other income	<u>1,183,423</u>	<u>1,512,232</u>

Interest and rent are recognised as it is earned. Other income is measured at the fair value of the consideration received and is recognised when Council gains control over the right to receive the income.

**Notes to Financial Report
For the Year Ended 30 June 2021**

Note 4	The cost of delivering services	2021	2020
		\$	\$
4.1 Employee costs			
Wages and salaries		13,399,054	13,357,000
Casual Staff		481,974	223,557
Fringe benefits tax		8,745	12,115
Superannuation		1,291,850	1,185,952
Workcover		265,532	216,931
Total employee costs		15,447,155	14,995,555
(a) Superannuation			
Council made contributions to the following funds:			
Defined benefit fund			
Employer contributions to Local Authorities Superannuation Fund (Vision Super)		23,678	27,545
Employer contributions payable at reporting date.			
Accumulation funds			
Employer contributions to Local Authorities Superannuation Fund (Vision Super)		665,778	640,815
Employer contributions - other funds		602,394	517,592
		1,291,850	1,185,952
Employer contributions payable at reporting date.			
Employer contributions to Local Authorities Superannuation Fund (Vision Super)		7,519	26,337
Employer contributions - other funds		6,803	19,523
The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 is \$26,788.			
4.2 Materials and services			
Consultants		447,507	324,090
Contractors		8,795,648	8,290,048
Contributions		823,656	726,096
Insurance		522,951	490,204
Legal Expenses		152,088	145,634
Materials		1,070,070	850,912
Information technology and software		407,627	432,429
Utilities		427,440	449,192
Total material and services		12,646,987	11,708,605
4.3 Depreciation			
Property		2,343,381	2,293,319
Plant and Equipment		1,052,646	945,843
Infrastructure		5,259,459	5,263,743
Total depreciation		8,655,486	8,502,905
Refer to 6.1 for a more detailed breakdown of depreciation and accounting policy.			
4.4 Amortisation - intangible assets			
Intangible assets		334,472	765,177
Total depreciation and amortisation		8,989,958	9,268,082
Refer to note 5.2 (b) for a more detailed breakdown of amortisation charges and accounting policy.			

**Notes to Financial Report
For the Year Ended 30 June 2021**

Note 4	The cost of delivering services (Cont)	2021	2020
4.5	Bad and doubtful debts	\$	\$
	Debtors	169,784	11,207
	Total bad and doubtful debts	169,784	11,207
	Movement in provisions for doubtful debts		
	Balance at the beginning of the year	59,422	51,220
	New provisions recognised during the year	8,661	8,981
	Amounts already provided for and written off as uncollectible	(976)	(779)
	Balance at end of year	67,107	59,422
4.6	Borrowing cost		
	Interest - borrowings	22,906	37,081
	Total borrowing costs	22,906	37,081
4.7	Net loss on disposal of property, infrastructure, plant and equipment		
	Written down value of assets disposed	1,433,501	1,370,931
	Less proceeds from sales	(103,227)	(77,747)
		1,330,274	1,293,184
	The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.		
	Refer to Note 6.1 for additional details.		
4.8	Other expenses		
	Auditors remuneration - auditing of the financial report	47,600	46,700
	Auditors remuneration - internal audit	25,030	42,770
	Councillors allowances	194,187	205,456
	Volunteer Services	156,099	208,108
	Other	18,877	111,309
	Total other expenses	441,793	614,343

**Notes to Financial Report
 For the Year Ended 30 June 2021**

Note 5	Our financial position	2021 \$	2020 \$
5.1	Financial assets		
	(a) Cash and cash equivalents		
	Cash at bank and on hand	5,667,779	5,363,846
	Term deposits and at call	5,314,000	12,731,000
	Total cash and cash equivalents	<u>10,981,779</u>	<u>18,094,846</u>
	(b) Other financial assets		
	Term Deposit - current	30,300,000	22,019,500
	Total other financial assets	<u>30,300,000</u>	<u>22,019,500</u>
	Total financial assets	<u>41,281,779</u>	<u>40,114,346</u>

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

Trust funds and deposits (Note 5.3(b))	1,349,442	1,482,283
Statutory reserves (Note 9.1(b))	575,811	556,330
Total restricted funds	<u>1,925,253</u>	<u>2,038,613</u>
Total unrestricted cash and cash equivalents	<u>9,056,526</u>	<u>16,056,233</u>

Intended allocations

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

Cash held to fund carried forward capital works	5,536,788	5,379,977
Grants received in advance (Note 3.4)	4,975,351	1,471,402
Cash held to fund discretionary reserves	19,658,785	19,620,187
Portion of long service leave liability	551,520	520,493
Total funds subject to intended allocations	<u>30,722,444</u>	<u>26,992,059</u>

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with an original maturity of 90 days or less, net of outstanding bank overdrafts.

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

**Notes to Financial Report
 For the Year Ended 30 June 2021**

5.1 Financial assets (Cont.)	2021	2020
(c) Trade and other receivables	\$	\$
Current		
<i>Statutory receivables</i>		
Rates debtors	2,324,533	2,495,261
Provision for doubtful rate debts	(52,480)	(43,946)
Garbage and recycling debtors	466,338	472,218
Special rate scheme	6,328	5,312
Infringement debtors	48,757	38,690
Provision for doubtful debts - infringements	(14,627)	(15,476)
Net GST receivable	159,774	347,541
<i>Non statutory receivables</i>		
Other debtors	356,801	312,846
Government grants	285,809	859,083
Total Current trade and other receivables	3,581,233	4,471,529
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	1,481	2,548
Total trade and other receivables	3,582,714	4,474,077

Short term receivables are carried at invoice amount. There is no impairment of non -statutory receivables.
 Long term receivables are carried at amortised cost using the effective interest rate method.

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

(d) Ageing of receivables		
Current (not yet due)	227,061	971,506
Past due by up to 30 days	241,003	9,846
Past due between 31 and 180 days	15,737	48,468
Past due between 181 and 365 days	52,639	90,670
Past due by more than 1 year	106,170	51,439
Total trade and other receivables	642,610	1,171,929

**Notes to Financial Report
 For the Year Ended 30 June 2021**

5.2 Non-financial assets	2021	2020	
	\$	\$	
(a) Other assets			
Accrued Income	43,632	78,132	
Prepayments	157,746	199,808	
Total other assets	201,378	277,940	
(b) Intangible assets			
Landfill air space	1,586,823	1,864,586	
Software	361,754	337,161	
Total intangible assets	1,948,577	2,201,747	
	Software	Landfill	Total
Gross carrying amount			
Balance at 1 July 2020	428,609	4,469,566	4,898,175
Other Additions	81,303		81,303
Balance at 1 July 2021	509,912	4,469,566	4,979,478
Accumulated amortisation and impairment			
Balance at 1 July 2020	(91,448)	(2,604,980)	(2,696,428)
Amortisation expense	(56,710)	(277,763)	(334,473)
Balance at 1 July 2021	(148,158)	(2,882,743)	(3,030,901)
Net book value at 30 June 2020	337,161	1,864,586	2,201,747
Net book value at 30 June 2021	361,754	1,586,823	1,948,577

Landfill air space represents the unused capacity of the Alexandra landfill. The value of this asset is based on the corresponding landfill restoration provision (refer to note 5.5) adjusted to reflect the portion of unused air space remaining within this landfill. Amortisation is on the basis of the consumption of airspace.

Software assets are amortised as an expense on a straight line basis over the asset's useful life.

**Notes to Financial Report
 For the Year Ended 30 June 2021**

5.3 Payables

(a) Trade and other payables

	2021 \$	2020 \$
Trade payables	1,917,856	2,537,325
Loan Interest	-	5,392
Accrued wages	349,248	700,506
Accrued expenses	41,551	45,961
Total trade and other payables	2,308,655	3,289,184

(b) Trust funds and deposits

Refundable building deposits	50,500	50,500
Refundable planning permit bonds	240,402	261,624
Retention contract deposits	512,274	429,379
Fire Service Property Levy	59,465	121,147
Other refundable deposits	486,801	619,633
Total trust funds and deposits	1,349,442	1,482,283

(c) Unearned income

Grants received in advance - operating	132,997	230,000
Grants received in advance - capital	4,550,434	249,566
Total unearned income	4,683,431	479,566

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 recognised as revenue at the time of the forfeit.

Purpose and nature of items:

Refundable building deposits and planning permit bonds - These amounts have been received from individuals or companies to guarantee performance of obligations under various building permits, planning permits and contract agreements.

Fire Service Property Levy - Council is the collection agent for this 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 this process.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or 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

	2021 \$	2020 \$
Current		
Bank loans - secured	-	178,075
	-	178,075
Non-current		
Bank loans - secured	-	300,481
	-	300,481
Total	-	478,556
The maturity profile for Council's borrowings is:		
Not later than one year	-	178,075
Later than one year and not later than five years	-	300,481
	-	478,556

Bank Loans are secured by a charge over the general rates of the Council.

Aggregate carrying amount of interest-bearing loans and borrowings:

Current	-	178,075
Non-current	-	300,481
	-	478,556

Council paid out all loan borrowings during the year.

**Notes to Financial Report
 For the Year Ended 30 June 2021**

5.5 Provisions

	Employee	Landfill restoration	Total
	\$	\$	\$
2021			
Balance at beginning of the financial year	3,448,326	5,756,563	9,204,889
Additional provisions	1,106,112	-	1,106,112
Amounts used	(861,300)	-	(861,300)
Increase (Reduction) in provision	-	1,561,454	1,561,454
Increase in the discounted amount arising because of the time and the effect of any change in the discount rate	-	(38,532)	(38,532)
Balance at the end of the financial year	3,693,138	7,279,485	10,972,623
2020			
Balance at beginning of the financial year	3,588,848	5,282,461	8,871,309
Additional provisions	795,222	-	795,222
Amounts used	(935,744)	-	(935,744)
Increase (Reduction) in provision	-	481,672	481,672
Increase in the discounted amount arising because of the time and the effect of any change in the discount rate	-	(7,570)	(7,570)
Balance at the end of the financial year	3,448,326	5,756,563	9,204,889
	2021	2020	
	\$	\$	
(a) Employee benefits			
Current provision expected to be wholly settled within 12 months			
Annual leave	968,166	847,462	
Long service leave	111,112	111,112	
	1,079,278	958,574	
Current provision expected to be wholly settled after 12 months			
Annual leave	407,782	407,782	
Long service leave	1,972,651	1,824,009	
	2,380,433	2,231,791	
Total current employee provision	3,459,711	3,190,365	
Non-current			
Long service leave	233,427	257,961	
Total non-current employee provision	233,427	257,961	
Aggregate carrying amount of employee benefits:			
Current	3,459,711	3,190,365	
Non-current	233,427	257,961	
Total aggregate carrying amount of employee benefits	3,693,138	3,448,326	

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

Wages and salaries and annual leave

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

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

**Notes to Financial Report
 For the Year Ended 30 June 2021**

5.5 Provisions (Cont.)

Long service leave

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

Key assumptions	Key assumptions	2021	2020
	- discount rate	0.88%	0.56%
	- inflation rate	2.00%	2.00%
	- settlement rate	12 yrs.	12 yrs.

(b) Provisions - Landfill Restoration

	2021	2020
	\$	\$
Non-current		
Landfill restoration	7,279,485	5,756,563
	<u>7,279,485</u>	<u>5,756,563</u>

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

Key assumptions	2021	2020
- discount rate	0.55%	0.56%
- inflation rate	2.00%	2.00%
- settlement rate	30yrs	27yrs
-estimated cost to rehabilitate	\$5,188,288	\$4,526,467

5.6 Financing arrangements

	2021	2020
	\$	\$
Secured bank loans at fixed interest rates:		
Facility available	-	478,556
Used facility	-	478,556
Unused facility	<u>-</u>	<u>-</u>
Secured bank overdraft subject to annual review and repayable at call:		
Facility available	-	400,000
Used facility	-	-
Unused facility	<u>-</u>	<u>400,000</u>

All loans were paid out during the year and the overdraft facility was cancelled.

**Notes to Financial Report
 For the Year Ended 30 June 2021**

5.7 Commitments

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

2021	Not later than 1 year \$	Later than 1 year and not later than 2 years \$	Later than 2 years and not later than 5 years \$	Later than 5 years \$	Total \$
Operating					
Cleaning buildings services	57,958	-	-	-	57,958
Garbage and recycling collection	1,179,996	1,135,371	1,206,741	-	3,522,108
Internal audit	32,500	-	-	-	32,500
Landfill	-	33,256	-	-	33,256
Library	64,141	66,065	-	-	130,206
Photocopiers and printers	49,995	-	-	-	49,995
Software	208,498	71,500	-	-	279,998
Street sweeping	181,808	-	-	-	181,808
Telecommunications	14,818	-	-	-	14,818
Total	1,789,714	1,306,192	1,206,741	-	4,302,647
Capital					
Bridges	18,556	-	-	-	18,556
Buildings & improvements	653,876	-	-	-	653,876
Car parks	1,645	-	-	-	1,645
Drainage	73,008	-	-	-	73,008
Kerb and Channel	16,199	-	-	-	16,199
Landfill	27,779	-	-	-	27,779
Paths and Cycleways	168,929	-	-	-	168,929
Plant and equipment	738,605	-	-	-	738,605
Roads	2,656,349	-	-	-	2,656,349
Total	4,354,946	-	-	-	4,354,946

2020	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 \$
Operating					
Cleaning buildings services	34,000	-	-	-	34,000
Garbage and recycling collection	1,160,733	1,064,001	1,881,006	-	4,105,740
Insurance	22,050	-	-	-	22,050
Internal audit	32,500	32,500	-	-	65,000
Landfill	44,625	-	-	-	44,625
Library	70,555	-	-	-	70,555
Photocopiers and printers	79,038	-	-	-	79,038
Software	64,002	56,500	-	-	120,502
Street sweeping	181,808	-	-	-	181,808
Total	1,689,311	1,153,001	1,881,006	-	4,723,318
Capital					
Bridges	55,308	-	-	-	55,308
Buildings & improvements	279,094	-	-	-	279,094
Drainage	67,679	-	-	-	67,679
Kerb and Channel	104,207	-	-	-	104,207
Landfill	71,522	-	-	-	71,522
Plant and equipment	256,966	-	-	-	256,966
Roads	2,140,941	-	-	-	2,140,941
Software	37,950	-	-	-	37,950
Total	3,013,667	-	-	-	3,013,667

5.8 Leases

Council has not recognised any right-of-use assets and lease liabilities on the Balance Sheet, in accordance with *AASB 16 Leases*. All assets held by Council have been assessed as either short term or low value.

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

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

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

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

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

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

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

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

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

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

Council has elected to apply the temporary option available under *AASB 16 Leases* which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

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 AUD\$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.

	2021	2020
Expenses relating to:	\$	\$
Short-term leases	-	379
Leases of low value assets	4,313	5,413
Total	4,313	5,792

Non-cancellable lease commitments - Short-term and low-value leases

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

Payable:		
Within one year	1,479	1,479
Later than one year but not later than five years	2,834	4,313
Total lease commitments	4,313	5,792

Notes to Financial Report
For the Year Ended 30 June 2021

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, Infrastructure, plant and equipment

	At Fair Value 30-June-2020	Acquisitions	Contributions	Revaluations	Depreciation	Disposals	Transfers	At Fair Value 30-June-2021
	\$	\$	\$	\$	\$	\$	\$	\$
Land	49,619,819	-	11,418	519,603	-	(135,049)	-	50,015,791
Buildings	66,274,089	1,113,015	-	2,130,447	(2,343,381)	(131,888)	326,242	67,368,524
Plant and Equipment	5,397,941	1,995,340	-	-	(1,052,646)	(64,782)	-	6,275,853
Infrastructure	226,461,077	4,087,613	1,208,544	50,625,057	(5,259,460)	(1,101,782)	2,088,322	278,109,371
Works in Progress	3,417,910	3,331,889	-	-	-	-	(2,414,564)	4,335,235
Total	351,170,836	10,527,857	1,219,962	53,275,108	(8,655,487)	(1,433,501)	-	406,104,775

Notes to Financial Report For the Year Ended 30 June 2021

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

Summary of Works in Progress

	Opening WIP \$	Additions \$	Transfers \$	Closing WIP \$
Buildings	908,921	1,170,202	(326,242)	1,752,881
Plant and Equipment	-	-	-	-
Infrastructure	2,508,989	2,161,687	(2,088,322)	2,582,354
Total	3,417,910	3,331,889	(2,414,564)	4,335,235

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

(a) Property

	Land - specialised \$	Land - non specialised \$	Land Under Roads \$	Total Land \$	Buildings - specialised \$	Buildings - non specialised \$	Total Buildings \$	Work In Progress \$	Total Property \$
At fair value 1 July 2020	-	34,703,282	14,916,537	49,619,819	99,644,208	-	99,644,208	908,921	150,172,948
Accumulated depreciation at 1 July 2021	-	-	-	-	(33,370,119)	-	(33,370,119)	-	(33,370,119)
	-	34,703,282	14,916,537	49,619,819	66,274,089	-	66,274,089	908,921	116,802,829
Movements in fair value									
Additions	-	-	-	-	1,113,015	-	1,113,015	1,170,202	2,283,218
Contributions	-	-	11,418	11,418	-	-	-	-	11,418
Revaluation increments/decrements	-	362,979	156,624	519,603	3,339,593	-	3,339,593	-	3,859,196
Disposals	-	(135,049)	-	(135,049)	(235,476)	-	(235,476)	-	(370,525)
Transfers	-	-	-	-	326,242	-	326,242	(326,242)	-
	-	227,930	168,042	395,972	4,543,374	-	4,543,374	843,960	5,783,306
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	-	-	(2,343,381)	-	(2,343,381)	-	(2,343,381)
Accumulated depreciation of disposals	-	-	-	-	103,588	-	103,588	-	103,588
Revaluation increments/decrements	-	-	-	-	(1,209,146)	-	(1,209,146)	-	(1,209,146)
Transfers	-	-	-	-	-	-	-	-	-
	-	-	-	-	(3,448,939)	-	(3,448,939)	-	(3,448,939)
At fair value 30 June 2021	-	34,931,212	15,084,579	50,015,791	104,187,582	-	104,187,582	1,752,881	155,956,254
Accumulated depreciation at 30 June 2021	-	-	-	-	(36,819,058)	-	(36,819,058)	-	(36,819,058)
	-	34,931,212	15,084,579	50,015,791	67,368,524	-	67,368,524	1,752,881	119,137,197

Notes to Financial Report
For the Year Ended 30 June 2021

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

(b) Plant and Equipment

	Heritage plant and equipment \$	Plant machinery and equipment \$	Fixtures fittings and furniture \$	Library books \$	Works in Progress \$	Total plant and equipment \$
At fair value 1 July 2020	358,172	8,645,234	2,219,057	937,444	-	12,159,907
Accumulated depreciation at 1 July 2021	(42,076)	(4,582,107)	(1,663,926)	(473,857)	-	(6,761,966)
	316,096	4,063,127	555,131	463,587	-	5,397,941
Movements in fair value						
Additions		1,738,560	150,276	106,504		1,995,340
Disposals		(263,748)		(124,089)		(387,837)
Impairment losses recognised in operating result						-
Transfers						-
	-	1,474,812	150,276	(17,585)	-	1,607,504
Movements in accumulated depreciation						
Depreciation and amortisation	(5,005)	(770,570)	(184,691)	(92,380)		(1,052,646)
Accumulated depreciation of disposals		198,966		124,089		323,055
	(5,005)	(571,604)	(184,691)	31,709	-	(729,591)
At fair value 30 June 2021	358,172	10,120,046	2,369,333	919,859	-	13,767,411
Accumulated depreciation at 30 June 2021	(47,081)	(5,153,711)	(1,848,617)	(442,148)	-	(7,491,557)
	311,091	4,966,335	520,716	477,711	-	6,275,853

Notes to Financial Report For the Year Ended 30 June 2021

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

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Work In Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$
At fair value 1 July 2020	220,798,035	64,775,820	12,410,469	21,404,105	2,508,989	318,333,170
Accumulated depreciation at 1 July 2021	(61,111,258)	(22,741,888)	(3,075,325)	(5,998,882)	-	(90,299,921)
	159,686,777	42,033,932	9,335,144	15,405,223	2,508,989	228,033,249
Movements in fair value						
Additions	2,992,945	335,611	251,040	508,017	2,161,687	6,249,300
Contributions	700,441		90,150	417,953		1,208,544
Revaluation increments/decrements	(414,188)			-		(414,188)
Disposals	(1,119,017)	(133,481)	(87,912)	(56,234)		(1,396,644)
Transfers	2,088,322				(2,088,322)	-
	4,248,503	202,130	253,278	869,736	73,365	5,647,012
Movements in accumulated depreciation						
Depreciation and amortisation	(3,826,921)	(707,583)	(494,488)	(230,467)		(5,259,460)
Accumulated depreciation of disposals	191,442	50,257	32,517	20,646		294,862
Revaluation increments/decrements	51,039,245	-	-	-		51,039,245
	47,403,766	(657,326)	(461,971)	(209,822)	-	46,074,647
At fair value 30 June 2021	225,046,538	64,977,950	12,663,747	22,273,841	2,582,354	327,544,430
Accumulated depreciation at 30 June 2021	(13,707,492)	(23,399,214)	(3,537,296)	(6,208,704)	-	(46,852,706)
	211,339,046	41,578,736	9,126,451	16,065,137	2,582,354	280,691,725

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

Acquisition

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

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

In accordance with Council's policy, the threshold limits detailed below have been applied when recognising assets within an applicable asset class. These are consistent with the prior year.

Asset recognition thresholds and depreciation periods		
	Depreciation Years	Threshold Limit \$
Land		1
Land under roads		1
Buildings	30 to 80	5,000
Plant and Equipment		
		\$
fixtures, fittings and furniture	4 to 20	2,000
computers and telecommunication	4 to 10	2,000
heritage and cultural	20 to 200	1,000
library materials	3 to 10	1,000
plant, machinery and equipment	3 to 15	2,000
Infrastructure		
bridges	30 to 100	7,500
drainage	50 to 100	5,000
footpaths and cycleways	20 to 70	5,000
road formations and earthworks	100 to 200	5,000
road pavements	20 to 40	5,000

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

Buildings, 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 infrastructure 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.

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

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

Repairs and maintenance

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

6.1 Property, infrastructure, plant and equipment (cont'd)

Valuation of land and buildings

Valuation of land and buildings were undertaken at 30 June 2019 by a qualified independent valuers Lackaln Black APV Valuers and Asset Managment valuer registration number 66132 and Josh Franklin valuer registration number 102257. An indexed based revaluation was conducted using Valuer General Victoria (VGV) data for all land and building asset classes in June 2021. 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.

Land under roads is valued at fair value. Fair value is based on valuations at 30 June 2018 for land under roads in existence at that date, 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. Valuation of land under roads was undertaken by a qualified independent valuer Marcus Hann valuer registration number 62901. An indexed based revaluation was conducted using Valuer General Victoria (VGV) data for all land and building asset classes in June 2021.

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.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
	\$	\$	\$	
Land	-	34,931,212	-	30-June-2021
Land Under Roads	-	-	15,084,579	30-June-2021
Buildings	-	-	67,368,524	30-June-2021
Total	-	34,931,212	82,453,103	

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken as detailed in the following table.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Valuer
	\$	\$	\$		
Roads	-	-	211,339,046	30-June-2021	Dale Hughes (Talis Consultants)
Bridges	-	-	41,578,736	30-June-2019	Jian Zhao MIE Aust
Footpaths and cycleway	-	-	9,126,452	31-March-2020	John Olson FIEAust (HDS Australia) & Jian Zhao MIE Aust
Drainage	-	-	16,065,137	31-March-2020	Richard Medhurst (HDS Australia) & Jian Zhao MIE Aust
Total	-	-	278,109,371		

6.1 Property, infrastructure, plant and equipment (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 25% 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 \$295 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement cost is calculated on a square metre basis and range from \$100 to \$15,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 8 years to 80 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 20-200 years. Replacement cost are sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2021	2020
	\$	\$
Reconciliation of specialised land		
Land under roads	15,084,579	14,916,537
Total specialised land	15,084,579	14,916,537

6.2 Investment in associates and joint arrangements

Committees of management

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

Notes to Financial Report For the Year Ended 30 June 2021

Attachment 11.1.1

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity
Murrumbidgee Council is the parent entity

Subsidiaries and Associated
There are no subsidiaries and associates

(b) Key Management Personnel

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

Councillors

Councillor - Sandice McAulay to 23/10/2020 – re-appointed Councillor 16/11/2020 - Mayor from 23/11/2020
Councillor - Leigh Dunscombe - Mayor to 23/10/20
Councillor – Sue Carpenter – from 16/11/2020, Deputy Mayor from 23/11/2020
Councillor - Margaret Rae - Deputy Mayor to 23/10/2020
Councillor – Damien Gallagher from 16/11/2020
Councillor – Ilona Gerencer from 16/11/2020
Councillor – Karine Haslam from 16/11/2020
Councillor – John Walsh from 16/11/2020
Councillor - Eric Lording to 23/10/2020 - re appointed Councillor 16/11/2020
Councillor - Charlotte Bisset to 23/10/2020
Councillor - Jackie Ashe to 23/10/2020
Councillor - Rebecca Bowles 23/10/2020

Officers

Chief Executive Officer - Livia Bonazzi (from 9/6/21)
Acting Chief Executive Officer - Michael Chesworth (from 12/10/2020 to 8/6/2021)
Chief Executive Officer - Craig Lloyd (to 11/10/20)
Director Community Engagement - Shivaun Brown
Director Corporate and Community Services - Michael Chesworth (to 11/10/20 from 9/6/2021)
Acting Director Corporate and Community Services - Marilyn Kearney (12/10/20 to 9/6/2021)
Director Assets and Development Services - Vito Albicin

Total Number of Councillors
Chief Executive Officer and other Key Management Personnel
Total Key Management Personnel

12	7
6	5
18	12

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

Short-term benefits	980,668	920,455
Post-employment benefits	72,368	66,158
Long-term benefits	43,741	12,851
Total	1,096,777	999,464

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

\$0 - \$9,999	4	-
\$10,000 - \$19,999	6	-
\$20,000 - \$29,999	2	5
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	1	1
\$60,000 - \$69,999	-	1
\$100,000 - \$109,999	1	1
\$120,000 - \$129,999	1	-
\$180,000 - \$189,999	-	1
\$200,000 - \$209,999	2	1
\$240,000 - \$249,999	1	-
\$260,000 - \$269,999	-	1
	18	12

Notes to Financial Report For the Year Ended 30 June 2021

7.1 Council and key management remuneration (Cont.)

(d) Senior Officers Remuneration

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

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

The number of Senior Officers are shown below in their relevant income bands:

Income Range:	2021 No.	2020 No.
Less than \$151,000	1	-
\$150,000 - \$159,999	4	3
\$160,000 - \$169,999	1	-
\$170,000 - \$179,999	1	-
\$200,000 - \$210,999	-	1
Total Senior Officers	7	4
	\$	\$

Total Remuneration for the reporting year for Senior Officers included above, amounted to:

1,077,938 661,115

7.2 Related party disclosure

(a) Transactions with related parties

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

Goulburn Valley Waste Resource Recovery Group (GVWRRG).

- 1 transaction totalling \$9059.48 relating to annual subscription.
- 2 transactions totalling \$9149.26 relating to draft Kerbside Transition Plans.
- 1 transaction totalling \$1166.14 relating to contribution for Regional Waste Audit Project.
- 1 transaction totalling \$500.00 relating to registration for Plastic Free July.
- 1 transaction totalling \$11,211.20 relating to reimbursement for legal expenses for the Waste Buffer Project.

Marysville Triangle Business & Tourism (MTBT)

- 2 transactions totalling \$145.75 relating to room hire.
- 2 transaction totalling \$3,850.00 relating to contribution for Marysville Visitor Information Centre operating expenses.
- 1 transaction totalling \$6,000.00 relating to Marysville Iconic Trails Grant.
- 1 transaction totalling \$6,000.00 relating to Light Up The Trees Grant.

All transactions relate to entities that are controlled or jointly controlled by Key Management Personnel or close family members. These transactions were made at arm's length with the appropriate delegation, and any conflict of interest appropriately declared and reported.

(b) Outstanding balances with related parties

No balances were outstanding at the end of the reporting period in relation to transactions with related parties

(c) Loans to/from related parties

No loans are in existence as at 30 June 2021 between Council and any related party, nor were any loan transactions entered into during the 2020/21 financial year.

(d) Commitments to/from related parties

No commitments are in existence as at 30 June 2021 between Council and any related party, nor were any commitments made during the financial year.

Notes to Financial Report For the Year Ended 30 June 2021

Note 8 Managing uncertainties

8.1 Contingent liabilities and contingent assets

(a) Contingent assets

There were no contingent assets as at 30 June 2021 (2020 Nil)

Operating lease receivables

The Council has entered into commercial property leases of its Caravan Parks and other property assets. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 99 years.

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

	2021	2020
	\$	\$
Not later than one year	196,211	254,838
Later than one year and not later than five years	705,326	689,112
Later than five years	1,312,123	1,448,402
	<u>2,213,660</u>	<u>2,392,352</u>

(b) Contingent liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme. Matters relating to this potential obligation are outlined in note 9.3. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Legal Liabilities

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

Landfill

Council operates a landfill. Council will have to carry out site rehabilitation works in the future. At balance date Council is unable to precisely assess the financial implications of such works.

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

MAV Workcare

In November 2017, the Victorian WorkCover Authority (the Authority) granted the Municipal Association of Victoria (MAV) a three-year self-insurance licence allowing it to provide workers' compensation insurance to Victorian councils. When the MAV WorkCare Scheme commenced, there were 31 inaugural members, including the MAV.

In accordance with the Authority's decision not to renew the MAV's self-insurance licence, the MAV WorkCare Scheme ceased operation on 30 June 2021. The MAV is continuing to support the orderly transition of claims management responsibilities to the Authority. Council was a participant of the MAV WorkCare Scheme.

The MAV WorkCare Scheme participation agreement stated that each participant would remain liable to make further contributions to the Scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability would continue whether or not the participant remained a participant in future insurance years.

The net financial impact on Council as a result of the cessation of the MAV WorkCare Scheme for the 2020-21 financial year is yet to be determined. Any obligation is dependent upon the Authority's initial actuarial assessment of the tail claims liabilities of the MAV WorkCare Scheme.

In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013, there is a six- year liability period following the cessation of the MAV WorkCare Scheme. During the liability period, adjustment payments may be required (or received) by Council. The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by the Authority.

8.2 Change in accounting standards

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

8.3 Financial Instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables excluding statutory receivables and payables including bank borrowings but excluding statutory payables. Details of the significant accounting policies and methods are disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

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

Interest rate risk

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

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

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

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

Interest rate movements have been significant during the year but have not a material impact on the Council's year end result.

(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 has exposure to credit risk on all financial assets included in the balance sheet. To help manage this risk:

- Council has a policy for establishing credit limits for the entities it deals with;
- Council may require collateral where appropriate; and
- Council only invests surplus funds with financial institutions which have a recognised credit rating specified in the investment policy.

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provides 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.

**Notes to Financial Report
For the Year Ended 30 June 2021**

8.3 Financial Instruments (Cont.)

(d) Liquidity risk

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

To help reduce these risks Council:

- has an investment policy which requires that only surplus funds are invested in financial assets;
- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitors budget to actual performance on a regular basis; and
- sets limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

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

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

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

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes that no movement is expected over the next 12 months.

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 on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed in Note 6.1, Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings and infrastructure assets on a regular basis ranging from 3 to 5 years. The valuation is performed either by experienced council officers or an independent expert valuer.

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 this 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 to sell 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

Due to the inherent uncertainty surrounding the duration of COVID-19 restrictions it is not possible for Council to estimate the full impact on Council's operations, financial position and cash flow at this point in time. This being the case it is not considered practical to provide quantitative or qualitative estimates on the potential financial impacts. Accordingly, no adjustments have been made at balance date to reflect ongoing uncertainties surrounding the COVID-19 pandemic. Council will continue to monitor both the financial and non-financial impacts of COVID-19 on its operations and has put in place mitigating strategies where possible to ensure Council is well positioned to respond to future events whilst continuing as a going concern.

Notes to Financial Report For the Year Ended 30 June 2021

Note 9 Other Matters

9.1 Reserves

	2021 \$	2020 \$
Asset revaluation reserves (a)	284,869,747	231,594,639
Other reserves (b)	20,234,596	20,176,517
	305,104,343	251,771,156

	Balance at beginning of reporting period \$	Increment (decrement) \$	Balance at end of reporting period \$
(a) Asset revaluation reserves			
2021			
Property			
Land	29,870,552	362,979	30,233,531
Land under roads	11,311,452	156,624	11,468,076
Buildings	32,907,649	2,130,447	35,038,096
	74,089,653	2,650,050	76,739,703
Infrastructure			
Bridges	11,119,518	-	11,119,518
Drainage	10,677,238	-	10,677,238
Footpaths and cycleways	7,602,810	-	7,602,810
Roads	128,105,420	50,625,058	178,730,478
	157,504,986	50,625,058	208,130,044
Total Asset revaluation reserves	231,594,639	53,275,108	284,869,747
2020			
Property			
Land	29,324,938	545,614	29,870,552
Land under roads	11,075,405	236,047	11,311,452
Buildings	31,207,036	1,700,613	32,907,649
	71,607,379	2,482,274	74,089,653
Infrastructure			
Bridges	11,119,518	-	11,119,518
Drainage	10,748,846	(71,608)	10,677,238
Footpaths and cycleways	5,961,092	1,641,718	7,602,810
Roads	128,105,420	-	128,105,420
	155,934,876	1,570,110	157,504,986
Total Asset revaluation reserves	227,542,255	4,052,384	231,594,639

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

Notes to Financial Report For the Year Ended 30 June 2021

9.1 Reserves (cont.)	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
(b) Other reserves	\$	\$	\$	\$
2021				
Statutory Reserves				
Public Open Space	556,330	82,700	(63,219)	575,811
Discretionary Reserves				
Defined Benefits Superannuation	1,200,000	-	-	1,200,000
Gifted and Novated Assets	700,948	-	-	700,948
Infrastructure Contributions Parking	41,080	-	-	41,080
Infrastructure Balance MAP funding	498,428	-	(498,428)	-
Infrastructure Maintenance	1,040,130	-	-	1,040,130
Infrastructure	4,915,478	-	-	4,915,478
Landfill and Waste Management	10,893,202	1,473,934	(949,429)	11,417,707
Marysville Caravan Park	151,557	22,439	(36,791)	137,205
Shaw Avenue Redevelopment	43,752	-	-	43,752
Yea Caravan Park	32,882	35,162	(88,920)	(20,876)
Yea Saleyards	102,730	138,091	(57,460)	183,361
Total Other reserves	20,176,517	1,752,326	(1,694,247)	20,234,596

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$	\$	\$	\$
2020				
Statutory Reserves				
Public Open Space	565,204	31,500	(40,374)	556,330
Discretionary Reserves				
Defined Benefits Superannuation	1,200,000	-	-	1,200,000
Gifted and Novated Assets	920,000	-	(219,052)	700,948
Infrastructure Contributions Parking	41,080	-	-	41,080
Infrastructure Balance MAP funding	498,428	-	-	498,428
Infrastructure Maintenance	1,040,130	-	-	1,040,130
Landfill and Waste Management	9,687,748	1,752,678	(547,224)	10,893,202
Marysville Caravan Park	143,674	50,882	(42,999)	151,557
Infrastructure	4,921,996	134,577	(141,095)	4,915,478
Marysville Community Fund	63,531	-	(63,531)	-
Shaw Avenue Redevelopment	43,752	-	-	43,752
Yea Caravan Park	33,593	28,872	(29,583)	32,882
Yea Saleyards	179,379	150,703	(227,352)	102,730
Total Other reserves	19,338,515	2,149,212	(1,311,210)	20,176,517

Notes to Financial Report For the Year Ended 30 June 2021

9.1 Reserves (cont.)

Public Open Space; represents payments from subdividers as specified under the Subdivisions Act, to fund future creation of areas of recreational land.

Defined Benefits; been created to assist in meeting obligations for future funding calls from the Vision Super Defined Benefits Superannuation Fund.

Gifted and Novated Assets ; contains the balance of funds that were held by (VBRRA) the Victorian Bushfire Recovery and Reconstruction Authority for reconstruction projects in Murrindindi Shire when the Authority closed. The funds (also known as VBBRA Cession funds) were transferred by the State Government to Council as further assistance for the new assets gifted after the 2009 bushfires.

Infrastructure Contributions ; represents payments from Subdividers set aside for future infrastructure works relating to provision of car parking.

Infrastructure Balance MAP Funding; represents the final payment received from State Government related to the Murrindindi Assistance Package. Funds have been utilised in the current period to support the Covid support package.

Infrastructure Maintenance; represents funds set aside for addressing council's long term infrastructure renewal obligations.

Infrastructure; has been established as an accumulation fund to plan for the future investment in community infrastructure. Any unallocated savings from the annual capital works program will be transferred to this reserve. The reserve is the consolidation of two previous reserves which had similar objectives – the Infrastructure Unexpended Capital Works reserve and the New and Expanded Assets Reserve.

Landfill and Waste Management; is to be utilised for future works, including site rehabilitation and ongoing monitoring followings the sites closer.

Marysville Caravan Park; is surplus operational funds (rental) set aside for future capital works or operational requirements.

Marysville Community Fund contains funds set aside from the sale of Council land associated with the prior Marysville Retirement Village which are available for reinvestment in infrastructure or programs in Marysville.

Shaw Avenue; represents remaining funds from Council land sales at Shaw Avenue in 2003.

Yea Caravan Park; is surplus operational funds (rental) set aside for future capital works or operational requirements..

Yea Saleyards; is surplus operational funds set aside for future capital works or operational requirements.

9.2 Reconciliation of cash flows from operating activities to surplus

	2021	2020
	\$	\$
Surplus for the financial year	(2,763,856)	(761,994)
Depreciation and amortisation	8,989,958	9,268,082
Contributions - non-monetary	(1,219,962)	(805,323)
Finance Costs	28,298	39,453
(Gain)/loss on disposal of property, plant and equipment, infrastructure	1,330,274	1,293,184
Change in assets and liabilities:		
Decrease in trade and other receivables	891,363	337,735
(Increase)/Decrease in inventories	(10,648)	6,146
Decrease in other current assets	76,562	145,942
Increase/(Decrease) in trade and other payables	(363,731)	1,227,884
Increase/(Decrease) in trust funds and deposits	(132,841)	267,415
Increase unearned income	4,203,865	479,566
Increase in provisions	1,767,734	333,580
Net cash provided by operating activities	12,797,016	11,831,670

9.3 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision My Super/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings for the year ended 30 June 2021, this was 9.5% as required under Superannuation Guarantee legislation.

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 Murrindindi Shire Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119

Funding Arrangements

Murrindindi Shire Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

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

The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6%. The financial assumptions used to calculate the VBI were:

Net investment returns	5.6% pa
Salary information	2.5% pa for two years and 2.75% pa thereafter
Price inflation (CPI)	2.0% pa

As at 30 June 2021, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. Vision Super has advised that the VBI at 30 June 2021 was 109.7%. The financial assumptions used to calculate this VBI were:

Net investment returns	4.8% pa
Salary information	2.75% pa
Price inflation (CPI)	2.25% pa

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 interim 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.

Notes to Financial Report For the Year Ended 30 June 2021

9.3 Superannuation (Cont.)

Employer contributions

Regular contributions

On the basis of the results of the 2020 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2021, this rate was 9.5% of members' salaries (9.5% in 2019/2020). This rate is expected to increase in line with any increase to the SG contribution rate and be reviewed as part of the 30 June 2020 triennial valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers including Council are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2020 triennial actuarial investigation surplus amounts.

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

The Fund's actuarial investigation identified the following for the Defined Benefit category of which Council is a contributing employer:

	2020 (Triennial)	2019 (Interim)
	\$m	\$m
A VBI surplus	100	151.3
A total service liability surplus	200	233.4
A discounted accrued benefits surplus	217.8	256.7

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2020.

The 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 2020.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2020.

Council was notified of the 30 June 2020 VBI during August 2020. (2019: August 2019).

9.3 Superannuation (Cont.)

The 2021 interim actuarial investigation

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

Enterprise bargaining agreement

Staff employed under Councils Enterprise Bargaining Agreement are entitled to additional superannuation depending on years of service as outlined below;

Years of service between 10- 15 1%

Years of service greater than 15 2%

9.4 Impact of COVID 19 pandemic

On 30 January 2020, Covid-19 was declared as a global pandemic by the world health organisation. The impacts were disruptive and significant, but do not cast any doubt on the ability of the entity to continue as a going concern. Various measures were taken to reduce the spread of Covid-19. initiatives were implement to assist the community to mitigate the financial and social impacts. Council operations for the financial year ended 30 June 2021 were impacted in the following areas:

Commercial rent agreements were paused for a period. This resulted in a decrease in rent revenue of \$40,000.

An additional \$430,000 of expenses were incurred including, tourism and business support, extra cleaning, vehicle rental to ensure appropriate social distancing, signage and personal protective equipment.

The Covid-19 pandemic was a consideration to judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates particularly in relation to the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1). At reporting date any material impact was not apparent.

Note 10 Change in accounting policy

10.1 Change in accounting standards

Council has adopted

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

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material.

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

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework

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

10.2 Change in accounting estimates

Road formations for the current year have been depreciated over a 200 year period. Road formations in future periods will not be depreciated. This change has no impact on the current period, and will have minimal impact on future reporting periods.

Murrindindi Shire Council
Performance Statement
For the Year Ended
30-June-2021

Description of Municipality

Murrindindi Shire Council ("the Council") is situated 150 kms or 90 minutes north-east of Melbourne.

The Wurundjeri tribe and the Taungurung language speakers are the traditional owners of the land known as the Shire of Murrindindi. European settlement followed Hume and Hovell's overland exploration in December 1824. Many local towns were established during the 1850s and 1860s following the discovery of gold.

The Murrindindi Shire Council was declared on 18 November 1994 by the amalgamation of the former municipalities of Alexandra and Yea, and the addition of parts of the former municipalities of Healesville, Broadford, Eltham, Whittlesea and Euroa.

The main industries of the Shire include agriculture, aquaculture, horticulture, forestry and timber processing, tourism and hospitality, light manufacturing and engineering, retail and trades services, education and public services.

The council covers an area of 3,873 square kilometres, of which 48% is Crown land, and has a population of 14,661 as of the most recent Australian Bureau of Statistics update.

PERFORMANCE STATEMENT						
Sustainable Capacity Indicators						
<i>Indicator / measure</i> [formula]	Results 2018	Results 2019	Results 2020	Results 2021	Material Variations	
Population						
C1 <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,308.21	\$2,494.86	\$2,636.22	\$2,769.96	Increase is due to a revaluation of Council's road assets.	
C2 <i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$21,943.37	\$21,700.64	\$20,696.71	\$24,288.18		
C3 <i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	11.43	11.68	12.03	12.08		
Own-source revenue						
C4 <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,737.85	\$1,805.32	\$1,765.15	\$1,709.24	Decrease in recurrent grants is predominantly due to Council no longer providing Aged & Disability services.	
Recurrent grants						
C5 <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$610.62	\$584.98	\$569.74	\$504.67		
Disadvantage						
C6 <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	6	6	6	6	Increase in staff turnover in 2019/20 was due to Council's decision to withdraw from providing Aged & Disability Services. The result in 2020/21 is due to the end of the grant funded Working For Victoria program which enabled Council to employ a significant number of staff during the financial year.	
Workforce turnover						
C7 <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	9.1%	13.3%	31.8%	33.80%		

PERFORMANCE STATEMENT					
Service Performance Indicators					
Service/indicator /measure	Results 2018	Results 2019	Results 2020	Results 2021	Material Variations
Aquatic Facilities Utilisation					
AF6 <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.42	1.53	0.97	1.51	Free pool entry was provided for the 20/21 season
Animal Management Health and safety					
AM7 <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	New in 2020	New in 2020	0.00%	0.00%	There were no animal management prosecutions in the 2020/21.
Food Safety Health and safety					
FS4 <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	100.00%	100.00%	100.00%	All Critical and major non-compliance items were followed up to ensure compliance with the Food Act 1984 requirements.
Governance Satisfaction					
G5 <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	45.00	55.00	53.00	54.00	There was no significant change in satisfaction with Council decision making in 2020/21
Libraries Participation					
LB4 <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	20.61%	22.08%	20.04%	18.03%	Drop reflects impacts of COVID lockdown on library operations and reluctance of community to return to libraries in a COVID environment.

PERFORMANCE STATEMENT

Service/indicator /measure		Results 2018	Results 2019	Results 2020	Results 2021	Material Variations
Maternal and Child Health (MCH) Participation						
MC4	Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 Participation	100.00%	86.75%	82.11%	87.20%	Refinement of COVID safe service delivery may explain the increase in participation along with targeted follow up of clients that may be overdue for Key Age and Stage visits.
MC5	Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	100.00%	89.19%	89.47%	100.00%	Many other health services ceased face-to-face service delivery during Covid which may explain the increased participation on MCH services which continued some degree of face to face service delivery.
Roads Satisfaction						
R5	Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	42.00	48.00	50.00	48.00	Slight reduction in the satisfaction of Sealed roads due to a wetter than normal Summer season.
Statutory Planning Decision making						
SP4	Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	66.67%	100.00%	0.00%	50.00%	Council had two applications determined by VCAT in the reporting period. One decision was set aside by the Tribunal.
Waste Collection Waste diversion						
WC5	Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	34.92%	34.09%	33.59%	34.43%	Recyclables collected at the kerbside increased 9% over the previous year, while garbage collected at the kerbside increased only 5%. It is noted that tenement numbers only increased 2% so that overall each household is generating more waste and even more recycling.

PERFORMANCE STATEMENT									
Financial Performance Indicators									
Dimension/indicator /measure	Results 2018	Results 2019	Results 2020	Results 2021	2022	2023	2024	2025	Material Variations
Efficiency									
Expenditure level									
E2 Expenses per property assessment [Total expenses / Number of property assessments]	\$3,358.70	\$3,645.23	\$3,848.67	\$4,031.60	\$3,624.44	\$3,603.40	\$3,632.05	\$3,661.32	Forecast decrease in 2021/22 is due to one-off initiatives and grant funded programs that will not continue beyond 2020/21.
Revenue level									
E4 Average rate per property assessment [General rates and Municipal charges / Number of property assessments]	New in 2020	New in 2020	\$1,801.56	\$1,784.05	\$1,824.48	\$1,857.33	\$1,890.33	\$1,923.55	
Liquidity									
Working capital									
L1 Current assets compared to current liabilities [Current assets / Current liabilities] x100	471.11%	590.22%	520.81%	382.18%	428.97%	409.39%	390.31%	401.93%	Although a very strong result, the decrease from 2019/20 is due to the recognition of unearned grants as a liability (\$4.7 million). These are grants Council has received, however the matching expenditure will be incurred in future periods. The grant income will be recognised in the Income Statement when the expenditure has occurred or the grant obligation has been met.
Unrestricted cash									
L2 Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	73.14%	12.91%	186.28%	34.58%	344.69%	324.81%	305.44%	316.77%	Council has significant cash holding in term deposits, which are classified as 'financial assets' in our Balance Sheet (\$30.3 million). Although these term deposits are liquid, these cash holdings are excluded from the calculation which understates Council's actual unrestricted cash position. The decrease in the unrestricted cash result for 2020-21 is due to the recognition of unearned grants as a liability.

PERFORMANCE STATEMENT										
Dimension/indicator /measure		Results 2018	Results 2019	Results 2020	Results 2021	Forecasts				Material Variations
						2022	2023	2024	2025	
Obligations										
Loans and borrowings										
O2	Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	4.98%	3.25%	2.24%	0.00%	0.00%	0.00%	0.00%	0.00%	Council extinguished all loan debt in 2021/22.
O3	Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.28%	1.84%	1.07%	2.35%	0.00%	0.00%	0.00%	0.00%	Council extinguished all loan debt in 2021/22.
Indebtedness										
O4	Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	27.74%	22.86%	24.55%	29.98%	24.88%	23.08%	21.42%	19.88%	Increase is due to an adjustment to the Landfill provision which increased following the annual review and alignment with EPA assurance requirements. A recent tender for cell capping costs indicated the previous rates used in the provision calculation were slightly lower than the market price. The majority of the increase is due to a revision of the annual monitoring cost assumption increasing from \$50,000 to \$80,000 per year for a period of 30 years.
O5	Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	New in 2020	New in 2020	80.03%	79.74%	164.78%	91.69%	72.50%	63.72%	
Operating position										
Adjusted underlying result										
OP1	Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	3.11%	1.63%	-7.53%	-16.77%	-9.95%	-7.82%	-8.22%	-7.99%	The adjusted underlying deficit increase is predominantly due to two non-cash end of financial year accounting adjustments: a \$1.4 million adjustment for the value of assets disposed (predominantly the residual balance sheet value of assets that have been renewed), and a \$1.56 million increase to the landfill provision. Council must maintain a provision account for the rehabilitation of the Alexandra landfill site. A review of future rehabilitation requirements identified that the assumption for annual monitoring costs (over 30 years) needed to increase to approximately \$80,000 per year. This is up from the previous estimates of \$50,000 per year.
Stability										
Rates concentration										
S1	Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	58.66%	55.94%	59.89%	61.91%	66.30%	66.49%	67.30%	67.70%	
Rates effort										
S2	Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.48%	0.44%	0.41%	0.40%	0.37%	0.34%	0.32%	0.30%	
Retired measures										
Service / indicator / measure		Results 2018	Results 2019	Results 2020						Comments
Animal Management										
Health and safety										
AM4	Animal management prosecutions [Number of successful animal management prosecutions]	0	1	Retired in 2020						This measure was replaced by AM7 from 1 July 2019.
Efficiency										
Revenue level										
E1	Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,102.16	\$1,108.27	Retired in 2020						This measure was replaced by E4 from 1 July 2019.
Obligations										
Asset renewal										
O1	Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100	53.19%	43.31%	Retired in 2020						This measure was replaced by O5 in 1 July 2019.

Significant accounting policies

Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the Local Government Act 1989 and Local Government (Planning and Reporting) Regulations 2014 (as per the transitional provisions of the Local Government Act 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 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 23 June 2021 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

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

"adjusted underlying revenue" means total income other than -

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

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

"annual report" means an annual report prepared by a Council under sections 98 of the Act

"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

"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 the 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 the 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 authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

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

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

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

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

"local road" means a sealed or unsealed road for which 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 Council to support the health and development of children within the municipality from birth until school age

"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

"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

"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

"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

Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014 (as per the transitional provisions of the Local Government Act 2020).



Graham Haylock CPA
Principal Accounting Officer

Date: 23 September 2021
Alexandra

In our opinion, the accompanying performance statement of Murrindindi Shire Council for the year ended 30 June 2021 presents fairly the results of council's performance in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014 (as per the transitional provisions of the Local Government Act 2020).

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

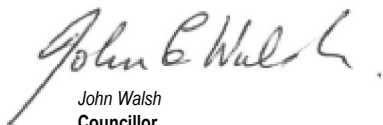
At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

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



Sandice McAulay
Mayor

Date: 23 September 2021
Alexandra



John Walsh
Councillor

Date: 23 September 2021
Alexandra



Livia Bonazzi
Chief Executive Officer

Date: 23 September 2021
Alexandra

Independent Auditor's Report

To the Councillors of Murrindindi Shire Council

Opinion

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

- description of municipality for the year ended 30 June 2021
- sustainable capacity indicators for the year ended 30 June 2021
- service performance indicators for the year ended 30 June 2021
- financial performance indicators for the year ended 30 June 2021
- other information and
- certification of the performance statement.

In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2021 in accordance with the performance reporting requirements of Part 6 of the *Local Government Act 1989*.

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

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 1989* and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.

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 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
27 September 2021



Sanchu Chummar

as delegate for the Auditor-General of Victoria